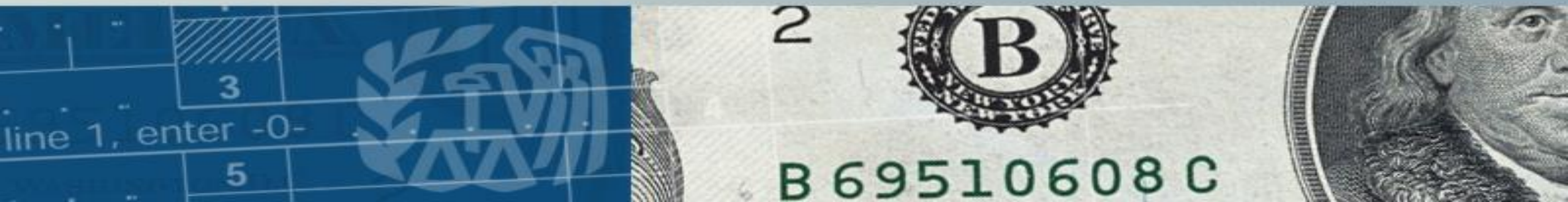
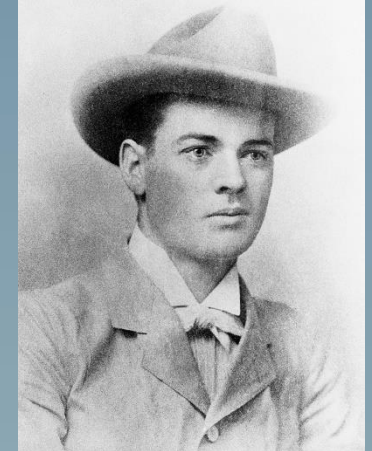
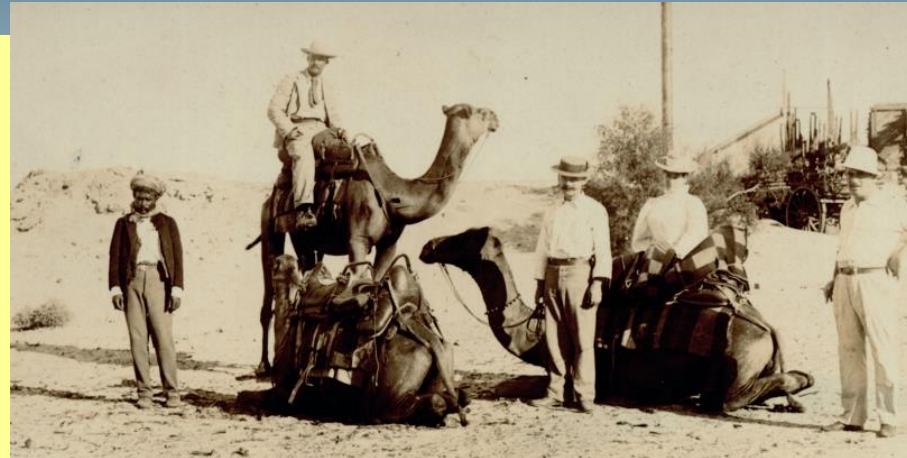


46 Days to AP Exam



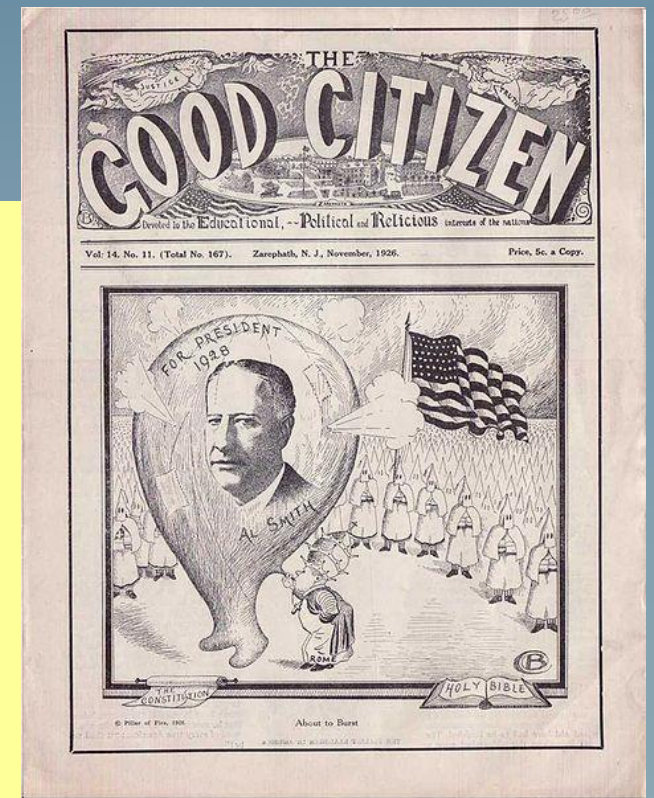
Herbert Hoover

- From orphan to Stanford educated engineer-millionaire
- Viewed as great humanitarian for Belgian food relief during WWI
- Sec. of Commerce under Harding and Coolidge
- Won party's nomination in 1928 for President
 - *Never held elected office or military rank prior!*



