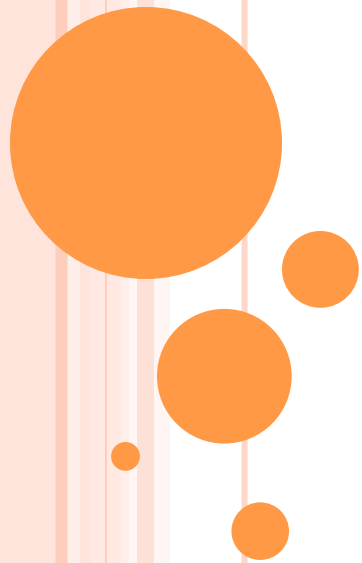
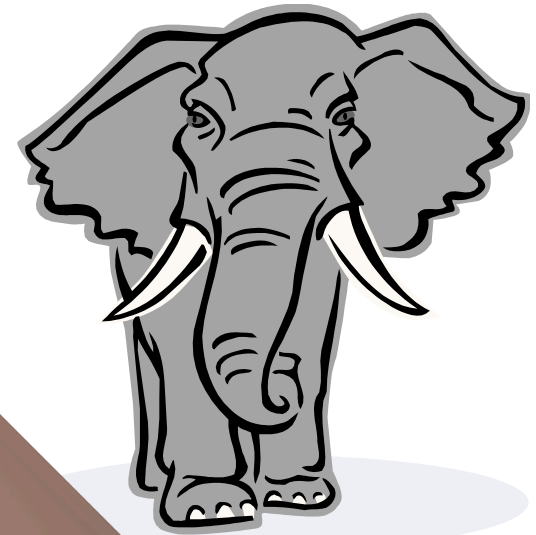


THE
POLITICS
OF BOOM &
BUST



REPUBLICAN PARTY



1900s-1910s
Progressive
economic
regulation

1920s
Laissez-faire &
protectionism

1929-1932
Small-scale
intervention...
too little too late

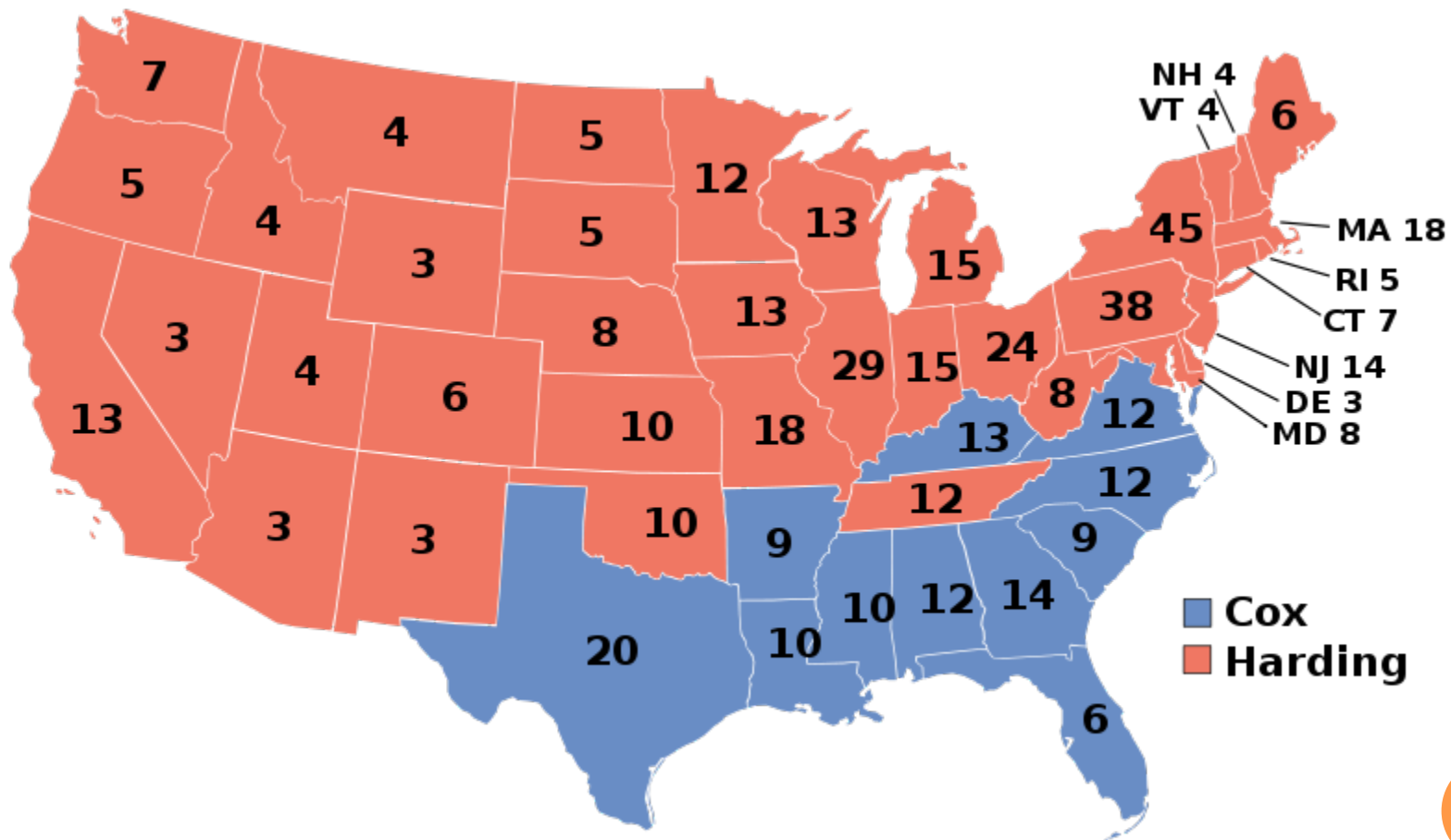




HARDING

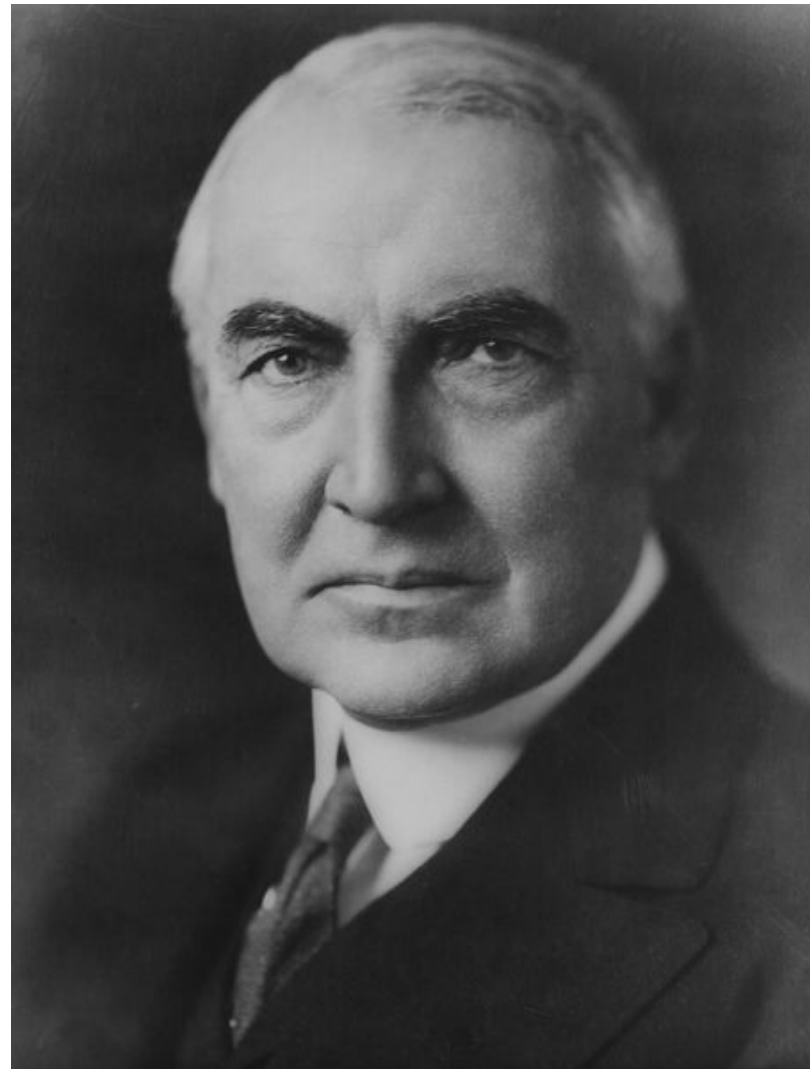
ADMINISTRATION

ELECTION OF 1920



“RETURN TO NORMALCY”

- End of
 - Progressive economic regulation & low tariffs
 - Red Scare & political radicalism
- Return of
 - Laissez-faire & protectionist economics



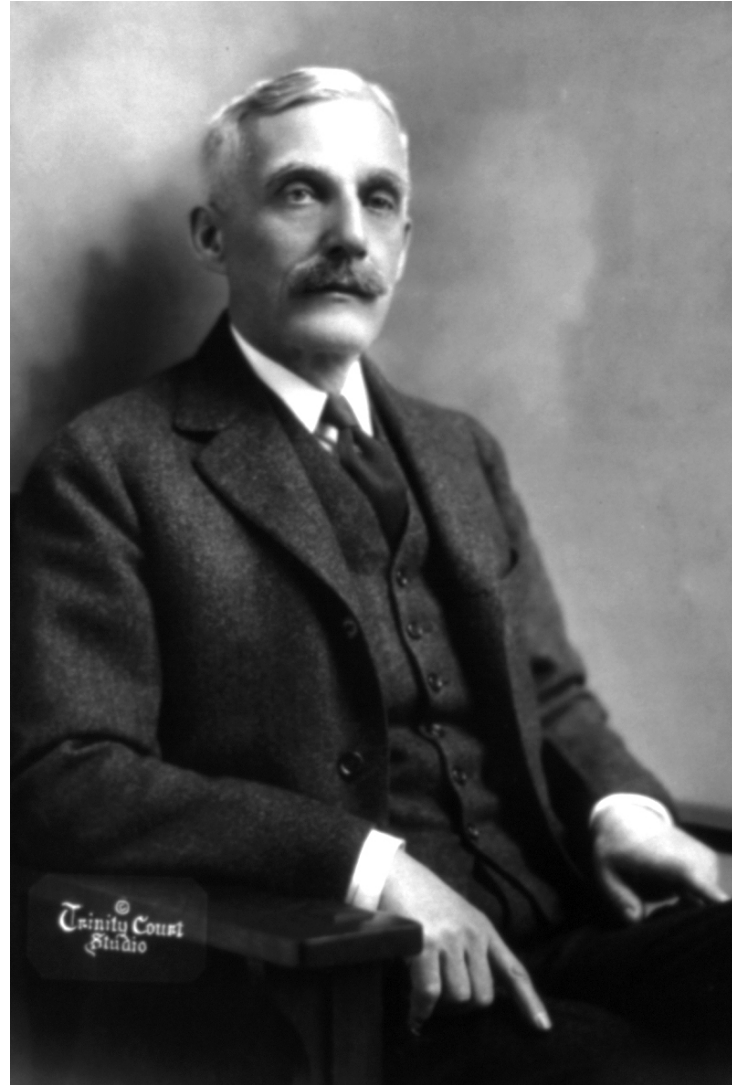
EMERGENCY QUOTA ACT, 1921

- Immigration limits based on national origins
- Based on country-of-origin in 1910 (not 1920) census

