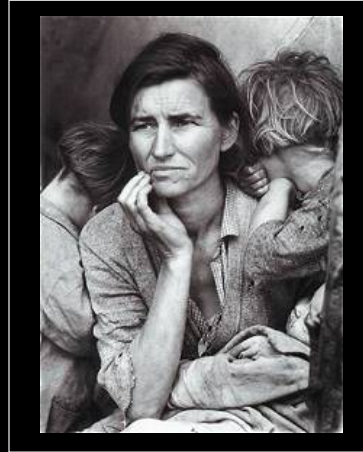


## The Great Depression & Herbert Hoover, 1929-1932



### Topics of Discussion

- I. Introduction
- II. The End of the 1920s
- III. The Great Depression
- IV. Herbert Hoover's Response
- V. The Election of 1932 and FDR



## The Great Depression & Herbert Hoover, 1929-1932



### I. Introduction

- A. The Great Depression was a fundamental challenge to America's image of itself
- B. The Depression resurrected the Democratic Party in national politics
- C. The New Deal fundamentally altered the role of the state in American society
- D. The New Deal ushered in a new era of Liberalism: Laissez-faire; Reform; Rights
- E. The New Deal caused the greatest constitutional controversy since Civil War
- F. The New Deal preserved the capitalist economy in America – dealt with its flaws



## The Great Depression & Herbert Hoover, 1929-1932



### II. The End of the 1920s

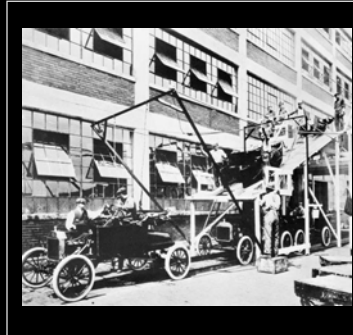
1. Era of Change: Robert and Helen Lynd's *Middletown* and Herbert Hoover's requested analysis, *Recent Social Trends*

2. New Economic outlook and optimism

- A. Real Wages for industrial workers +25%
- B. More leisure time
- C. Industrial Work = 6 day 48 hour week
- D. Consumer culture
- E. Installment buying > more products
- F. Advertising

3. Economic Growth

- A. Manufacturing
- B. Automobile example
- C. Prophets of Future Growth



## The Great Depression & Herbert Hoover, 1929-1932



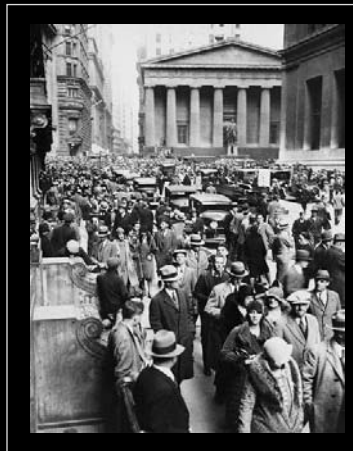
### II. The End of the 1920s

4. Lingering Problems

- A. Over production in factory and on farm
- B. Unequal distribution of wealth
- C. Left too few purchasers
- D. Profits were invested in new production
- E. Buying on Margin
- F. Popular Song

5. The Stock Market Crash

- A. 1928: Stock Prices Soar
- B. September 1929: Fluctuation
- C. John Kenneth Galbraith, *The Great Crash*
- D. Oct 24, 1929 and Oct 25, 1929
- E. Monday, October 28
- F. "Black Tuesday" – 16.4 million shares