1928 Election

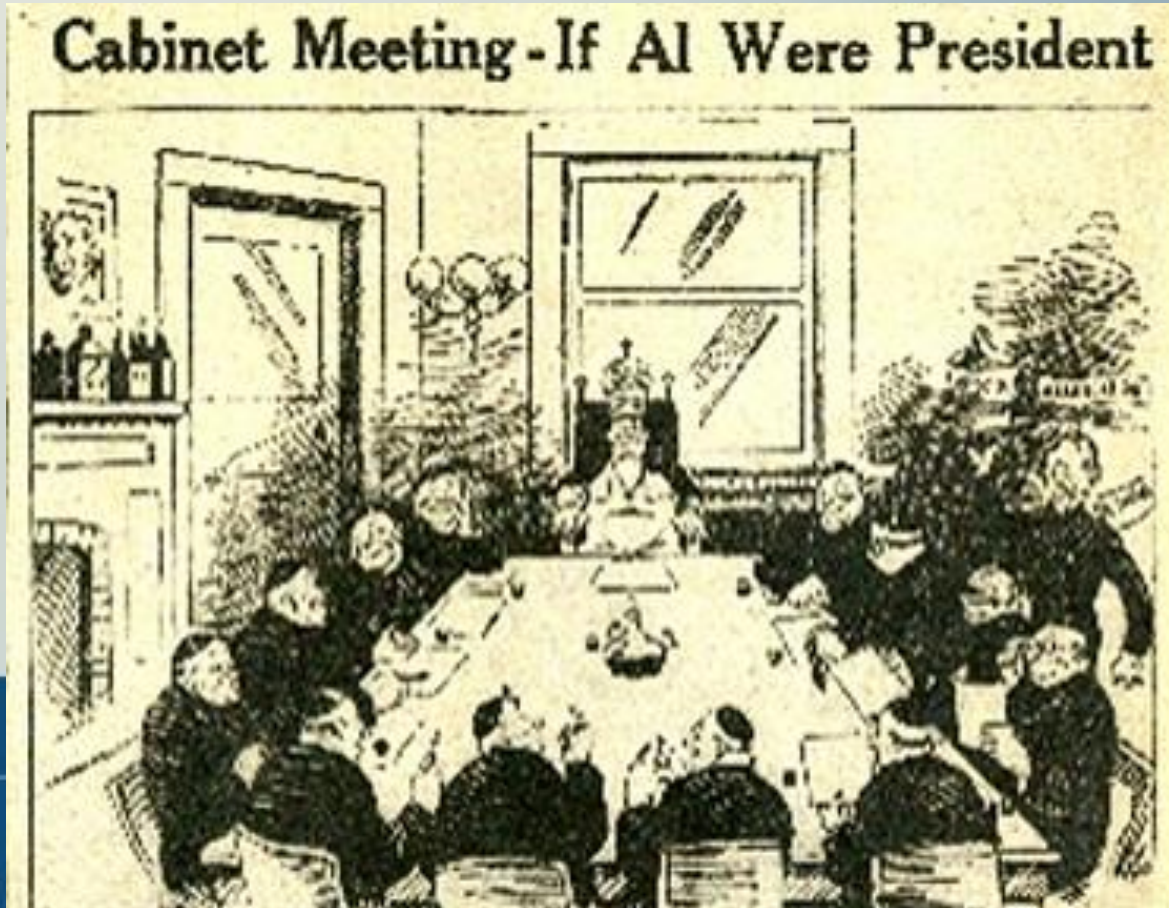
- **Al Smith-Governor of New York**
 - *Tammany Hall start*
 - *Progressive reformer-Triangle Fire*
- **Campaign Issues:**
 - *Prohibition*
 - Smith wanted to relax rules or repeal it
 - *Religion*
 - Smith 1st Catholic to win nomination
 - *Economic Prosperity*
 - Smith open to **price supports** for farmers
 - Hoover: "a chicken in every pot and a car in every garage."