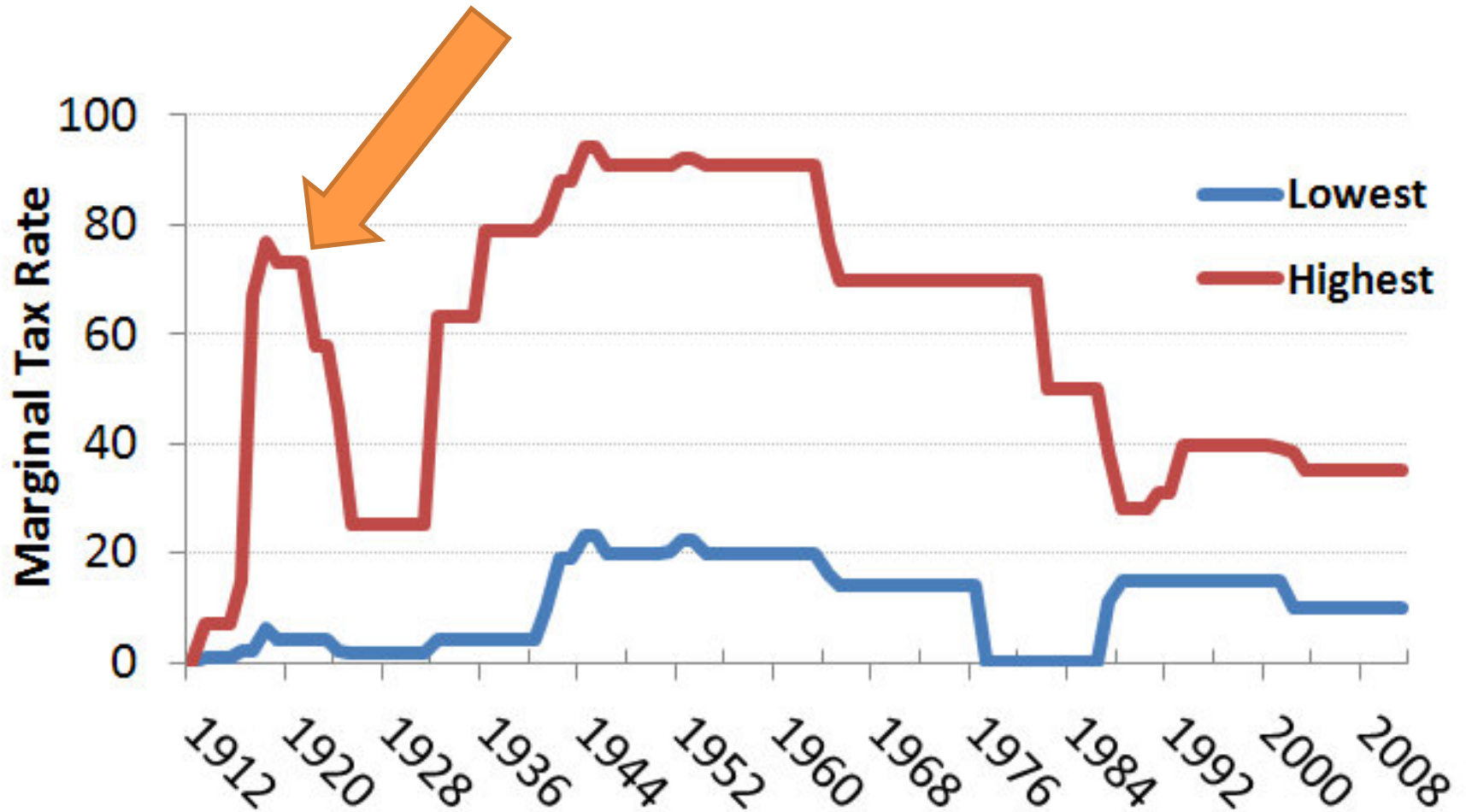


ANDREW MELLON

- Secretary of the Treasury
- Policies favored big business and rapid economic expansion
 - Low taxes
 - High tariffs
 - Capital over labor
 - Deregulation

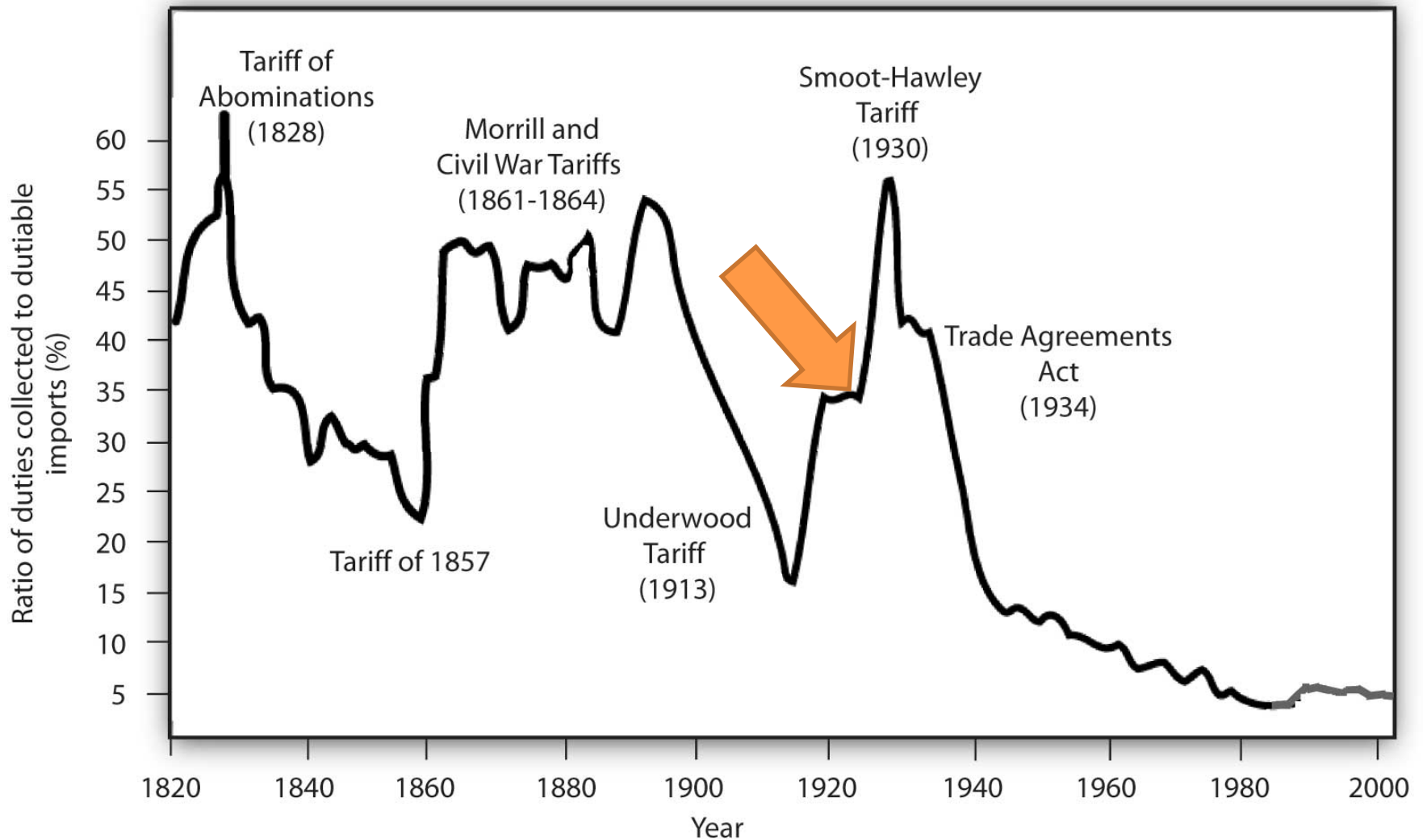


REVENUE ACT OF 1921

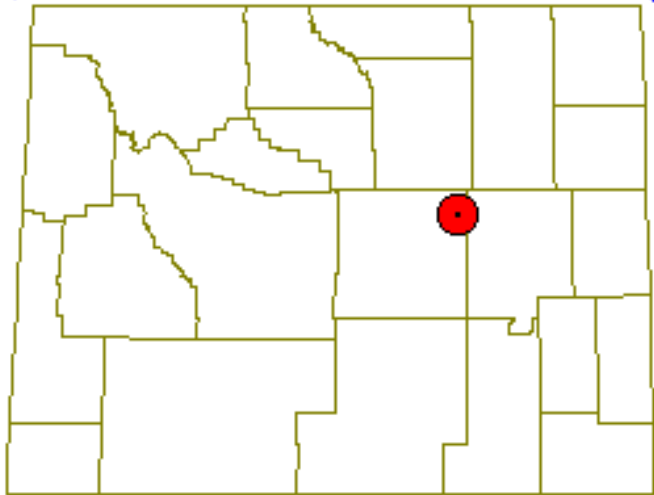
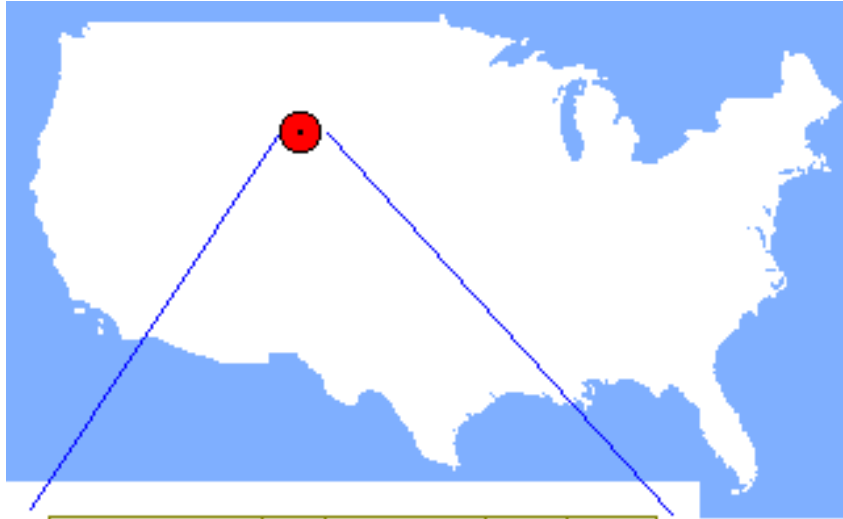


