CHAPTER 31

The Politics of Boom and Bust, 1920–1932

# focus questions

. What was the economic philosophy of the Republican presidents of the 1920s? Did this environment help create the Great Depression?

. What were the first tasks of the Harding administration?

. What was the foreign policy philosophy of Coolidge and was he consistent?

. Describe the political environment of the election of 1928? How did Hoover win the election?

. What were the causes of the Great Depression?

. What were the major foreign policy issues faced by the Hoover administration?

# Chapter Themes

**Theme:** The Republican administrations of the prosperous 1920s pursued conservative, probusiness policies at home, and economic unilateralism abroad.

**Theme:** The great crash of 1929 led to a severe, prolonged depression that devastated the American economy and spirit and resisted Hoover’s limited efforts to correct it.

chapter summary

The Republican governments of the 1920s carried out active, probusiness policies, while undermining much of the progressive legacy by neglect. The Washington Naval Conference indicated America’s desire to withdraw from international involvements. Sky-high tariffs protected America’s booming industry but caused severe economic troubles elsewhere in the world.

As the Harding scandals broke, the puritanical Calvin Coolidge replaced his morally easygoing predecessor. Feuding Democrats and La Follette progressives fell easy victims to Republican prosperity.

American demands for strict repayment of war debts created international economic difficulties. The Dawes plan provided temporary relief, but the Hawley-Smoot Tariff proved devastating to international trade.

The stock-market crash of 1929 brought a sudden end to prosperity and plunged America into a horrible depression. Herbert Hoover’s reputation collapsed as he failed to relieve national suffering, although he did make unprecedented but limited efforts to revive the economy through federal assistance.

# developing the chapter: suggested lecture or discussion topics

* Explain the central features of Republican economic and political conservatism in the 1920s: probusiness government, hostility to progressive social and economic regulation, and high tariffs to isolate the American economy from the troubled world economy.

REFERENCE: Burl Noggle, *Into the Twenties* (1974).

* Contrast Warren Harding and his corrupt cronies with the upright Coolidge and Hoover. Perhaps show how each of the three presidents represented a different emphasis within the general political consensus of the probusiness 1920s.

REFERENCES: John D. Hicks, *Republican Ascendancy, 1921–1933* (1960); Joan Hoff Wilson, *Herbert Hoover, Forgotten Progressive* (1975).

* Describe the stock-market crash and the depression. Examine various causes of the depression and indicate its paralyzing effect on ordinary citizens, as well as on the business and political leadership.

REFERENCE: Robert McElvaine, *The Great Depression* (1984).

* Consider the changing role of American workers in both the probusiness 1920s and during the early years of the Great Depression.

REFERENCE: Robert Zieger, *American Workers, American Unions, 1920–1985* (1986).

# for further interest: additional class topics

* Focus on Harding’s cronies and the Teapot Dome scandals.
* Discuss the futile Democratic and progressive efforts of the 1920s. The focus might be on the deep cultural divisions within the Democratic Party between urban immigrants and the rural South, epitomized in the 103-ballot Democratic convention of 1924.
* Examine Hoover’s career, from humane administrator to business organizer to hapless president. Discuss why someone so successful proved so helpless in the face of the depression. (See boxed quote by Hoover on page 736.)
* Analyze the human consequences of the depression for both the unemployed and the many others who feared unemployment and found their living standard severely reduced.
* Show students the following video: *The Century—America’s Time* (ABC Video in association with The History Channel), *Volume I: 1920–1929: Boom to Bust*. “An energetic postwar mentality emerges and old traditions are challenged during The Roaring ’20s. Women take bold steps toward equality, threatening to upset the ‘domestic balance’ of the country.”

# character sketches

## Warren G. Harding (1865–1923)

This simple, genial president was deeply mourned when he died in 1923, just before the news broke of the thoroughgoing corruption in his administration.

Rumors throughout Harding’s career that he was part black were based only on hometown gossip and the fact that one of his great-grandparents had lived in a black neighborhood. There is no historical evidence that he had any black ancestors.

