

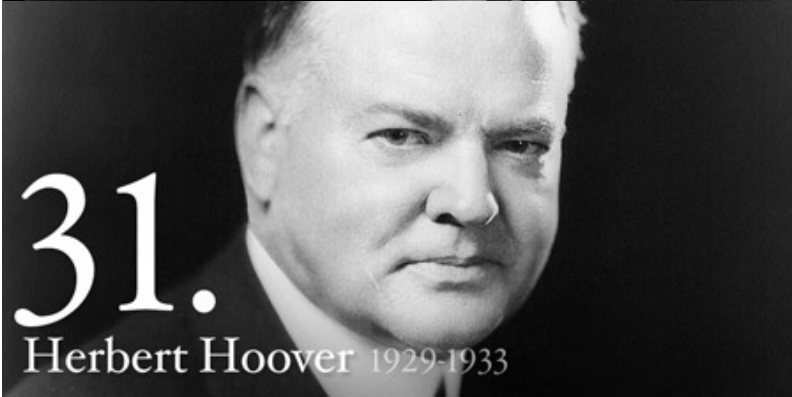
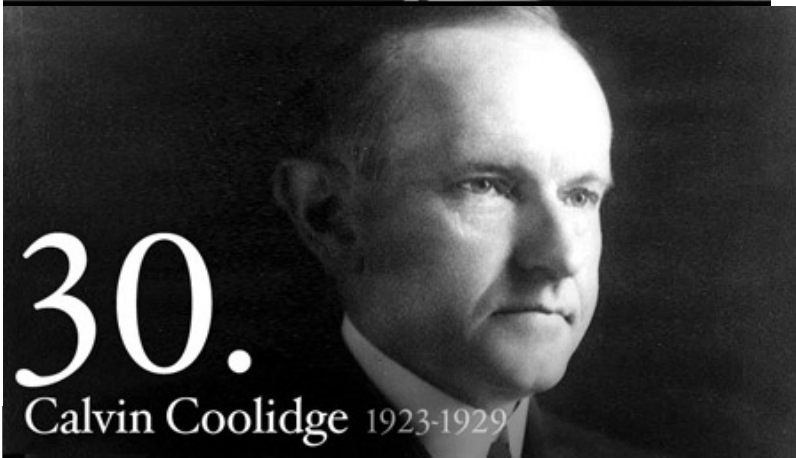
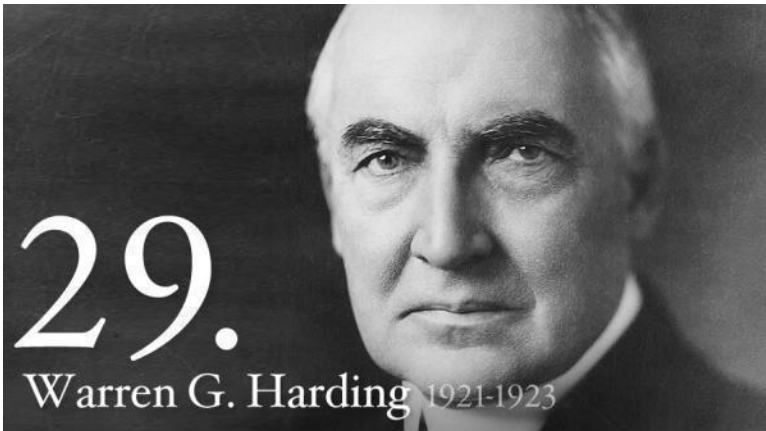
**APUSH**  
**1920-1932**  
**POLITICS OF THE TWENTIES &**  
**START OF THE GREAT DEPRESSION**  
**REVIEWED!**