Source: Tax Foundation

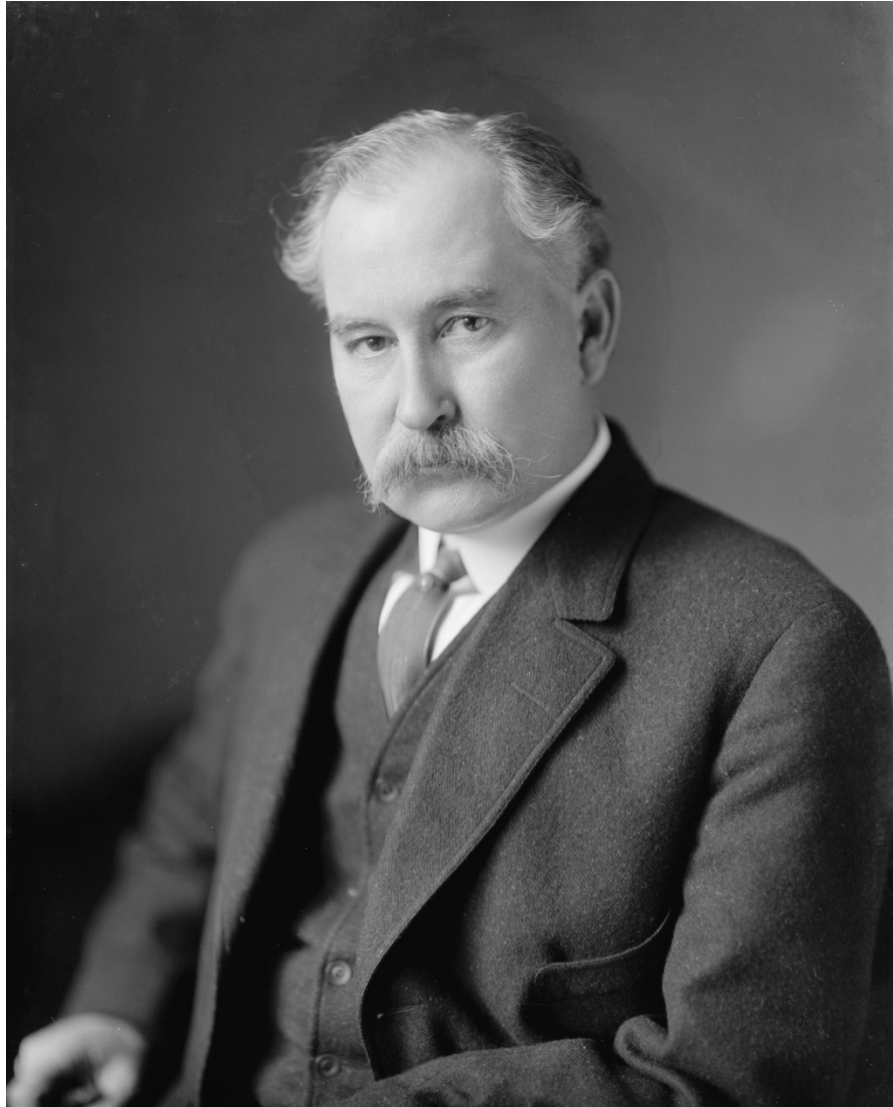
FORDNEY-McCUMBER TARIFF



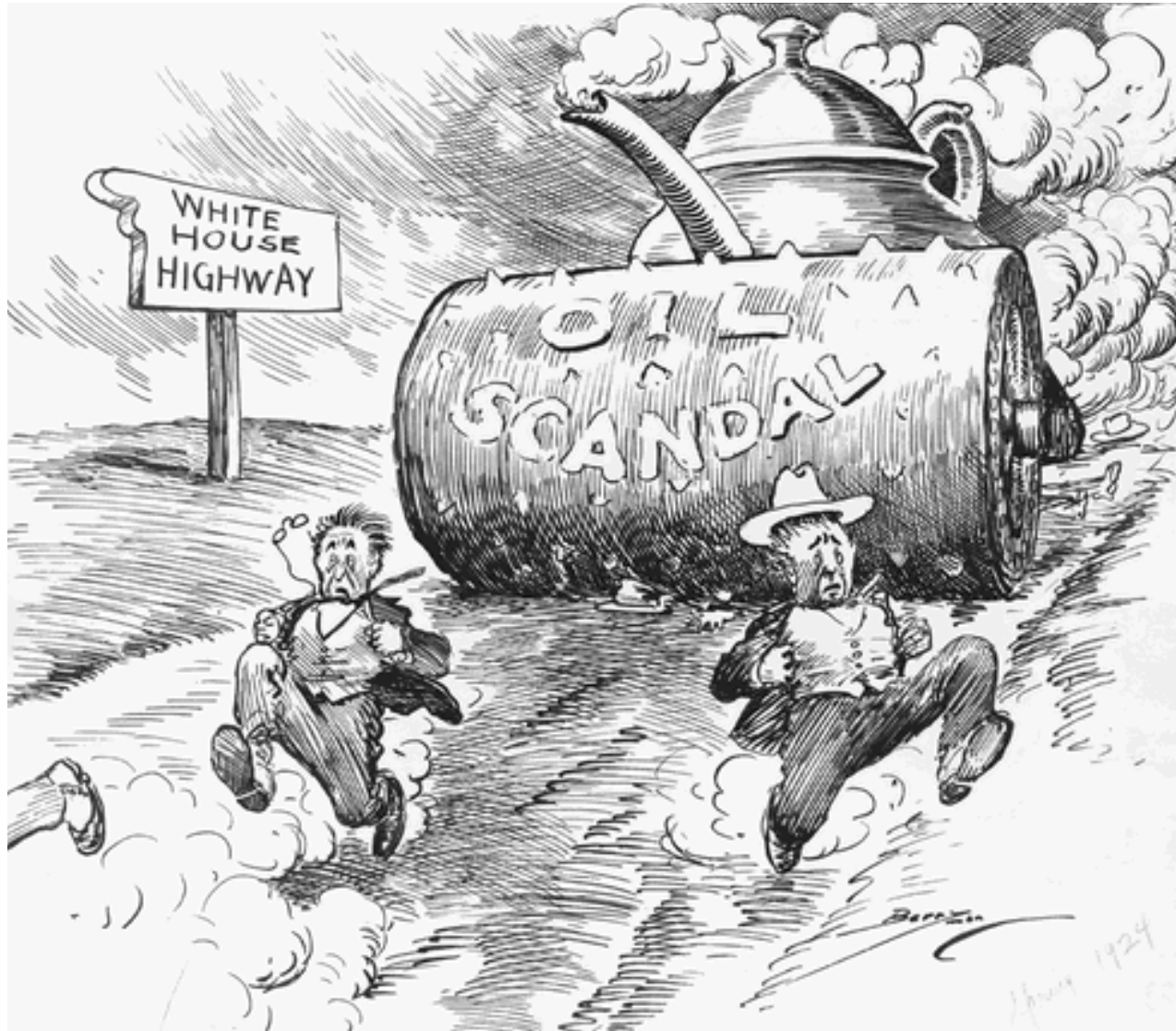
TEAPOT DOME SCANDAL



INTERIOR SEC. ALBERT FALL

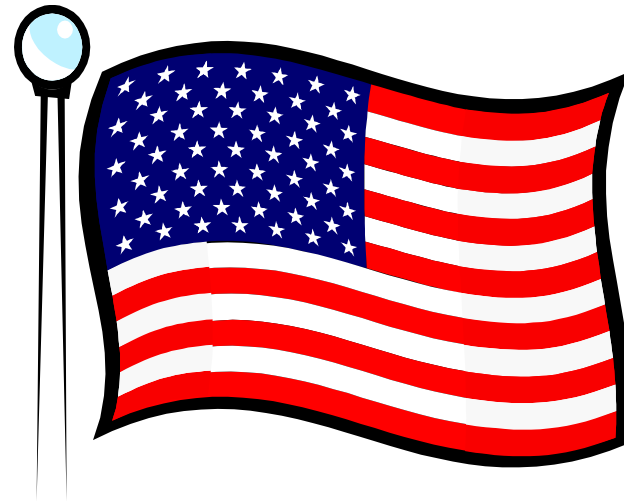
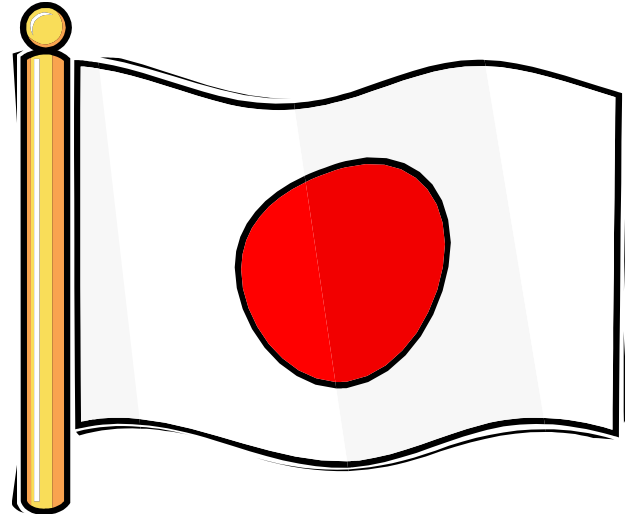


TEAPOT DOME SCANDAL



HARDING'S FOREIGN POLICY

- Japan: Washington Naval Conference
 - Five Power Treaty
- Germany: Dawes Plan



HARDING DIES





COOLIDGE

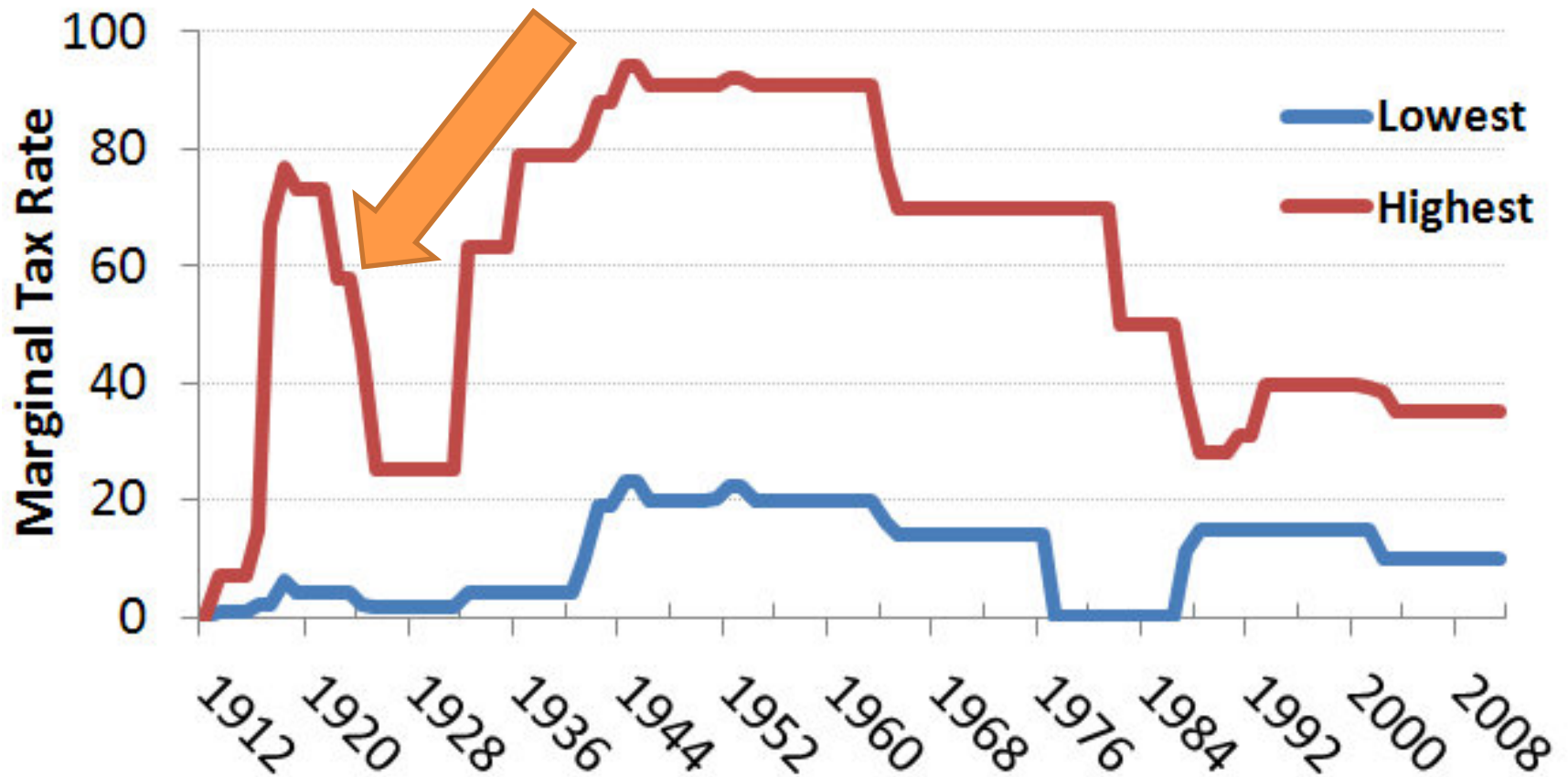
ADMINISTRATION

“SILENT CAL”

- Continuation of Harding policies
- “The business of America is business”



REVENUE ACT OF 1924



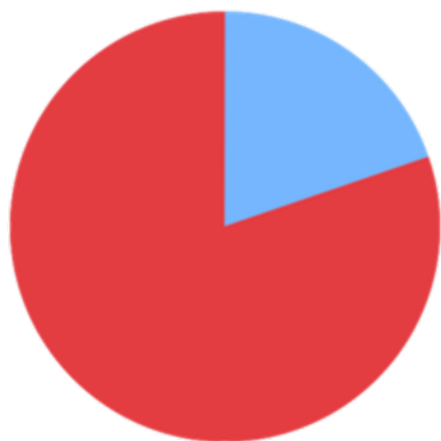
Source: Tax Foundation

IMMIGRATION ACT OF 1924

- Immigration limits based on national origins
- Based on country-of-origin in 1890 census