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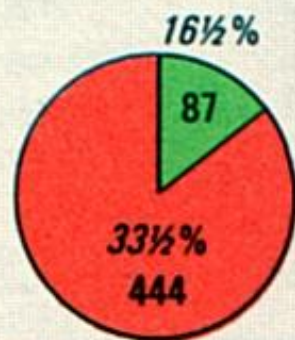
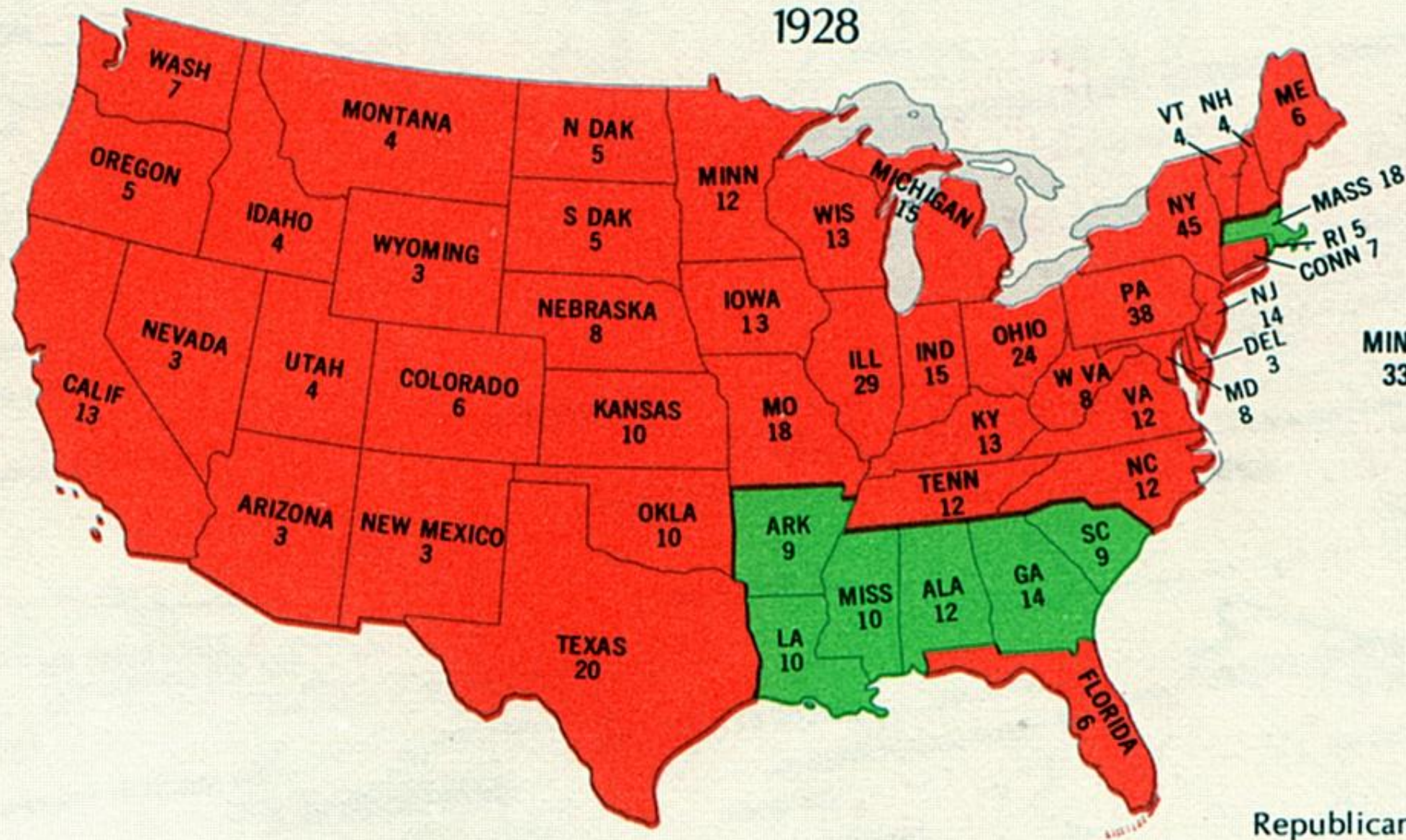
Why was Smith's faith an issue for many Americans?

