APUSH
1920-1932
POLITICS OF THE TWENTIES &
START OF THE GREAT DEPRESSION
REVIEWED!

American Pageant (Kennedy) Chapter 32
American History (Brinkley) Chapter 22-23
America’s History (Henretta) Chapter 22-23
Politics of the 1920s

• Progressive Era reforms of the previous period are pretty much abandoned in the 1920s.
• Business and government are intimately linked
• Presidents of the decade are all conservative Republicans
  – Election of Warren G. Harding: “return to normalcy”
  – Calvin Coolidge
  – Herbert Hoover
Republican Presidents favor high tariffs throughout the decade.
- **Pro business policies** of the Republican administrations
- **Fordney-McCumber Tariff** (1922) increase tariff

Response to the high U.S. tariffs was Europe raised their own tariffs
- Slows down global trade

This close relationship with business lead to some scandals and corruption

**Teapot Dome Scandal:** Sec. of Interior Albert Fall accepted bribes in exchange for leasing government land to oil companies

Warren G. Harding dies Aug. 1923
• Calvin Coolidge continued the pro business policies

• Famous quote “The business of America is business.”

• Easily wins the election of 1924
  – Progressive party candidate Robert La Follette did surprisingly well (especially amongst farmers and workers)

• Coolidge will not run again in 1928
The Decade that didn’t ROAR: FARMERS AND UNIONS

- Union membership declined throughout the 1920s
  - Companies favored an “open shop” (jobs open to nonunion workers)
  - Red Scare, Palmer Raids had turned public opinion against labor

- Farmers experienced a decade of economic difficulty in the 1920s
  - Following World War I less demand for crops from domestic and international markets
  - Advancements in technology led to large increase in production

  • Too much supply led to lower prices

BAILOR MOTOR CULTIVATORS

Have you placed a Sentimental Value on your Horses out of proportion to the work they are able to perform?
Election of 1928
Republicans nominate Herbert Hoover
Democrats nominate Governor of NY Alfred Smith
- His religion—Catholicism—becomes an issue during the campaign
- He also opposed prohibition
Herbert Hoover wins the election of 1928
International Affairs

• Reminder: The United States rejected U.S. joining the League of Nations

• In the 1920s U.S. does not entirely withdraw from world affairs:
  • Washington Naval Arms Conference (1921): naval disarmament 1) Promote peace (especially in the Pacific) 2) Reduce defense expenditures
  • Five-Power Treaty: set ratios for battleships, U.S. & England agree not to fortify possessions in the Pacific
  • Four-Power Treaty: England, U.S., France, & Japan will respect each other territory in Pacific
  • Nine-Power Treaty: all nations at conference will respect the Open Door policy
  • Kellogg Briand Pact: treaty signed in 1928 that outlawed war
    – But: 1) Cant enforce it 2) allowed defensive wars
• Following World War I the U.S. becomes a creditor nation
  – Loaned large amounts of money to European countries recovering from WWI

• European nations were slow to recover from WWI and repay the war debts to the U.S.
  – High tariffs weakened international trade
  – Germany could not pay its war reparations - the nation was bankrupt and inflation was a major problem

• Dawes Plan (1924)- adjusted German reparations payments
  – American banks would loan money to Germany to help them rebuild and help pay reparations to England and France
  – England and France would use their reparations payments from Germany to pay back loans to the U.S.
  – Stock Market crash in 1929 would end this
GREAT DEPRESSION BEGINS

• Tremendous speculation spiraled the price of stocks upward ("buying of margin")
• October 29th 1929 “Black Tuesday” over 16,410,030 shares of stock sold
  – Stock prices plunge
• Start of the Great Depression
  – Economic collapse in both the U.S. and abroad
  – Massive unemployment (peak at 25%)
  – Thousands of banks fail
  – Foreclosures of homes and farms
  – Soup kitchens and breadlines
  – Many people lived in shantytowns nicknamed “Hoovervilles”
CAUSES OF THE GREAT DEPRESSION

• Overproduction in both agriculture and industry
  – Nation produced more goods than consumed

• Workers wages did not increase enough
  – Uneven distribution of wealth

• Too much reliance on credit
  – Installment plan over-stimulated consumer buying
  – Defaults on loans and bank failures

• International economic problems
  – War reparations, war debts, and high tariffs all contributed to the problem
HOOVER’S RESPONSE

- Initially Hoover was a “rugged individualist” and opposed government intervention

- **Hawley-Smoot Tariff** (1930): highest peacetime protective tariff
  - European nations enacted tariffs against U.S. goods
  - Worsened the depression in both America and abroad

- Economic problems continue, Hoover decides to take **federal action**:
  - **Reconstruction Finance Corporation** (1932) gave federal money to struggling business in the hope that the benefits would then “trickle down.”
    - Federal government would provide money to banks, railroads, and other financial institutions to prop them up.
    - They would then stabilize wages, reduce layoffs, etc. ("trickle down")
Veterans of WWI, like many Americans were suffering a great deal from the depression.

The “Bonus Army” marches to D.C. to demand immediate payment of their bonus.

Set up temporary housing known as “Hoovervilles.”

Hoover sent the army in to clear out the veterans:
- Led by Douglas MacArthur, the veterans are forced out with tear gas and bayonets.

Further tarnishes Hoover’s reputation.

Election of 1932 FDR is going to run against Hoover.
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