IMMIGRATION IN THE 1920s



1881-1890



1891-1900



1901-1910



1911-1920



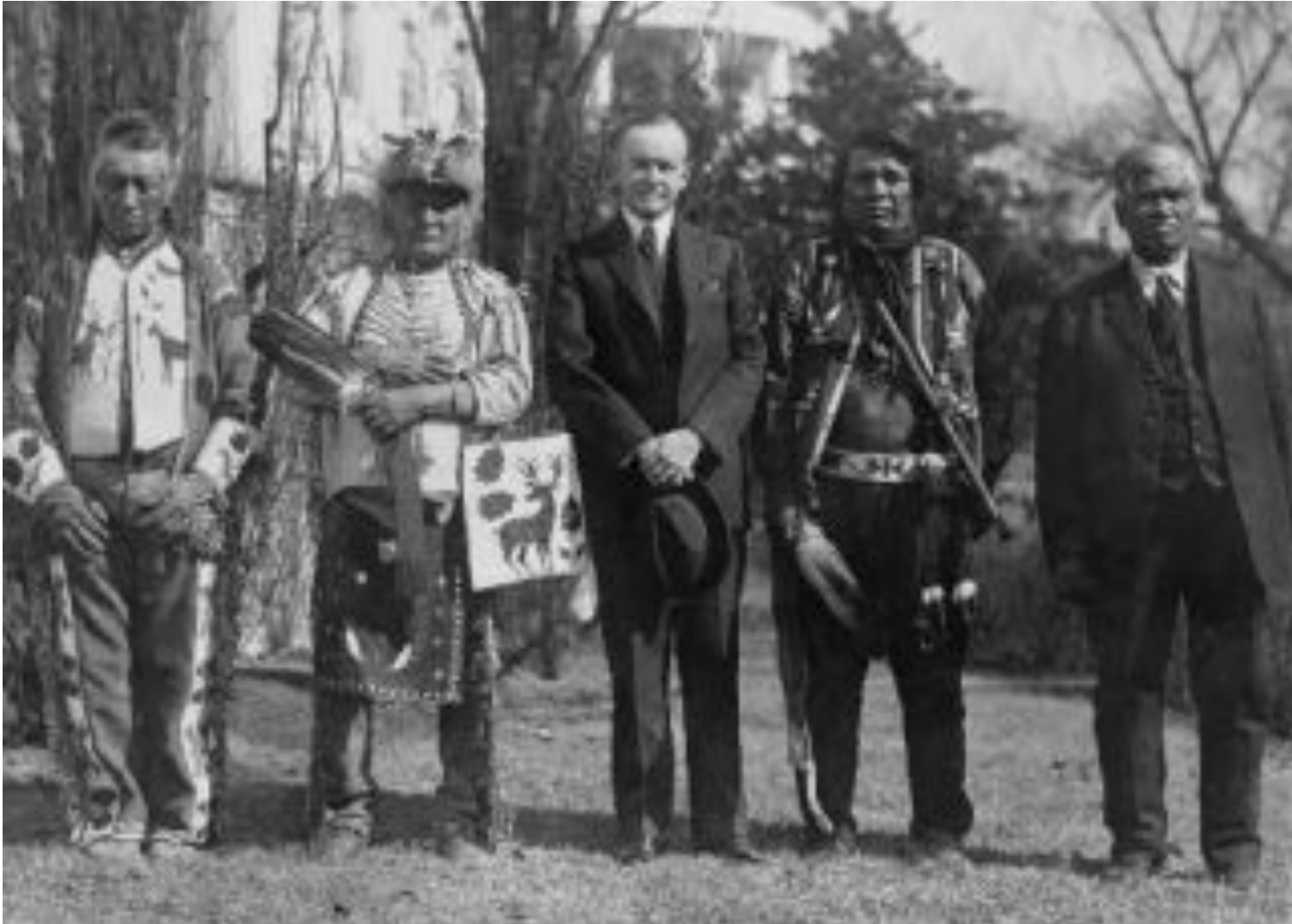
1921-1930



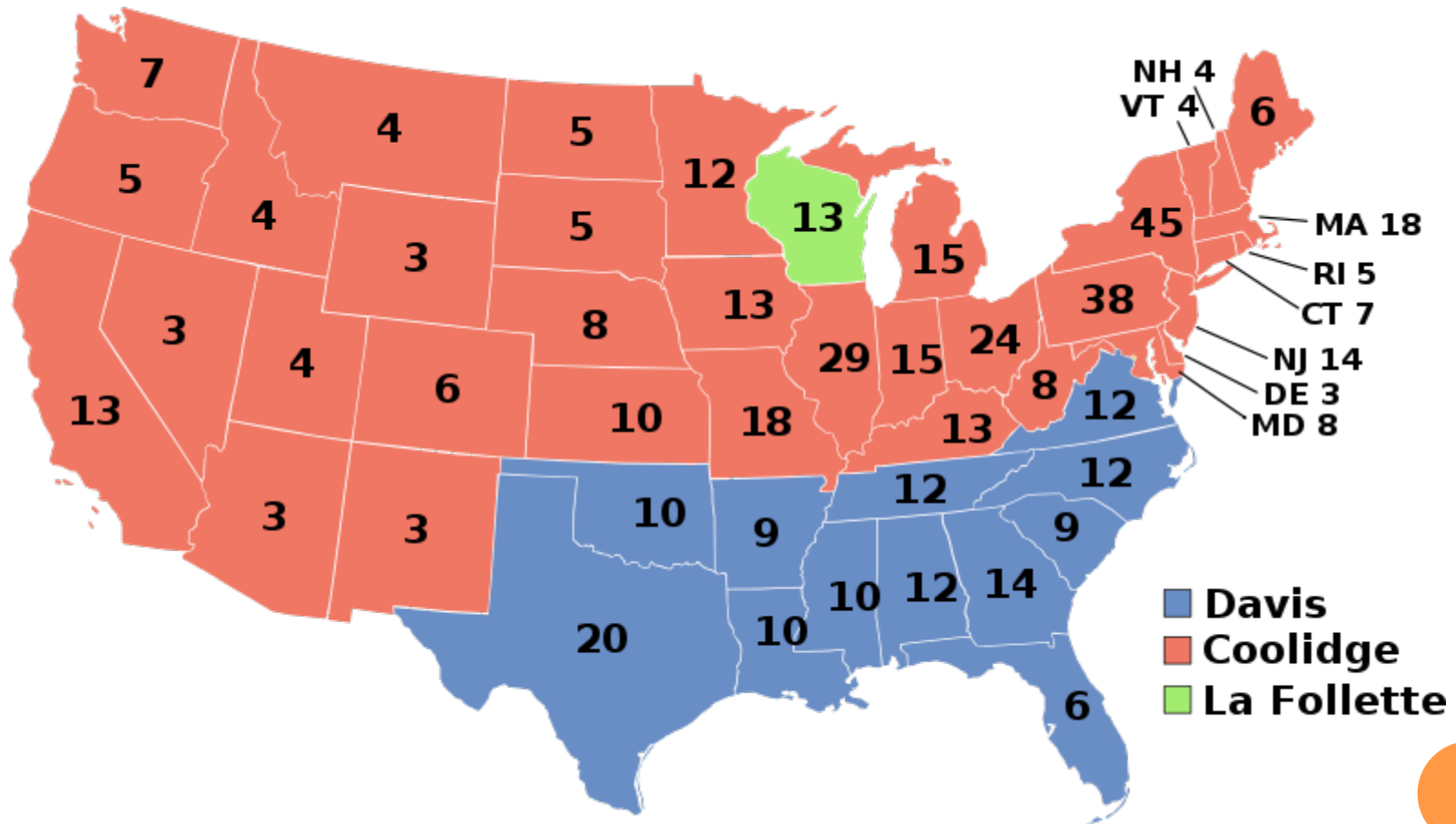
1931-1940



INDIAN CITIZENSHIP ACT, 1924



ELECTION OF 1924



FARM FAILURES

World War I

European demand for
American agricultural
production

1920s

Overproduction, falling
prices, farm failures
and foreclosures



COOLIDGE'S FOREIGN POLICY

- Kellogg-Briand Pact, 1928
 - Disavowed war as an instrument of foreign policy
 - Unrealistic and unenforceable



ELECTION OF 1928



HERBERT HOOVER (R)

- WWI Food Administration
- Continuation of Harding & Coolidge policies

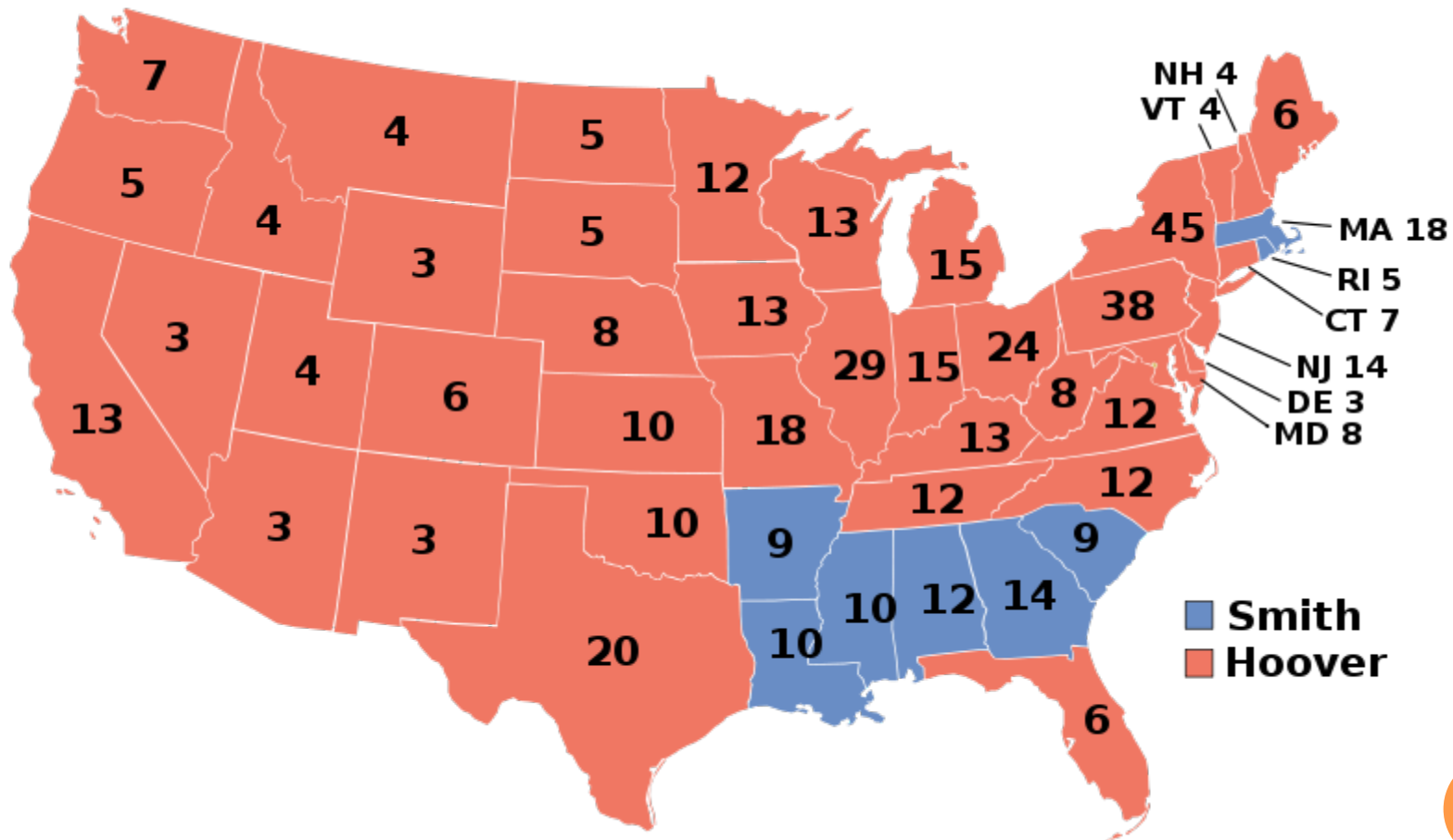


AL SMITH (D)