From the Vatican, the Pope might become too involved in our political decisions

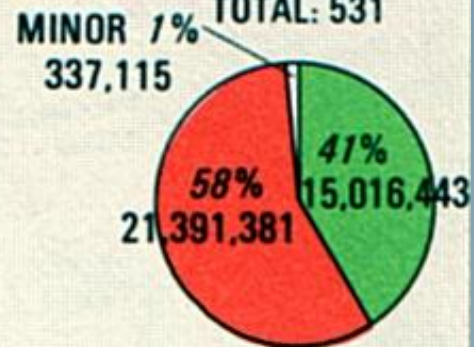


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1928



ELECTORAL VOTE
TOTAL: 531



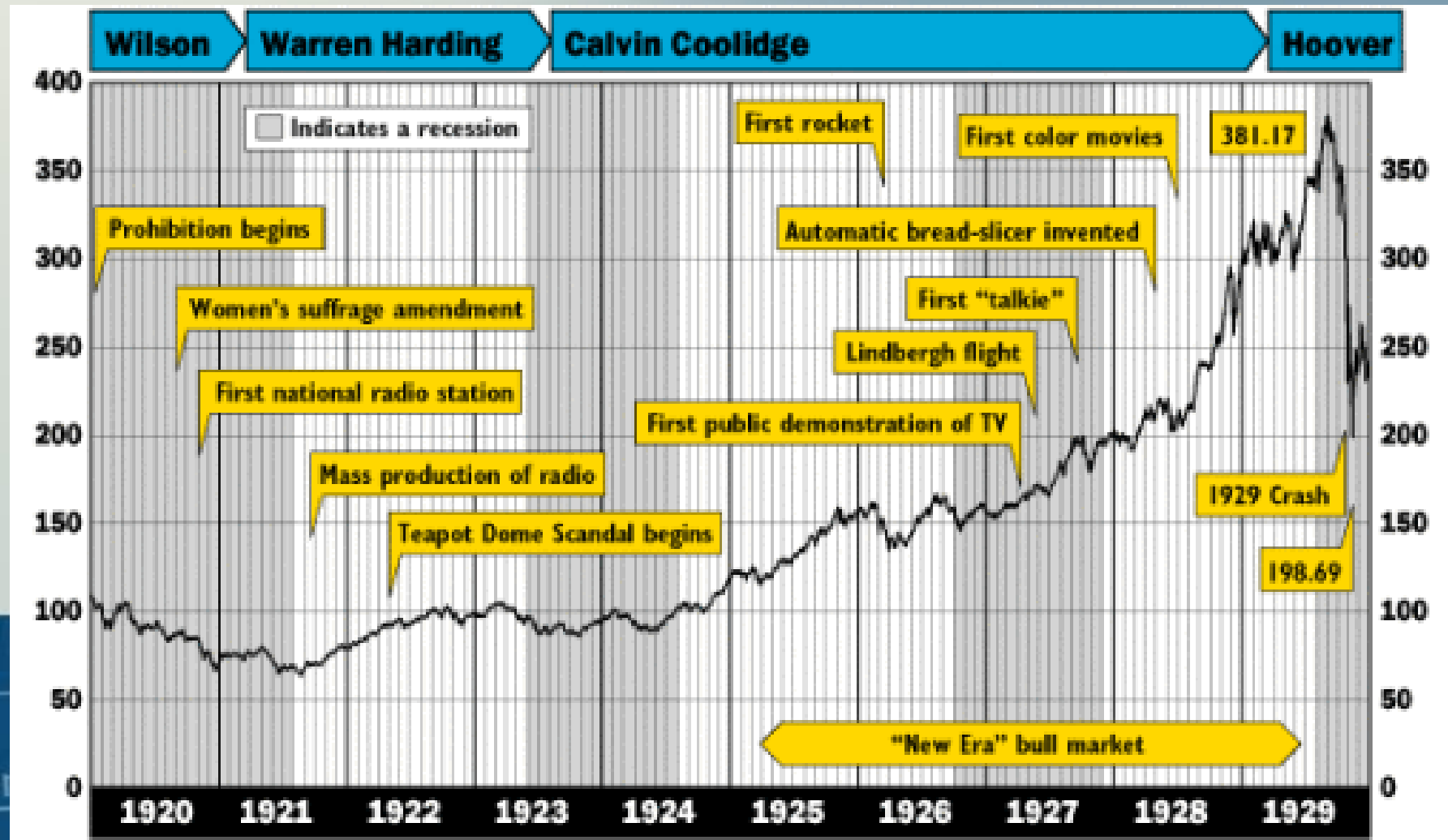
POPULAR VOTE
TOTAL: 36,744,939

Republican (Hoover) ■
Democratic (Smith) ■

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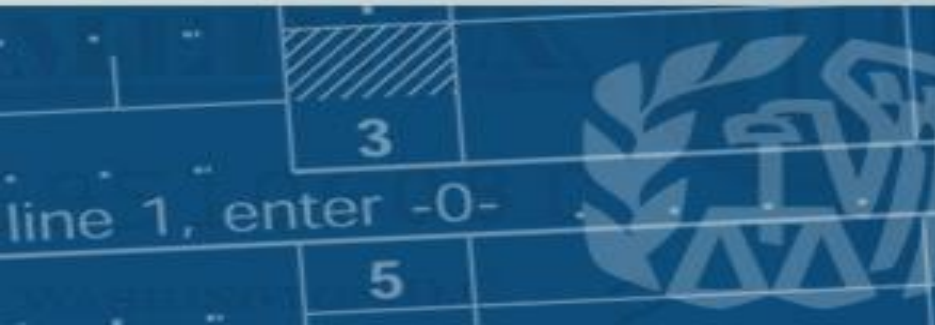
President Herbert Hoover

- ▶ Economy was roaring for many
 - Bull market—intends to keep policies in place that are clearly working



Stock Market Crash

- Economy was near the bursting point.
 - Prices on the stock market were vastly over-valued
 - Market was unregulated
 - Stocks bought on margin
- Black Tuesday-October 29, 1929.
 - More sellers than buyers
 - In two months, investors lost 40 billion, in paper value (=37%)
 - More than total cost of WWI.
- How does this impact others?
 - See next slides



Spiraling effects of the stock crash

- **Bankers call brokers wanting their money!**
↓
- **Brokers go to investors to collect their money to pay the bank loans borrowed by broker for investor**
↓
- **Orders to sell at any price... swamped the market--nobody would buy**
↓
- **Brokers go under--stocks are worthless--investors lose their savings!**
↓
- **Run on the Banks: People begin to panic and go to banks---try to withdraw their money...Banks don't have any money to give back**

- **More workers lose their jobs**
↑
- **Sales fall---more businesses shut down**
↑
- **No money to buy consumer products**
↑
- **Workers lose their jobs**
↑
- **Businesses close---could not pay back loans to banks**
↑
- **Banks close---people lost their savings**

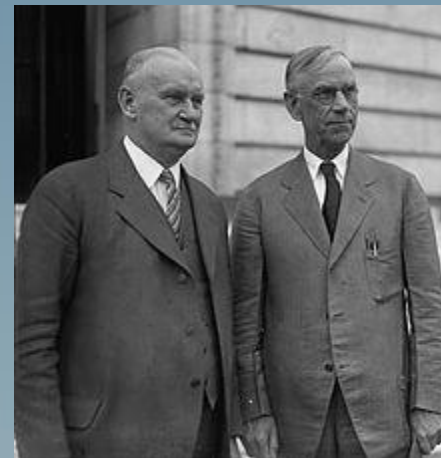
Additional Causes of the Great Depression

1. Over-production (both farm and factory) and under-consumption
2. Over-expansion of credit
 - Buying on margin (10% down/borrow rest) for stocks
 - Installment plans
3. Technology pushed people out of jobs
4. Dried up purchasing from Europe
 - High tariffs
 - War debts
5. Farm problems
 - man-made-debt
 - natural-drought
6. Bank Runs
 - Collapsed banks and wiped out savings accounts
 - Un-insured

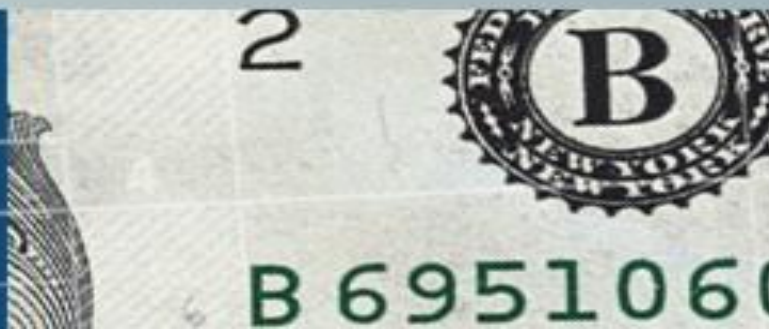


Smoot-Hawley Tariff 1930

- Hoover signed despite hesitancy and pressure not to sign
- Highest tariff in US peacetime history! (Surpassed 1828 Tariff)
 - Raised tariff from 38.5 to nearly 60%.
 - Other nations retaliate: tariff war begins
 - Crippled world trade
 - Played into the hands of rising Nazi movement in Germany



Willis C. Hawley (left) and Reed Smoot



1930 Mid-term Elections

The Republicans lost 49 seats and their majority in the House of Representatives.



