

Localism and hoover's views on government



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Localism- the policy whereby problems could best be solved at local and state levels. Reconstruction finance corporation- urged by Hoover to be passed; gave more than a billion dollars of government loans to railroads and large businesses trickle-down economics- theory held that money poured into the top of the economic pyramid will trickle down to the base Bonus Army.

How did Hoover's views on government influence his response to the depression? While not believing in charity by the government, Hoover did try to help the economic mess that began during his administration. He gave much of his money to charity and encourage Americans to do the same. He broke with republicans and did away with the taxes that had been placed on citizens during the Coolidge administration. He thought that would allow for more income being spent to help the economy rebound. He spent \$500 million a year on public works and government programs to build or improve government properties.

The most famous was the Hoover (Boulder) Dam. Congress established the Reconstruction finance corporation (continued by FDR) which created an agency to help banks, railroads, and other key businesses to stay in business thus helping the economy. All of these things could not stem the tide of the economic collapse. Hoover believed in a balanced budget and not pumping government money into the economy. He believed in rugged individualism, and relied on the individual, the churches and private charities, and the state governments to handle most of the economic help that was needed.

What facts show that Hoover's policies to reverse the depression failed? Hoover left office with the economy at the depths of an unprecedented depression & with 25% of the labor force unemployed. 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. Businesses often did not use the loans they received to hire more workers.

4. How did MacArthur's tactics in removing the Bonus Army affect Hoover's political future?

President Hoover ordered MacArthur to "surround the affected area and clear it without delay." MacArthur brought up troops and tanks from Fort Myer, Fort Meade, Fort Washington and Fort Howard. After the bonus seekers refused to leave, Hoover eventually ordered the army to forcibly remove them. The marchers collected in a single area and Hoover ordered the siege stopped, but MacArthur continued the assault. Eventually 55 were injured, one woman miscarried and one man who was already sick died. Roosevelt milked the event for all its worth during the campaign of 1932 and suggested that he would have done better. (The Marchers were not actually owed any money, but hoped to pressure the government into giving them an advance on their pension.)