- Catholic
- “Wet”
- Ties to Tammany Hall



ELECTION OF 1928



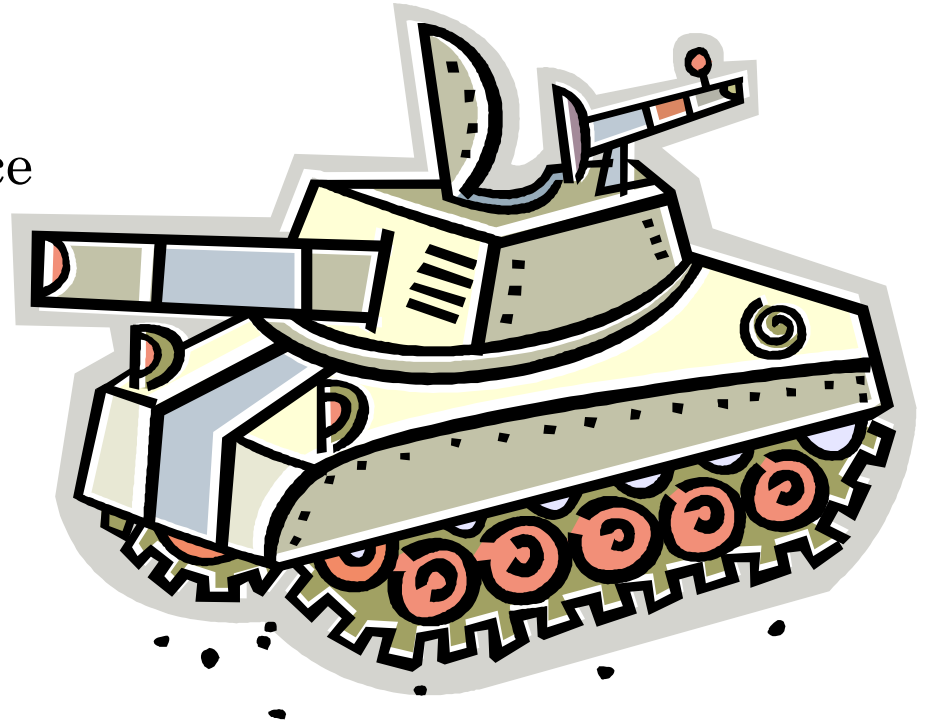
A decorative vertical bar on the left side of the slide, consisting of several thin, parallel lines in shades of orange and light brown. To the right of this bar are five orange circles of varying sizes, arranged in a descending staircase pattern from top to bottom.

HOOVER

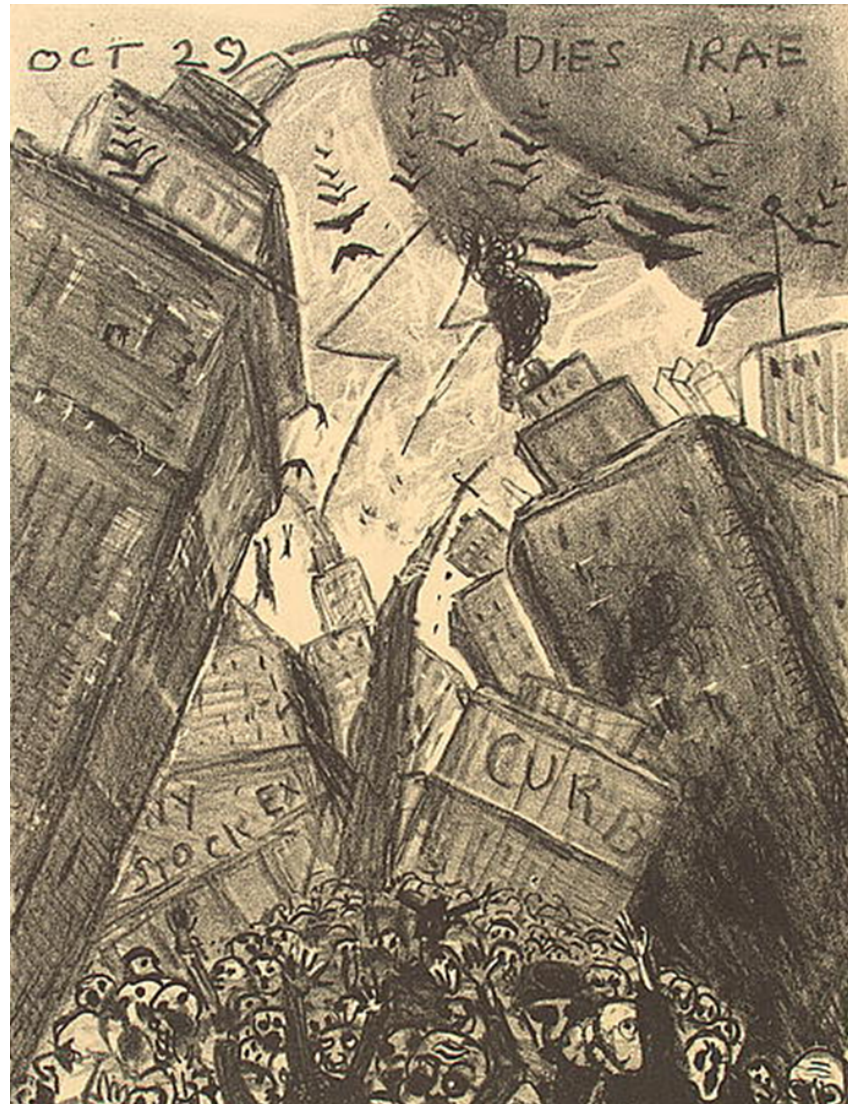
ADMINISTRATION

HOOVER'S FOREIGN POLICY

- Stimson Doctrine
 - U.S. will not recognize territories gained by force
- Beginning of Good Neighbor Policy
 - Improved U.S. relations with Latin America

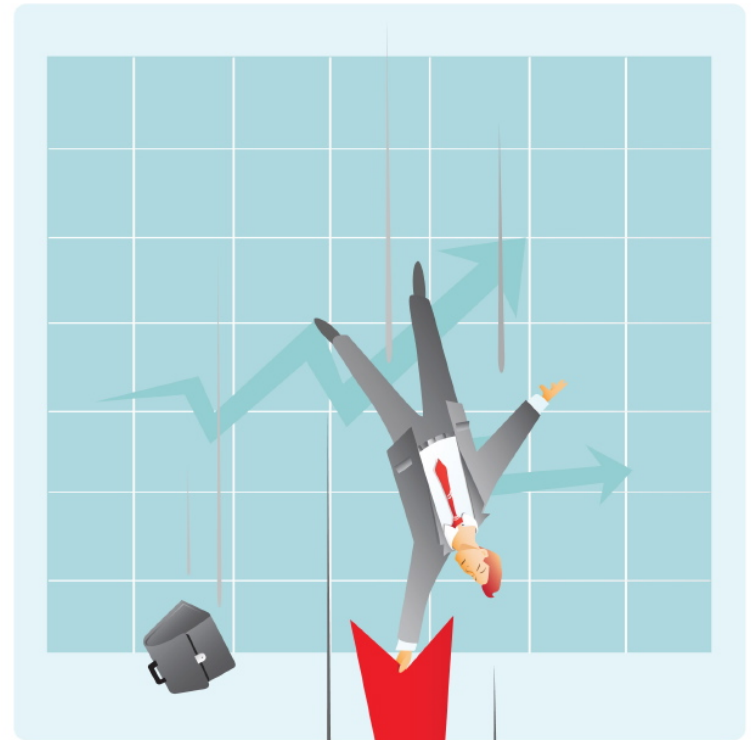


1929 STOCK MARKET CRASH



CAUSES OF THE DEPRESSION

- Stock market speculation
 - Stock bubble based on “buying on margin”
- Easy credit
 - Loans to other nations
 - Loans to consumers
- Financial panic
 - “Runs on the bank”
 - Tight monetary policy following crash
- Overproduction
 - Drove down prices
- High tariffs
 - Discouraged int’l trade
- Unequal distribution of wealth



STOCK MARKET SPECULATION

- “Buying on margin”
 - Purchasing stocks with loaned money
- Artificially inflated stock values



EASY CREDIT

- Loose money policy
 - Low interest rates
- Consumer debt
 - Home mortgages
 - Buying on the installment plan
- U.S. as a creditor nation
 - Loans to Allied Powers
 - Dawes Plan loans to Germany



FINANCIAL PANIC

- Tight money policy following the 1929 crash
 - Loans were unavailable
- “Runs on the bank”
 - Thousands of bank failures

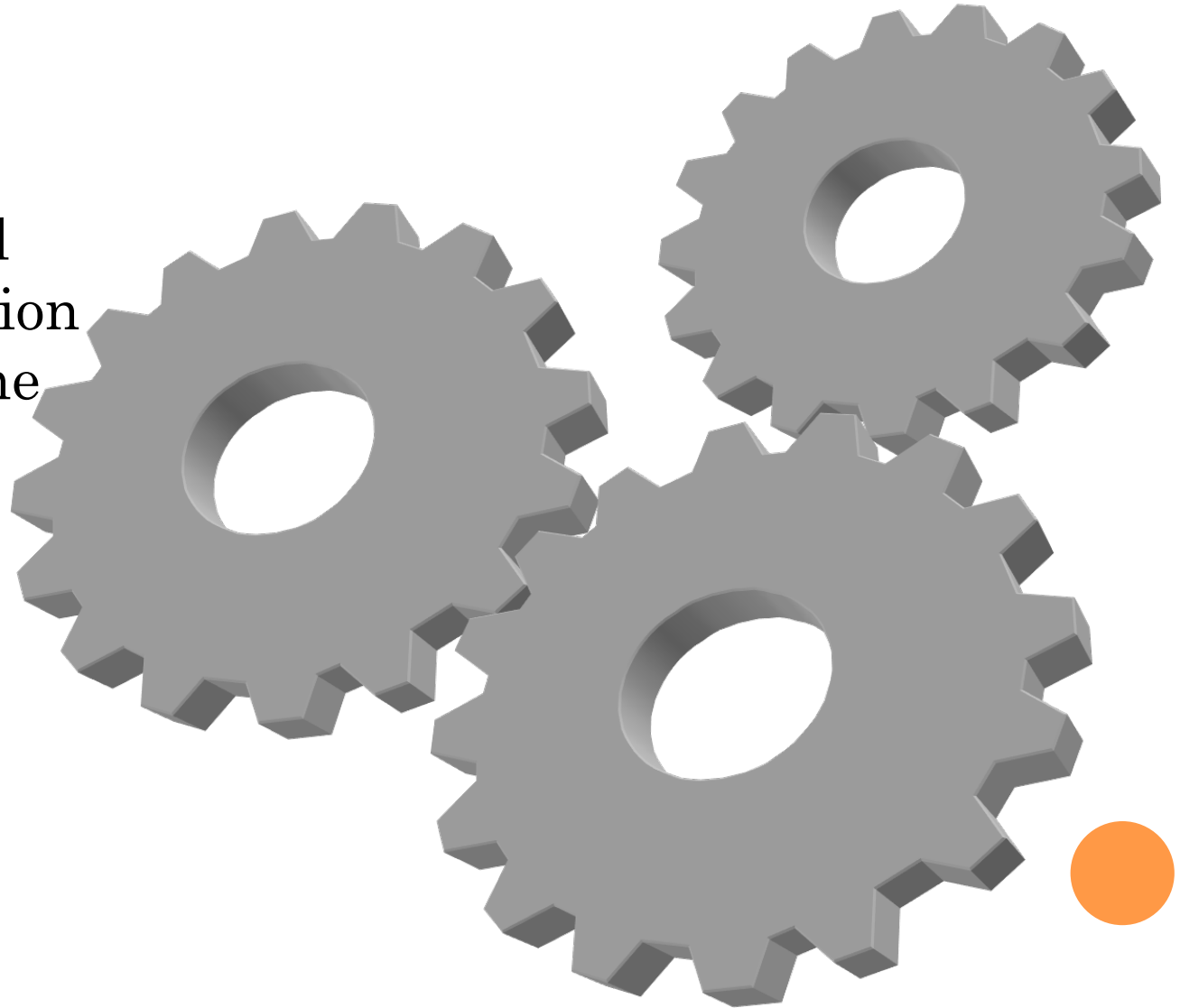


A “RUN ON THE BANK”