"Economic depression cannot be cured by legislative action or executive pronouncement."

"The Crisis will be over in sixty days."



Hoover's attempts to handle the mounting crisis...A New Deal?

▶ In time:

- Voluntary restraints not followed
- States can't handle problems--run out of money
- Private relief organizations strapped

▶ Hoover eventually recommends that Congress vote \$2.25 billion for useful public works.

- Boulder Dam project

▶ 1932—**Reconstruction Finance Corporation** (RFC) signed by Hoover

- \$2 billion directed to banks, local governments, farm agencies etc.
- **Trickle-down** economic theory
 - ▶ Critics claim: Gov't only helping the rich
 - ▶ Plan doesn't work: \$\$\$ doesn't reach those in real need

▶ Compared to his predecessors, Hoover did a great deal during financial emergency

- Republican Congress was often very hostile to Hoover's plans.



Desperate Times Growing

- January 1931: 500 men and women in Oklahoma City broke into a grocery store
- American Communist Party organized marches throughout nation 1931 and 1932
- December 5, 1932: Washington, DC; 1200 hunger marchers
 - “Feed the hungry, tax the rich.”



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Farmer's Revolt

- 1930-1934: creditors foreclosed on nearly one million farms
 - *Response of farmers: see pictures*
 - Problems with this? Think of what is happening in cities at the same time from previous slide



DAIRYMEN Of New York State

For seven long years we Dairymen have been taking it on the chin.

We have kept our machinery going with haywire.

Our barns are falling to pieces.

We have kept dealer profits at an all time high, and

Our families have been without comforts and conveniences.

For seven long years our industry and our lives have been the football of politics and gravy for the Dealers.

All we got from the politicians was promises and stalls.

All we got from The Dealer was the mercy of a mad bull.

The time has come to put the ring in the Dealer's nose and dehorn him besides

If we are going to make New York State a decent place for Dairymen to live

NOW IS THE TIME! - FOR YOUR FAMILY - YOURSELF
- YOUR INDUSTRY - YOUR FELLOW PRODUCERS
ORGANIZE! JOIN

The DAIRY FARMERS' UNION
OF THE STATE ON NEW YORK
TEMPORARY HEADQUARTERS OGDENSBURG, N. Y.

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Breadlines and Soup Kitchens in City Feed Millions



RUN ON THE BANKS

- 
- Banks loaned out their \$\$\$ and had no reserve funds to give customers withdrawing their savings.
 - Banks also lost their investments in the Market after the Crash
 - Went to their banks to withdraw their savings accounts and got nothing!



- Ordinary Americans who never played the market lost money in bank if it failed through no fault of their own
- 9 million people lost entire savings
- No insurance at this time on bank accounts