## The Great Depression & Herbert Hoover, 1929-1932



## The Great Depression & Herbert Hoover, 1929-1932

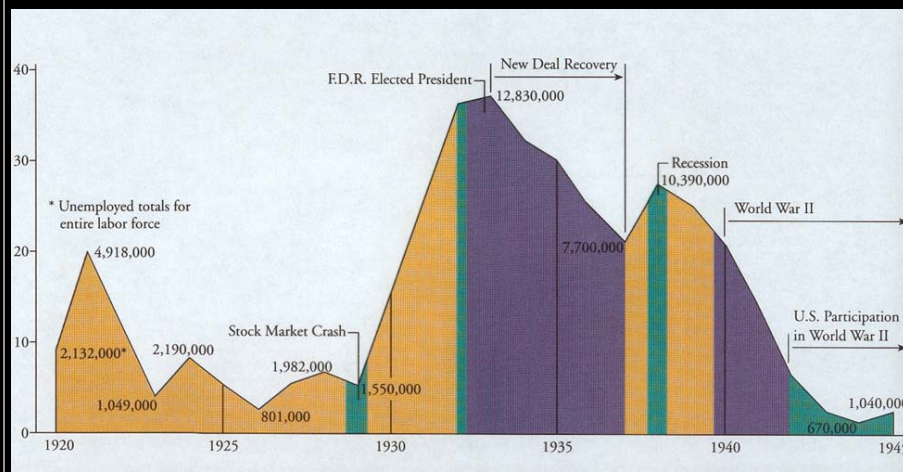


### III. The Great Depression

1. Stock prices continue decline  
Oct 29-Nov 13 > 30 billion lost
2. National Income in Billions  
1929 > 87 | 1930 > 75  
1931 > 59 | 1932 > 42
3. Americans' personal income  
1929 > 82 | 1932 > 40 (million)
4. Unemployment: 3.2% to 24.9%
5. Bank failures: 5000+ by March 1933
6. Business failures -- 26,355 by 1931
7. Farmers struggle -- Foreclosures | Dust Bowl



# The Great Depression & Herbert Hoover, 1929-1932



Percentage of Non-Farm Workers Unemployed



## The Great Depression & Herbert Hoover, 1929-1932



### IV. Herbert Hoover's Response

#### 1. Before Stock Market Crash:

A. April 1929: Called Congress into Special Session on Farm Issues

B. Passage of Agricultural Marketing Act

1. created Federal Farm Board
2. capital of 500 million
3. promote agricultural cooperatives
4. to stabilize markets for farm products
5. voluntary agreements among producers
6. stabilization corps > as last resort
7. stabilization corps buy surplus if cooperatives don't work



## The Great Depression & Herbert Hoover, 1929-1932



### IV. Herbert Hoover's Response

#### 2. Following Stock Market Crash

A. Nov 19-Dec 5, 1929:  
White House Meeting [K, 53-54]

- A1. Fed Cut Rate > Loans Easier
- A2. Industrialists Keep up Wages
- A3. Railways, Utilities, States:  
Public programs for employment

B. May 1930: Hoover predicted recovery [K, 58]

C. Still, Signed Bill for Increased Protection:  
Hawley-Smoot Tariff ( June 1930) [K, 49-50]

- C1. Reversed reduction by W. Wilson
- C2. Highest tariff levels in US History
- C3. Signed by Hoover b/c flexibility



It Works Both Ways

## The Great Depression & Herbert Hoover, 1929-1932



### IV. Herbert Hoover's Response

- D. Fall 1930: Rash of Bank Failures [K, 65-6]
- E. November 1930: Republicans lose control of the House of Representatives [59-65]
- F. Hoover Emphasizes International causes of the Depression [K, 79-80]
- G. 1931: Debt Payments > Hoover's focus
- H. June 20, 1931: Hoover proposes 1 year Moratorium on international debt payments [K, 73]
- I. But, Maintains Gold Standard, which limited the Flexibility of Banks, Lenders, Businesses



## The Great Depression & Herbert Hoover, 1929-1932



### IV. Herbert Hoover's Response

- J. Raises taxes > try to balance budget [K, 81]
- K. Still, 1932 budget = 2.7 billion deficit
- L. Reconstruction Finance Corp (Jan 32) [K, 84]
  - L1. Loans to banks, railroads, life insurance
  - L2. RFC dispensed \$1.5 billion in first year
  - L3. Over 500 institutions received funds
  - L4. Most money went to top companies
  - L5. Trickle Down



## The Great Depression & Herbert Hoover, 1929-1932



### IV. Herbert Hoover's Response

#### M. Hoover's Remaining Problems

1. Unemployment by 1932 [K, 87]
2. "Pathetically inadequate" relief [K, 88, 91]
3. Vetoed Relief Act, July 1932 [K, 91]
4. Compromise Relief Act, July 1932 [K, 91]
5. Veterans Relief – Bonus Army July 1932

#### N. Sets stage for Election of 1932 [92-103]



## The Great Depression & Herbert Hoover, 1929-1932



### V. Election of 1932 and FDR

#### C. Video on FDR and Polio

#### D. FDR Campaign of 1932

#### E. Election of 1932

Roosevelt	472	22,821,857
Hoover	59	15,761,845