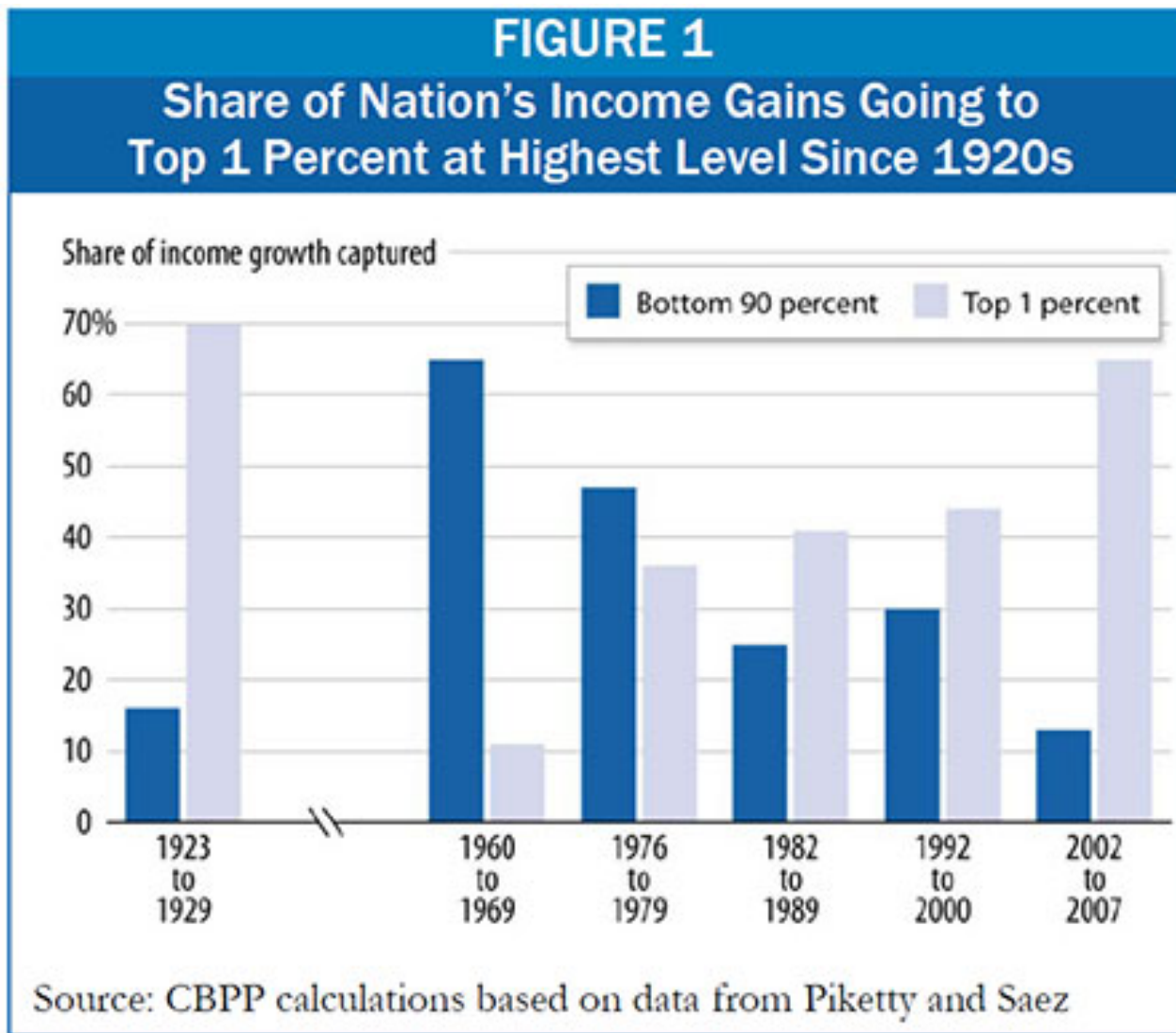


OVERPRODUCTION

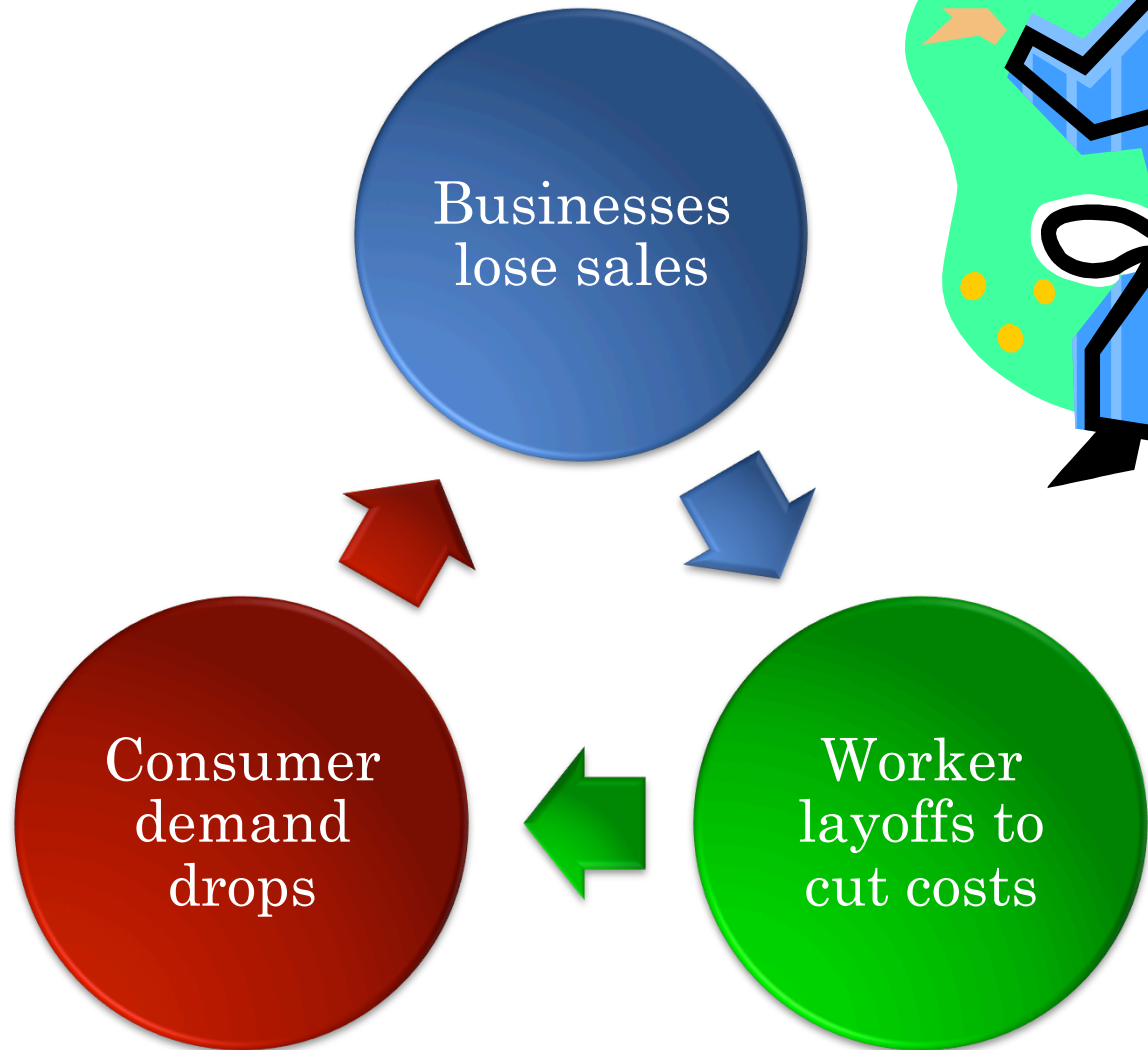
- Drove down prices
- Agricultural overproduction destroyed the soil



UNEQUAL DISTRIBUTION OF WEALTH



VICIOUS CYCLE



HOOVER RESPONDS

- “Rugged individualism”
- “Voluntary action”
- Farm Board
- Debt moratorium
- Hawley-Smoot Tariff
- Reconstruction Finance Corporation



“RUGGED INDIVIDUALISM”



“VOLUNTARY ACTION”