A Wise Economist Asks A Question

Unemployment 1929-1942

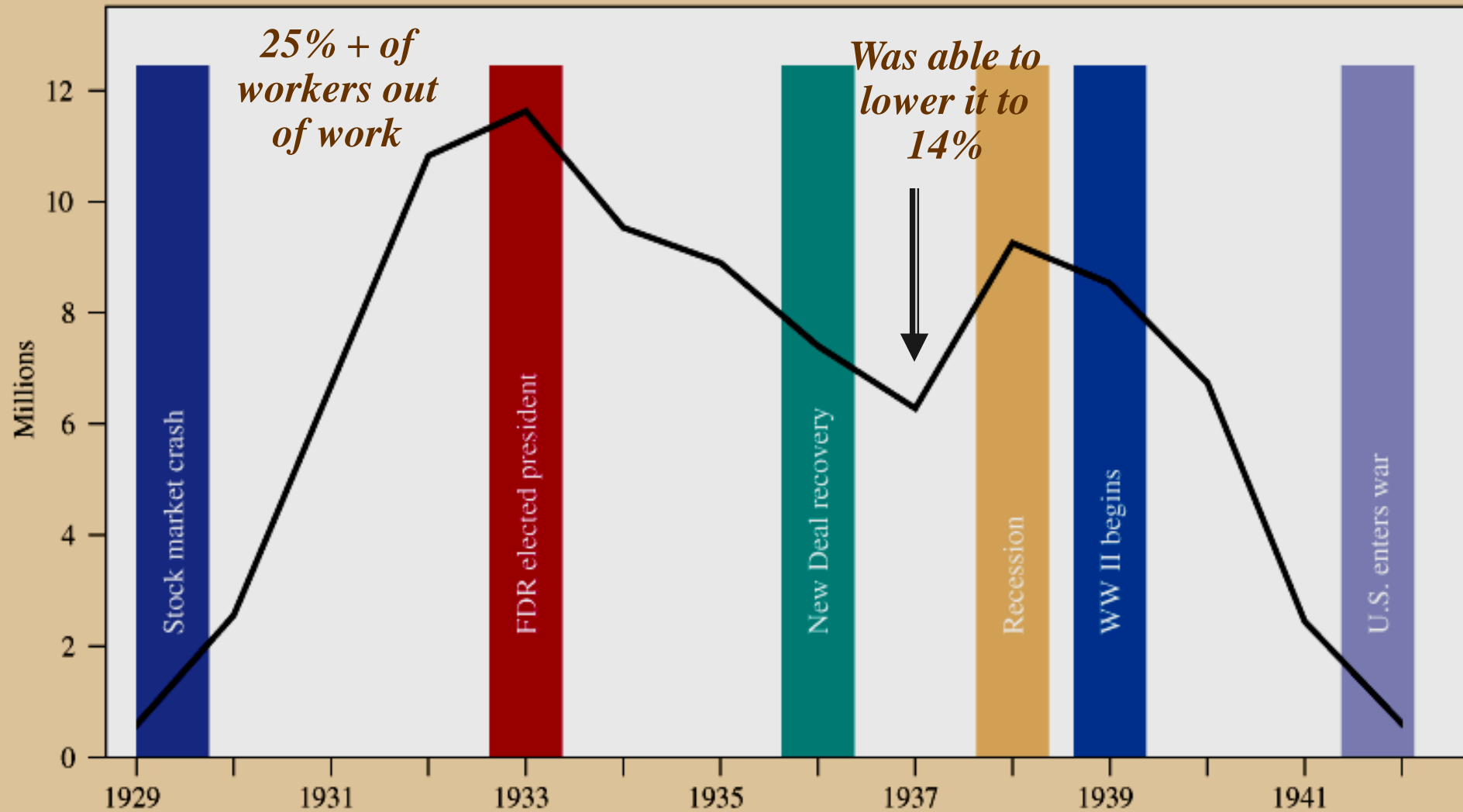


Figure 24.1 Unemployment, 1929–1942

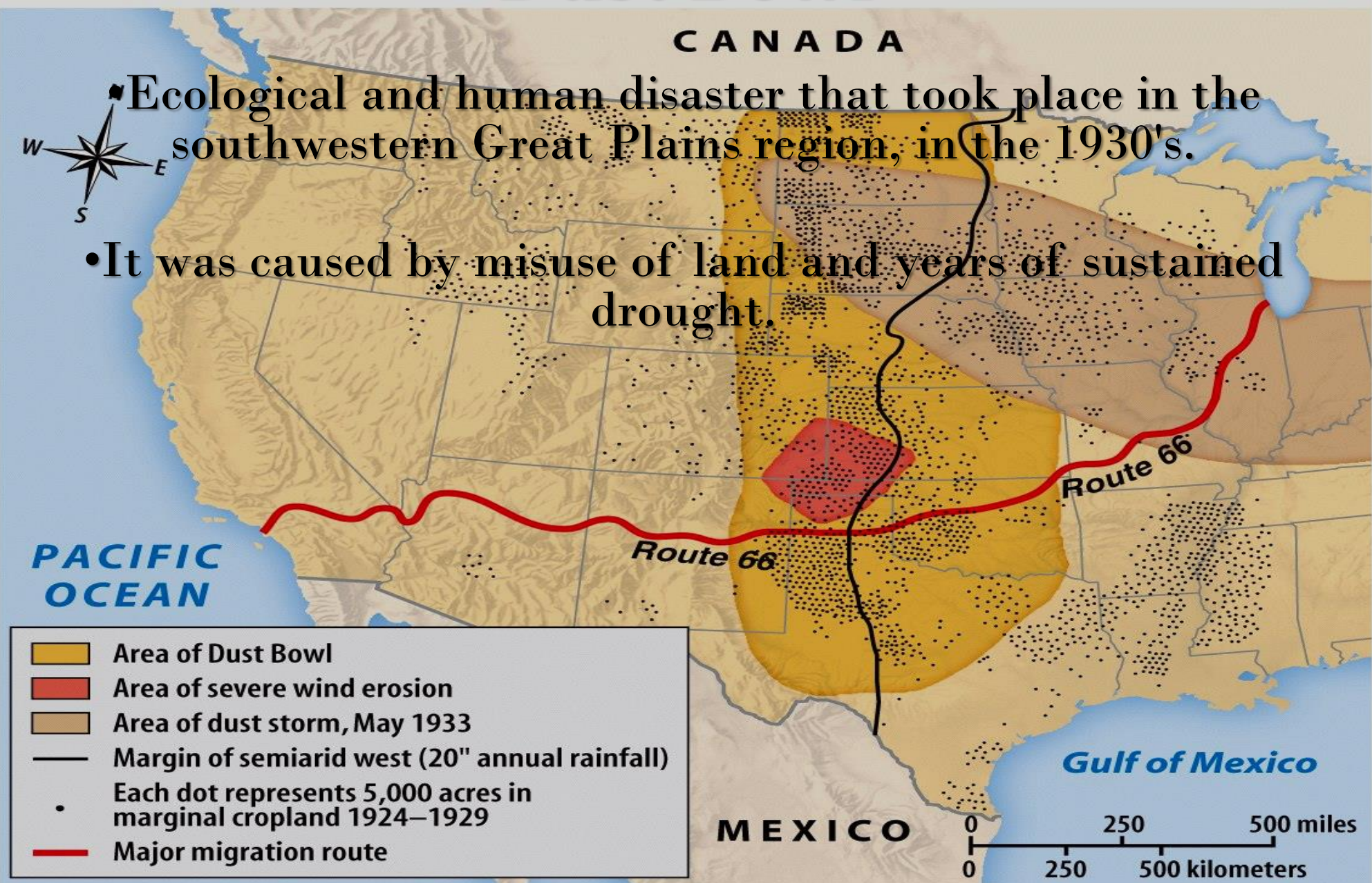
<i>Year</i>	<i>Germany</i>		<i>Japan</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1930	3,075,580	—	369,408	5.3%
1931	4,519,704	23.7%	422,755	6.1
1932	5,575,492	30.1	485,681	6.8
1933	4,804,428	25.8	408,710	5.6
1934	2,718,309	14.5	372,941	5.0
1935	2,151,039	11.6	356,044	4.6
1936	1,592,655	8.1	338,365	4.3
1937	912,312	4.5	295,443	3.7
1938 (June)	429,475	2.0	230,262	2.9

