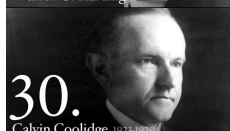


APUSH 1920-1932 POLITICS OF THE TWENTIES & START OF THE GREAT DEPRESSION REVIEWED!

American Pageant (Kennedy) Chapter 32
American History (Brinkley) Chapter 22-23
America's History (Henretta) Chapter 22-23

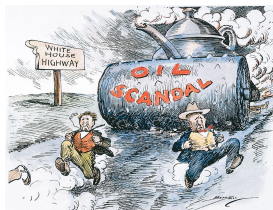
Politics of the 1920s



- 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**

HANDLING BUSINESS

- 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



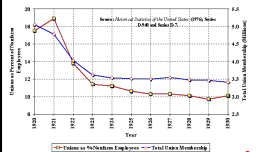
CALVIN COOLIDGE & HERBERT HOOVER

- 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

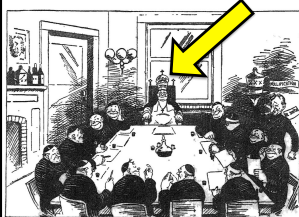
Figure 6: Union Membership, 1920 to 1930



BAILOR MOTOR CULTIVATORS

- **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

Herbert Hoover



- 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) Can't enforce it 2) allowed defensive wars



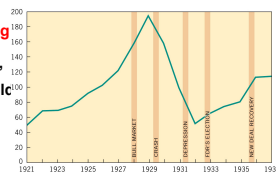
International Finance

- 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")



BONUS ARMY

- **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