FARM BOARD



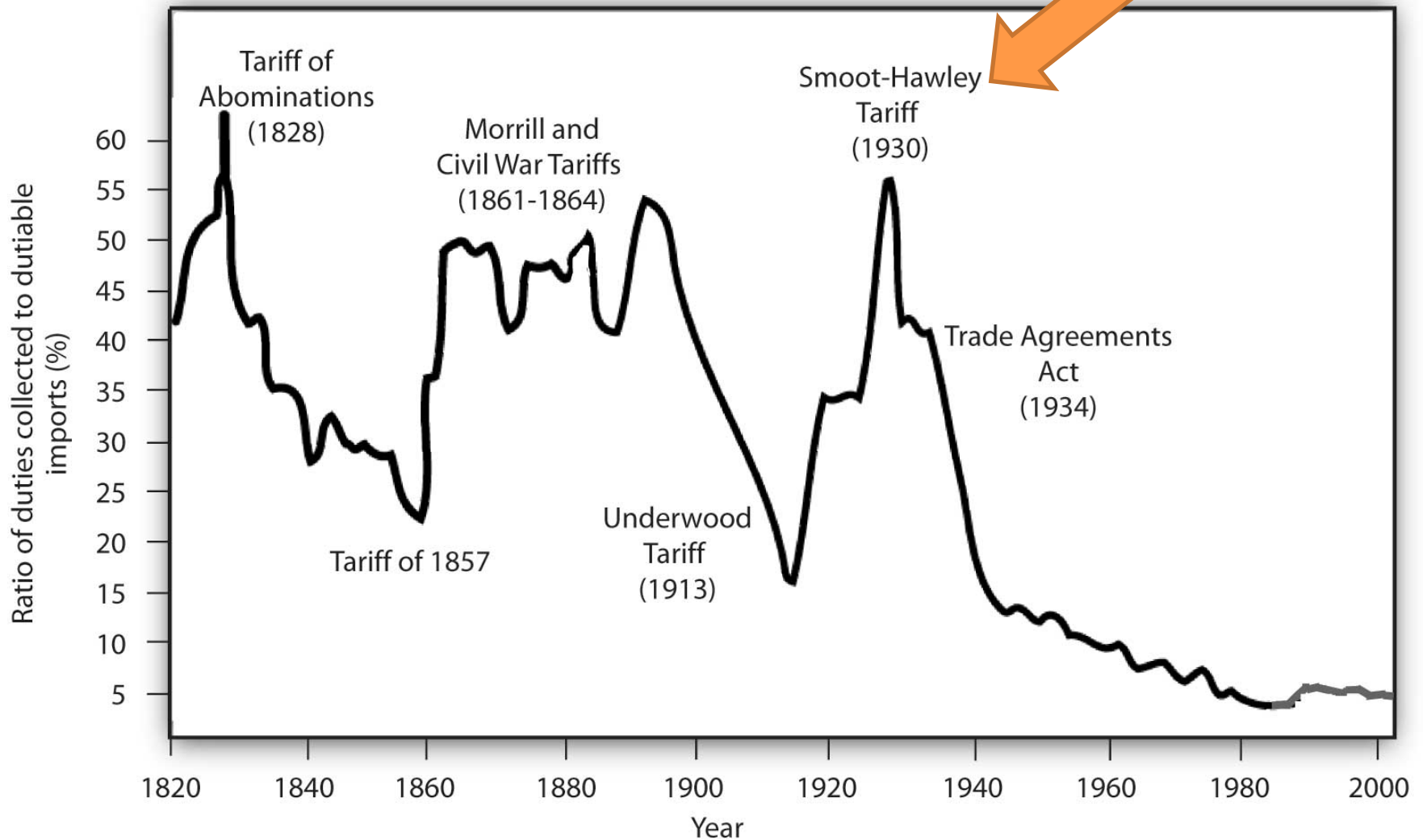
DEBT MORATORIUM



HAWLEY-SMOOT TARIFF



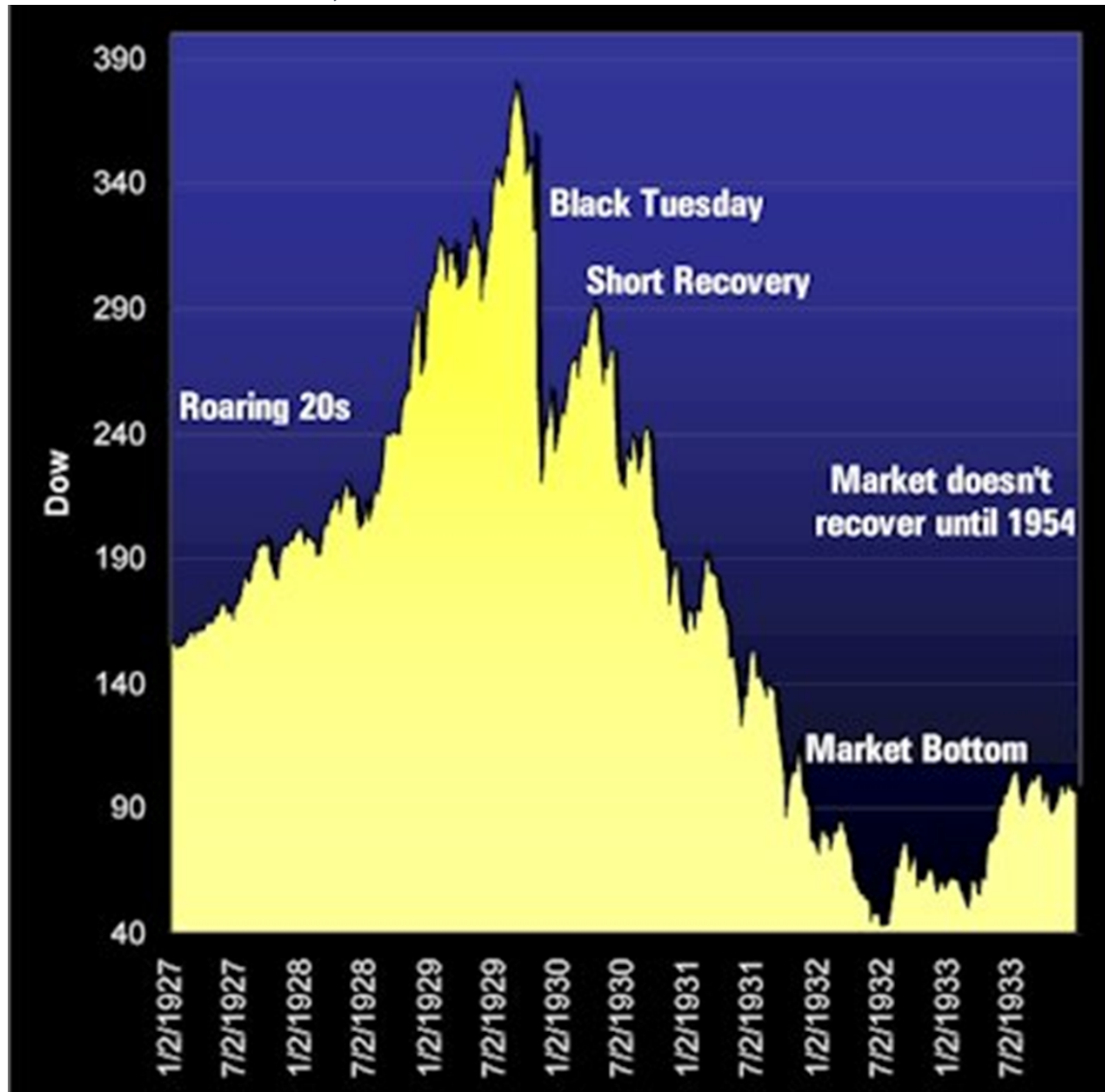
HAWLEY-SMOOT TARIFF



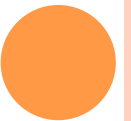
RECONSTRUCTION FINANCE CORP.



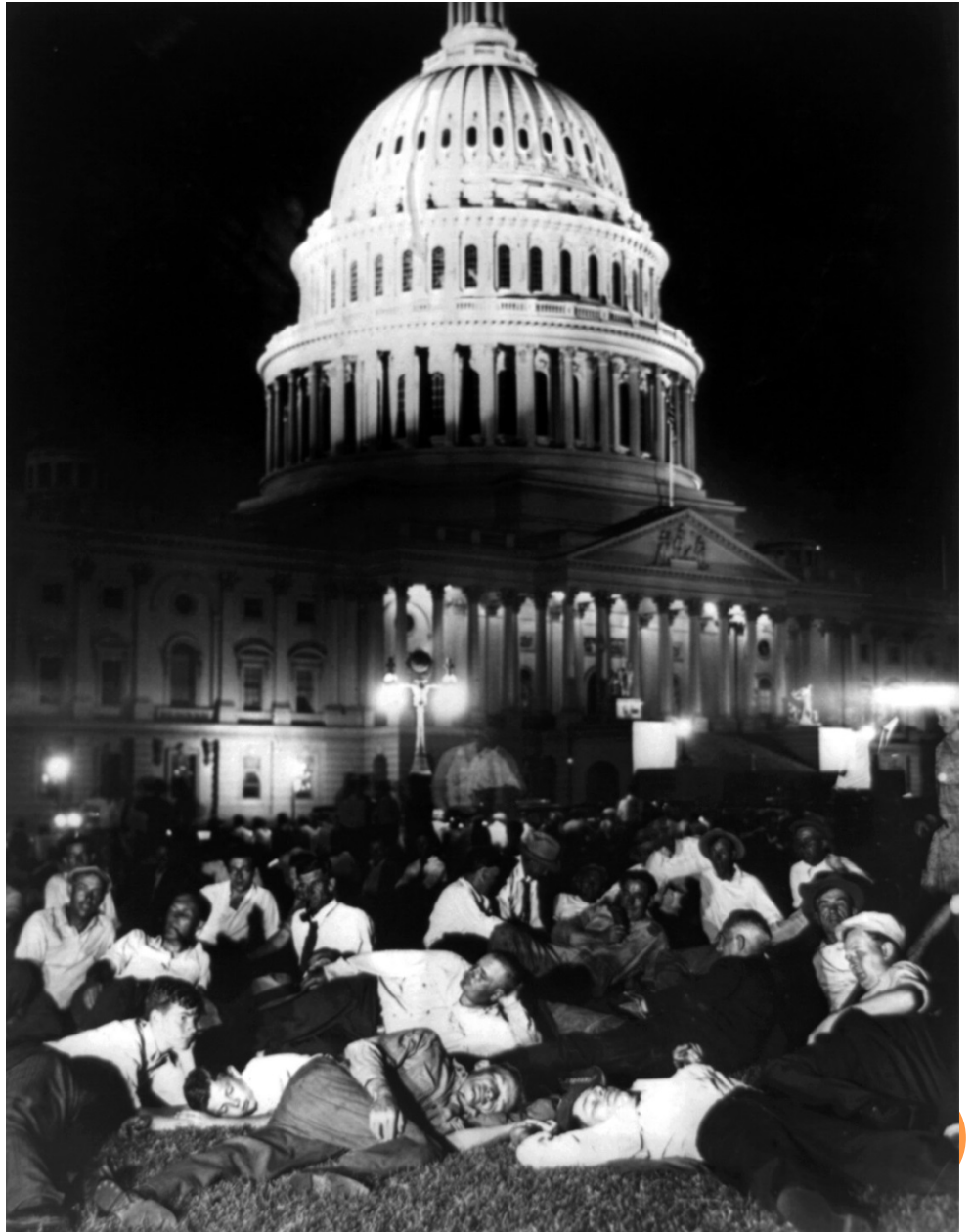
TOO LITTLE, TOO LATE



“HOOVERVILLES”