<i>Year</i>	<i>Great Britain</i>		<i>United States</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1930	1,464,347	11.8%	4,340,000	8.7%
1931	2,129,359	16.7	8,020,000	15.9
1932	2,254,857	17.6	12,060,000	23.6
1933	2,110,090	16.4	12,830,000	24.9
1934	1,801,913	13.9	11,340,000	21.7
1935	1,714,844	13.1	10,610,000	20.1
1936	1,497,587	11.2	9,030,000	16.9
1937	1,277,928	9.4	7,700,000	14.3
1938 (Nov.)	1,529,133	10.8	10,390,000	19.0

Dust Bowl

• Ecological and human disaster that took place in the southwestern Great Plains region, in the 1930's.

• It was caused by misuse of land and years of sustained drought.



New Dust Storms
Threaten to Turn
Land Into Desert

KANSAS CITY, March 26 (UP)—A second dust storm blasted region condition "dust 1" Gree

DUST DAMAGE SENDS FARMERS FIGHT TO STOP LOSSES BY DUST STORMS

RAIN IN TWO WEEKS, OR CROP IN DUST BOWL WILL BE TOTAL LOSS, FARM EXPERTS ASSERT
DUST STORMS RAGE FROM KANSAS WEST FAR AS CALIFORNIA

Worst of Year in 'Nation's Bread Basket' Church Services Halted; Second in Two Days Blackens Skies at Guymon, Okla.

Sun Blotted Out at Ponca City: Haze Spreads

BLACK GALE AGAIN HOWLS IN SOUTHWEST

Storm Brings Suffering to Hard-Stricken Section
Man and Beast Forced to Refuge in Built-Up Area

LEGISLATION NECESSARY IN FIGHTING DUST

This storm...

FLYING THRU DUST BOWL WORSE THAN BUCKING BLIZZARDS, SAYS MERNDON, FAMOUS PILOT

Black Blizzard of New Mexico Sweeping East

Kansas, Oklahoma Panhandle and Northwest Tip of Texas Are Hit

Two Planes Make Forced Landings As Black Blizzard Hides Airport

Two airplanes were forced to land at an emergency field eight miles south of the municipal airport Tuesday afternoon when they were caught in a sudden dust storm that reduced the visibility at the airport to "zero." One of the ships was a Varney Air Transport plane en route to Pueblo from El Paso.

THREE YEAR OLD BENSON BOY SURVIVES ALMOST 20 HOURS IN RAGING DUST STORM AND COLD
LAD WALKS INTO FARM EIGHT MILES FROM HIS HOME WHILE 500 SEARCHERS HUNT IN VAIN

Little three year old boy of Two Butte, Mont., survived today, after he had been in the dust storm of Sunday afternoon and Monday morning. Little Ewell Steven Benson Jr., walked a half mile south of Two Butte Monday morning after he had been home.

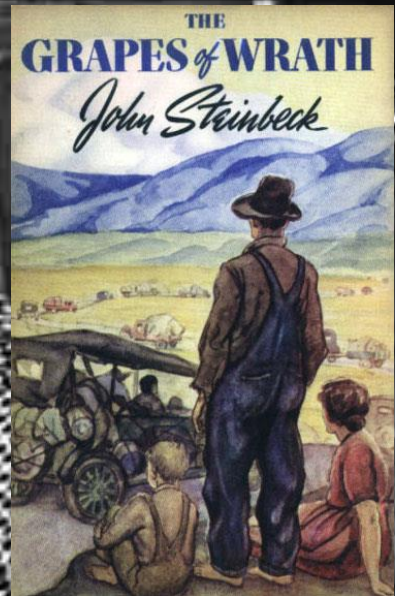
Dust Storm Halts Colorado Traffic
The Denver, Colo., weather bureau has made weather advisory to its regular flight manager, Ed Nollen.

The reasons are: wife, 14-year-old son, 14 daughter, 11-year-old son.

PRAIRIE CENTER TO PRAY FOR MOISTURE

Dust-Bowl Community Says Plea Was Answered Last Year, to Try Again

VICTIM OF DUST STORM RELEASED FROM HOSPITAL



Okies and Arkies packing up and heading to California seeking jobs

- Lost farms in Dust Bowl
- Run into great hostility from locals
 - Steal jobs from locals
 - Depress wages
 - Increase crime rate



Hoover Blamed for People's Struggles

Hoover Stew



Hoover Blankets



Hoover Shoes



Hooverville's



Hooverisms:

Mock term for common items used by Americans during the Great Depression to show their frustration towards the President