Harding was happy as a small-town editor and poker-playing U.S. senator, although his ambitious wife, “The Duchess,” constantly pushed him to do greater things. Harding maintained several mistresses, and one of them—Nan Britton of Marion, Ohio—bore a child by him in 1919. As president, he would frequently sneak away to play poker with the “Ohio gang” at “the little green house on K street.”

Harding was deeply distressed as he learned of his cronies’ corrupt dealings. He seemed near collapse during his presidential trip to Alaska, on which he died, and frequently asked Secretary of Commerce Herbert Hoover what a president should do if there was dishonesty around him.

**Quote:** “My God, this is a hell of a job. I have no troubles with my enemies…but my God-damn friends!…” (1923)

REFERENCES: Robert K. Murray, *The Harding Era* (1969); Eugene P. Trani, *The Presidency of Warren G. Harding* (1977).

## Calvin Coolidge (1872–1933)

Coolidge’s rectitude and old-fashioned virtues provided welcome relief from the Harding scandals, while also offering the public a reassuring counterpoint to the wild cultural changes of the 1920s.

At Amherst College, Coolidge astounded classmates by constantly seeking ways to live more cheaply. He was personally kind and generous, but he was frequently moody and had few close friends. Even after he became a successful attorney, he used a party-line phone and refused to buy a car because it was too expensive.

Coolidge was generally ignorant of history and political theory, but he loved classical languages and sometimes translated Latin literary works into English. He had a malicious sense of humor and loved to play practical jokes like ringing for White House servants and then hiding from them. His poker-faced silence was the subject of much commentary and humor. When writer Dorothy Parker was told that Coolidge had died, she said, “How could they tell?”

**Quote:** “There are two ways to be self-respecting: to spend less than you make, and to make more than you spend.” (1925)

REFERENCES: Hendrik Booraem, *The Provincial: Calvin Coolidge and His World* (1994); Robert Ferrell, *The Presidency of Calvin Coolidge* (1998).

## Herbert Hoover (1874–1964)

Hoover was an international hero as food relief administrator during World War I and a popular secretary of commerce, but his single term as president made him a permanent symbol of economic and political disaster.

Hoover was the product of a strong Iowa Quaker background. His parents died before he was ten, and he was then raised by an uncle in Oregon. After graduating from Stanford, he lived outside the United States for nearly twenty years while working as an engineer and businessman. One of his interests was the history of mining, and he collected and had translated Renaissance classics on the subject.

As a public official, Hoover developed a large staff of deferential subordinates who called him “The Chief” and generated favorable publicity on his behalf. He was stiff, formal, humorless, and unyielding in his opinions once he had taken a stand. Those who worked intimately with him always liked him, but he was comfortable only in the company of people who he knew were on his side.

**Quote:** “We in America today are nearer to the final triumph over poverty than ever before in the history of any land.… We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years, we shall soon with the help of God be in sight of the day when poverty will be banished from this nation.” (Convention acceptance speech, 1928)

REFERENCE: Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (1975).

# questions for class discussion

. In what ways were the 1920s a reaction against the progressive era? (See boxed quote on page 721.)

. Was the American isolationism of the 1920s linked to the rise of movements such as the Ku Klux Klan? In what ways did movements such as fundamentalism reflect similar antimodern outlooks, and in what ways did they reflect more basic religious disagreements?

. To what extent did the policies of the booming 1920s contribute to the depression? Was the depression inevitable, or could it have been avoided? Why or why not? (See boxed quote on page 734.)

. How did the depression challenge the traditional belief of Hoover and other Americans in rugged individualism? (See two boxed quotes on page 736 as well as section Examining the Evidence on page 737.)

# CONTENDING VOICES: WILLIAM HAWLEY VS. ECONOMISTS’ PETITION

# Questions for Class Discussion

1. What did Republican Congressman Hawley argue would be the result of passage of the Hawley-Smoot Tariff?

2. What arguments did the 1,028 economists make against enactment of a higher tariff?