**American Pageant (Kennedy) Chapter 32**

**American History (Brinkley) Chapter 22-23**

**America's History (Henretta) Chapter 22-23**

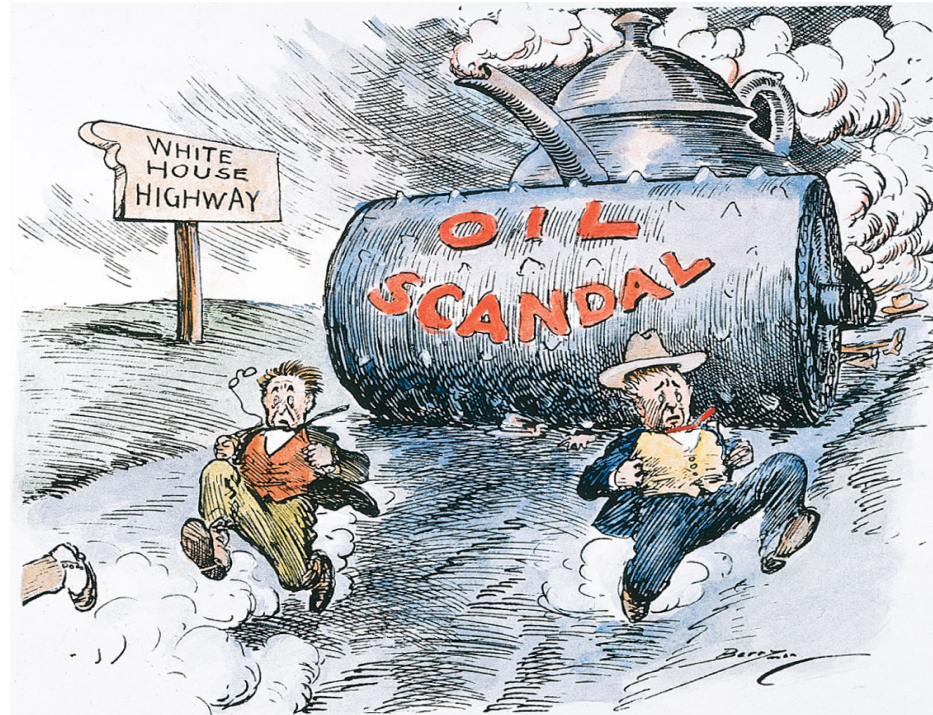
# Politics of the 1920s



- **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



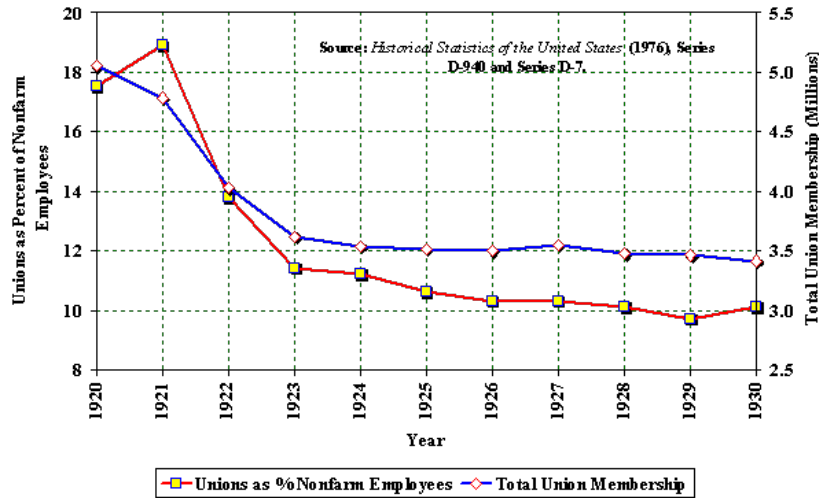
# CALVIN COOLIDGE & HERBERT HOOVER

- 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



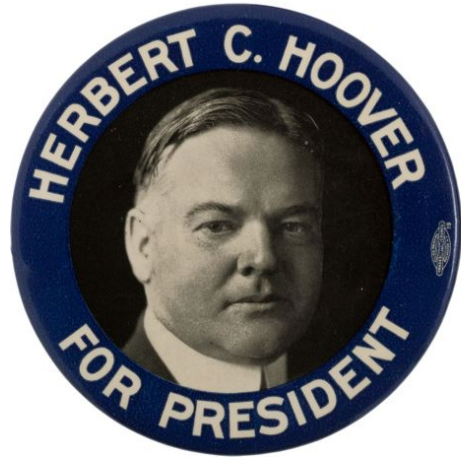
- **Union membership declined throughout the 1920s**
  - Companies favored an **“open shop”** (jobs open to nonunion workers)
  - Red Scare, Palmer Raids had turned **public opinion** against labor