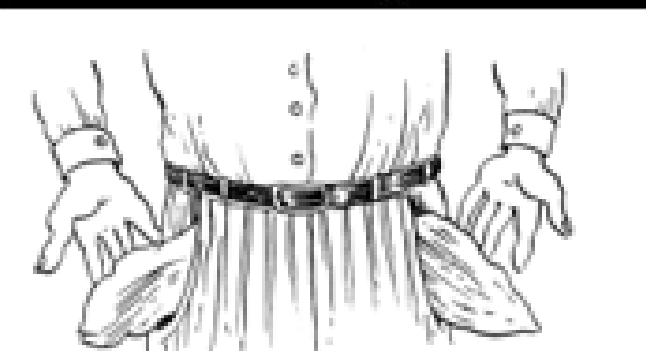
Hoover Wagons



Hoover Hogs



Hoover Flags



Hoover Sofas



Bonus Army



- ▶ WWI Vets were hard hit.
- ▶ Bonus Expeditionary Force to DC to lobby for aid
 - Sought early payment of money promised to be paid in 1945
 - Patman Bill-would give vets their money early



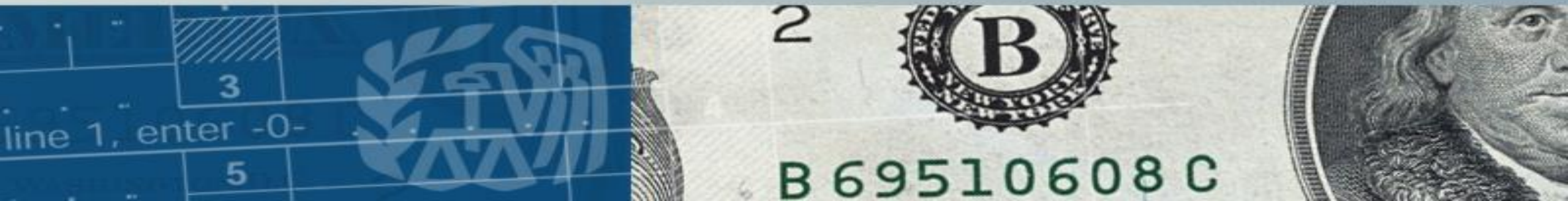


Bonus Army



©Library of Congress

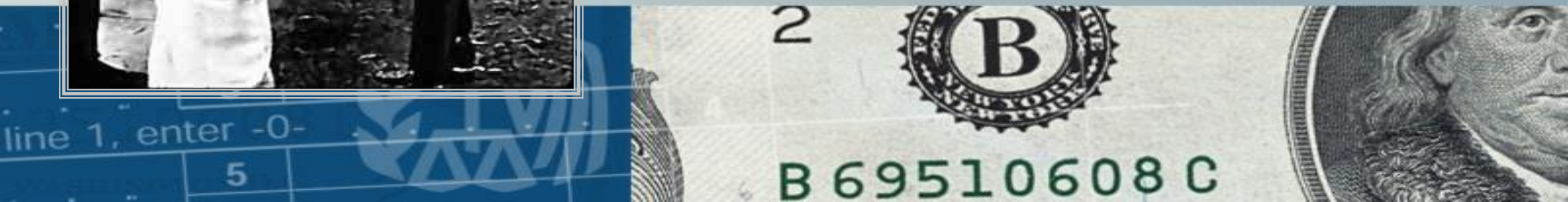
Bonus Army refused to leave Washington, DC until Congress gave them their Bonus.



Bonus Army



- Hoover orders the army to force the marchers to leave
 - Refuses to even meet with Bonus vets.
 - Stays inside White House under protection
- Battle of Anacostia Flats
 - Gen. Douglas MacArthur destroys campsite
 - 2 Veterans and 2 children killed
 - Over 1000 injured



Bonus Army



The American people were appalled how President Hoover solved the problem. People felt Hoover had no compassion and would blame him for the Depression.

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What would you do?

Pretend you were running for President facing the prospects of this:

- ❖ 25% of US population unemployed
 - ❖ *Even more underemployed*
- ❖ Stock prices are below 1929 value and the stock market is not trusted
- ❖ 5,000 banks closed because they loaned out all their money
- ❖ Millions of people have lost jobs, savings accounts, homes and personal property.
- ❖ *50% home under foreclosure*
- ❖ Foreign countries can't make loan payments

- ❖ American companies are not producing goods or services at strong levels
- ❖ The size of the economy continues to shrink
- ❖ A great drought is turning precious farmland into huge clouds of dust and within a year the Great Plains is ruined
- ❖ A new political philosophy called Fascism is on the rise in Japan, Spain, Italy, and Germany.
- ❖ War looms on the horizon.

1932 Presidential Election

Republican

Herbert Hoover (CA) and Charles Curtis (KS)

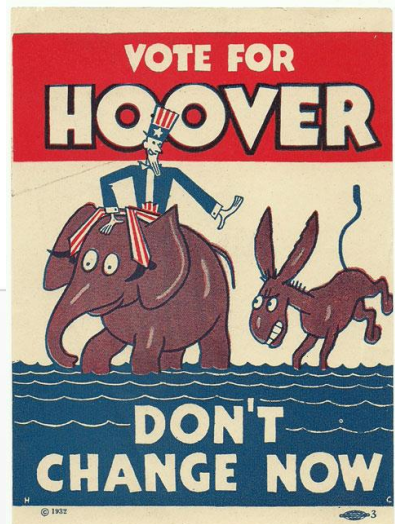
- *Incumbent president picked without much enthusiasm*

Vs.

Democrat

Franklin D. Roosevelt (NY) and John Nance Garner (TX)

- *Governor of New York and Congressman from Texas*



- **FDR proposes a New Deal for the “forgotten man”**
 - *Federal government has responsibility for taking care of citizens*
 - *Promised to repeal prohibition*

- **Hoover opposed “direct” handouts to citizens (welfare)**
 - *Supports Rugged Individualism*
 - *Needed more time for RFC and Boulder Dam*
 - *Images of breadlines and Bonus Army made Hoover appear insensitive*