BONUS ARMY



BONUS ARMY CHASED OUT



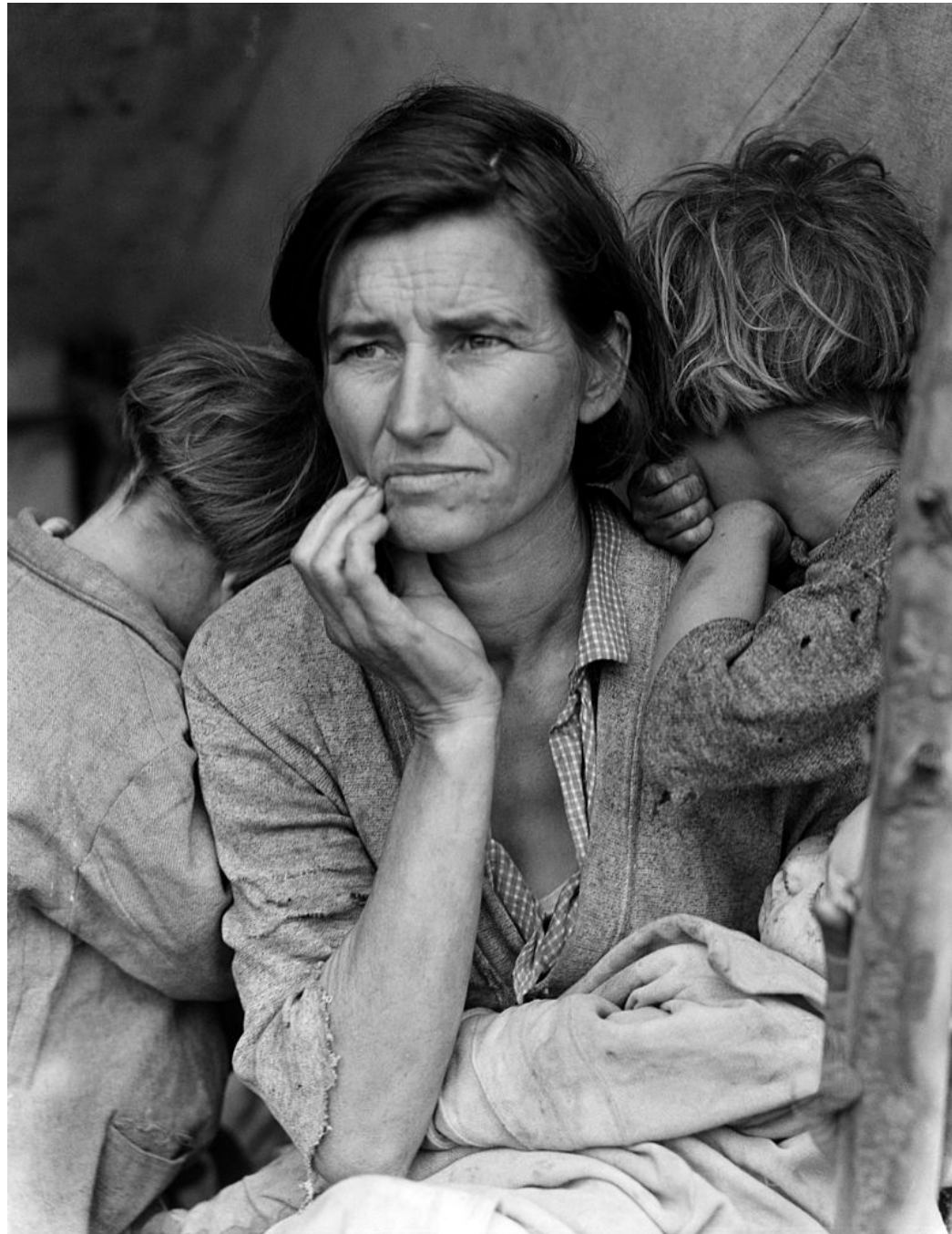
OVER-FARMING CAUSES DROUGHT



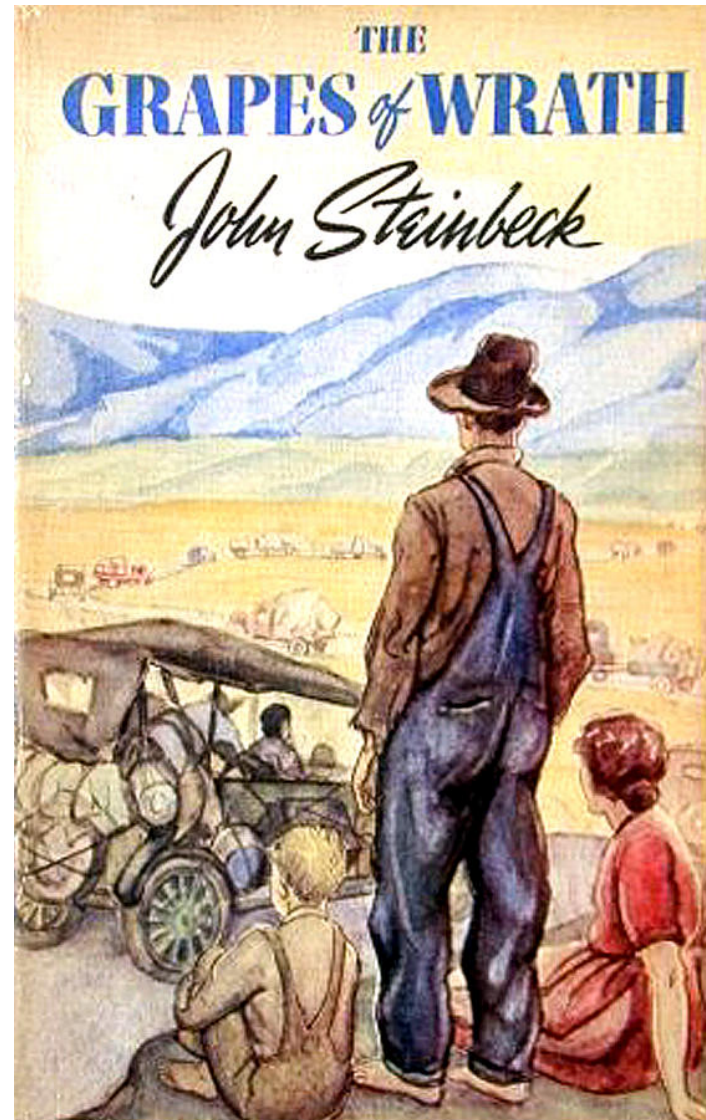
DUST BOWL



“OKIES”



JOHN STEINBECK



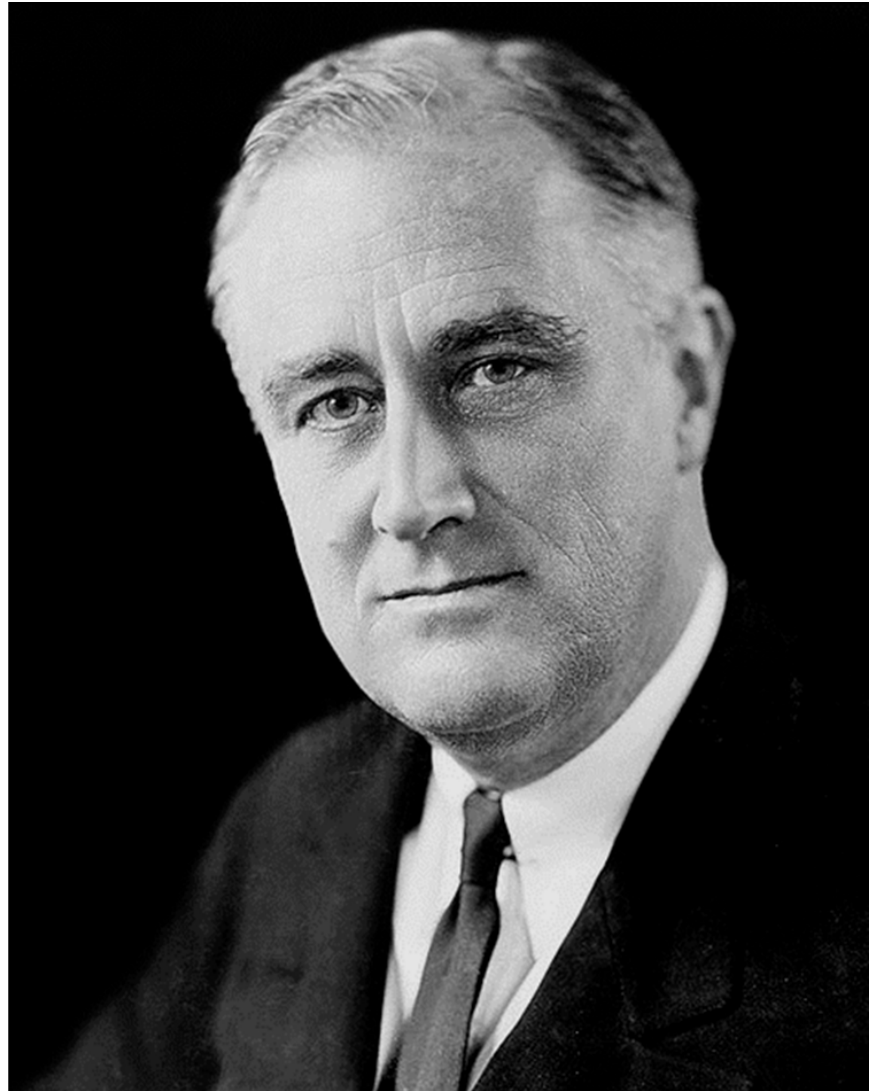
The left side of the slide features a decorative design consisting of several vertical stripes in shades of light orange and peach. Overlaid on these stripes are several orange circles of varying sizes, arranged in a descending, slightly curved pattern from top to bottom.

THE

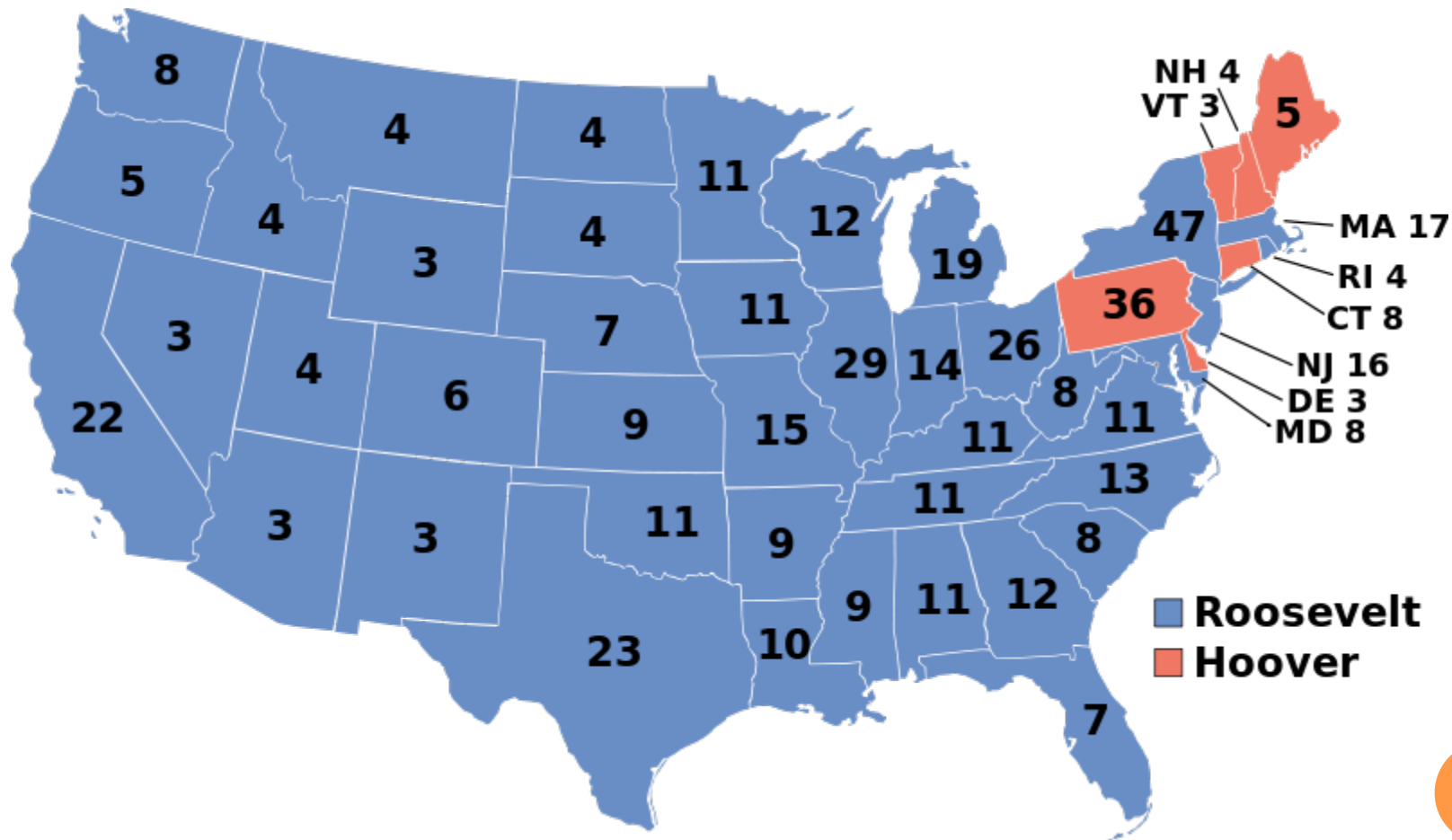
ROOSEVELT

REVOLUTION

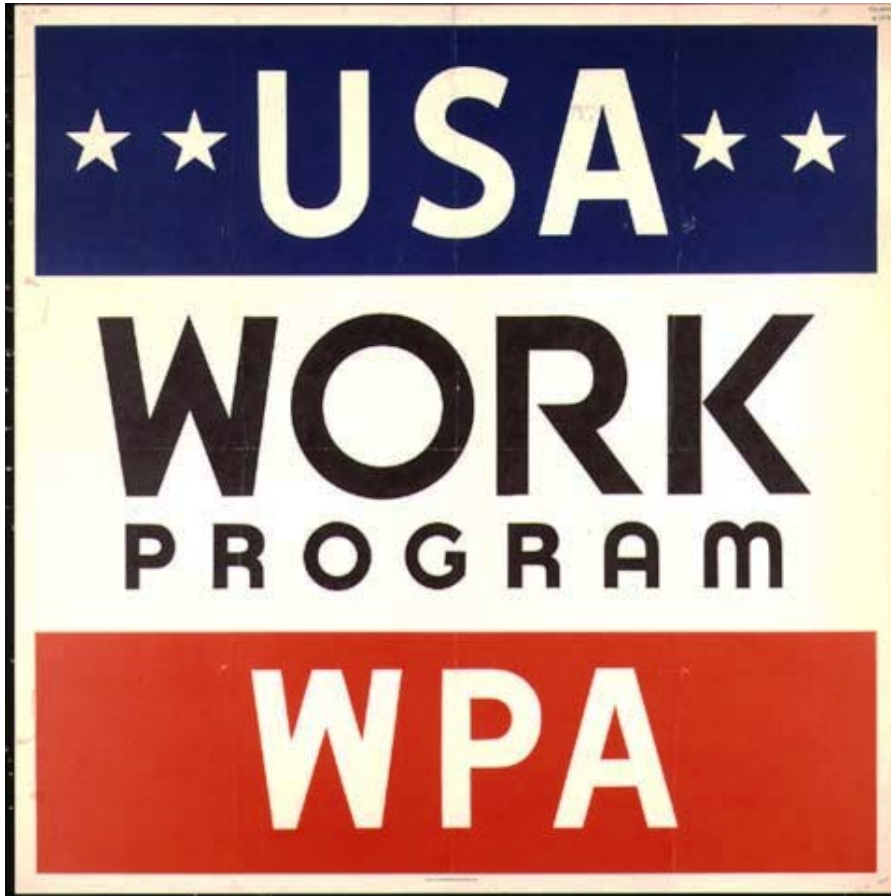
ELECTION OF 1932



ELECTION OF 1932



FDR's NEW DEAL



WWII CREATES FULL EMPLOYMENT