- **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



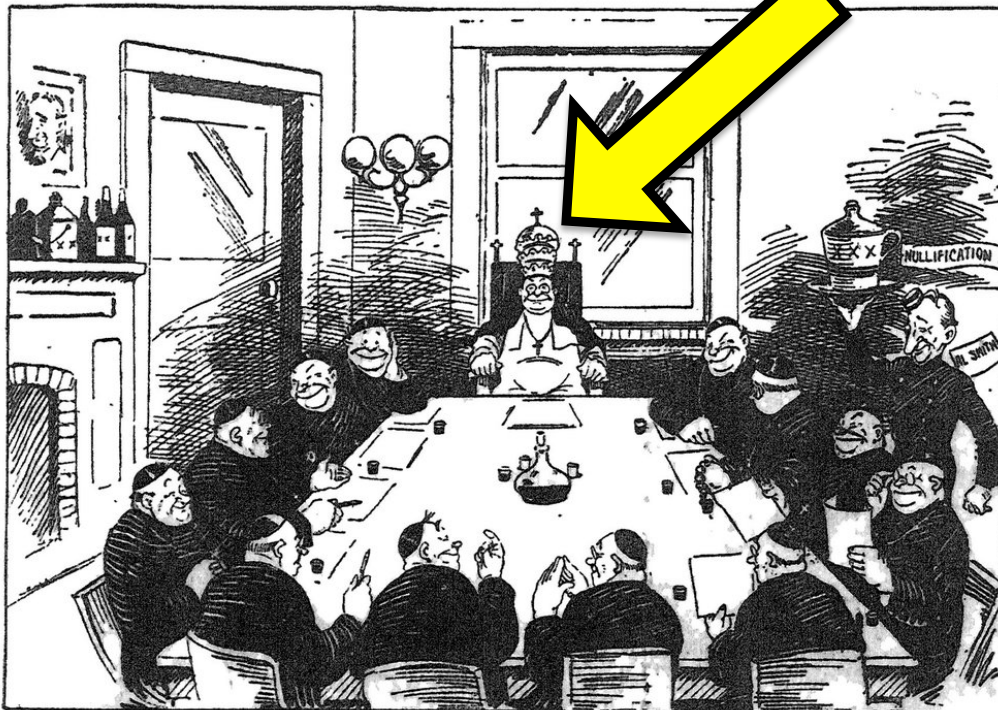
# Herbert Hoover



- 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) Cant enforce it 2) allowed defensive wars



# International Finance

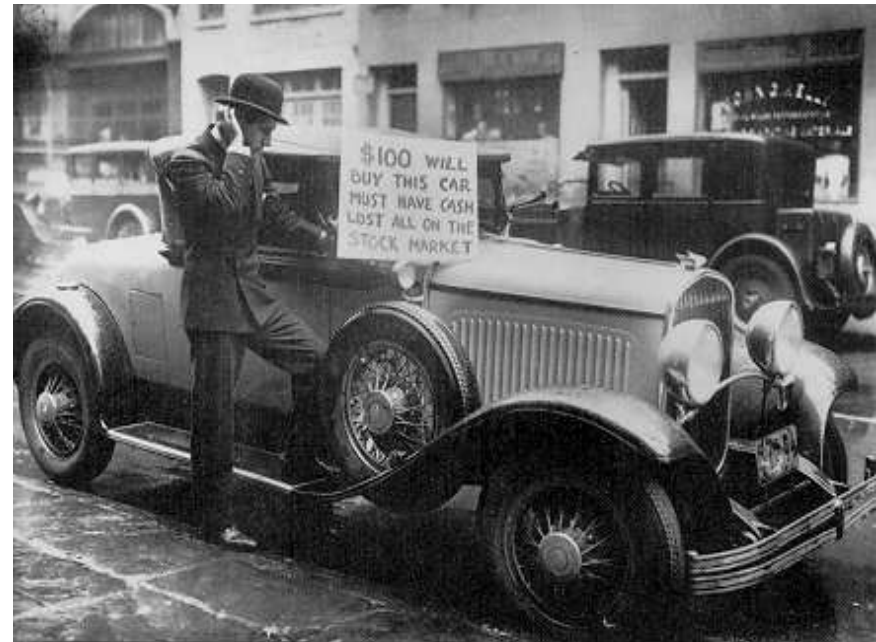
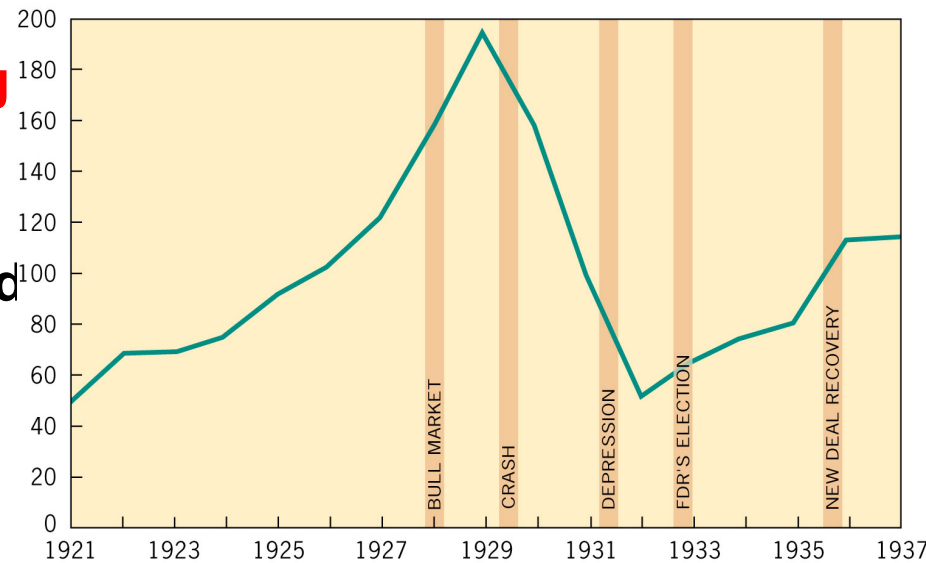


- Following World War I the U.S. becomes a **creditor nation**
  - Loaned large amounts of money to European countries recovering from WWI
- European nations were **slow to recover** from WWI and repay the war debts to the U.S.
  - **High tariffs** weakened international trade
  - Germany could not pay 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 29<sup>th</sup> 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”)

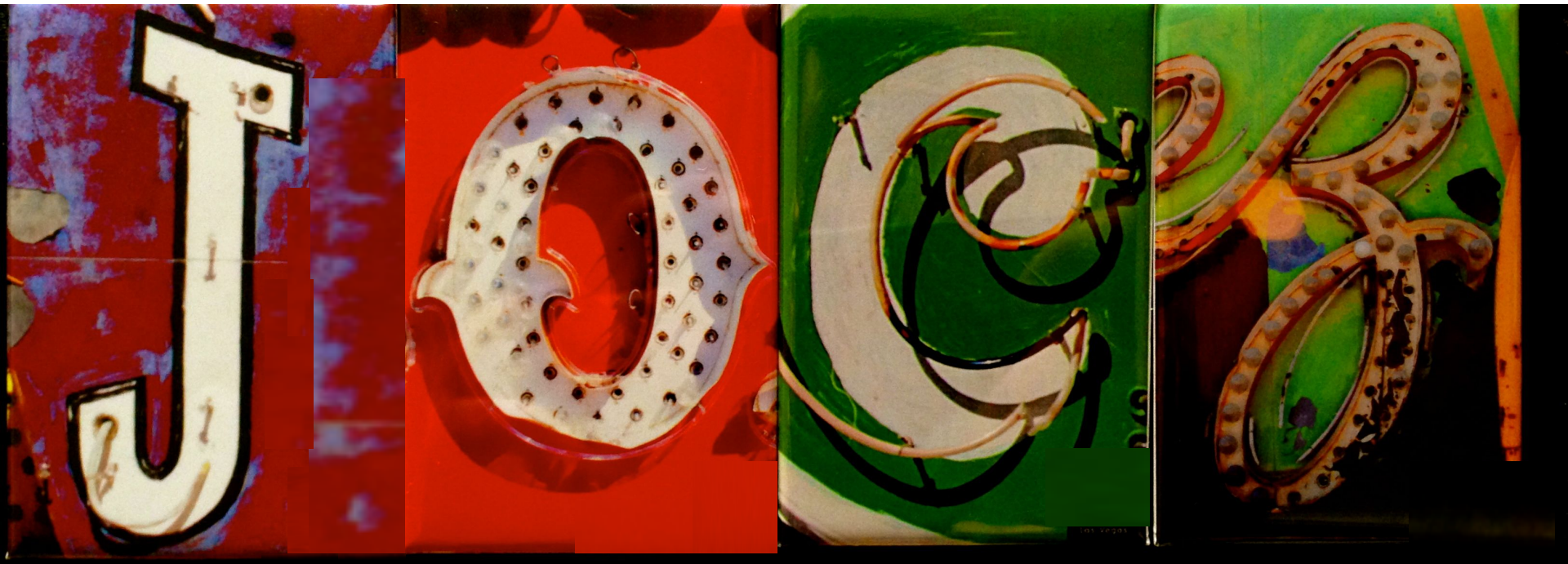


# BONUS ARMY

- 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



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