The Great Depression and Herbert Hoover

Did Republican policies create the villains in the story of the Great Depression?

World War I created a demand on Iowa farmers to produce more, even when their sons and hired help were being drafted into the army. The government appealed to farmers' patriotism and pocketbooks. “Food Will Win the War” posters went up everywhere. Even more important, the federal government guaranteed high prices on corn, wheat and livestock. Iowa farmers responded enthusiastically, increasing their herds, putting more acres under cultivation and investing in new equipment and facilities. And production did increase rapidly. So did the price of land.

That production capacity did not go away when the war ended in 1918. Farmers continued to produce record outputs. European fields were again coming under cultivation after the war and those countries needed to buy less from the United States. American agriculture surpluses began to build up. In May 1920, the federal government stopped guaranteeing high prices, and suddenly prices for farm goods plunged. Land prices did also, and those who had speculated in rising land values were caught unable to pay off their loans. Many rural banks that had financed those loans went bankrupt, and the Midwest began a decade of hard times. Farmers continued to produce surpluses and prices sank even lower. For Iowa, the Depression did not start in 1929 when the stock market crashed. It only got worse.

Herbert Hoover Faces National Crisis

Iowa-born Herbert Hoover was elected president in 1928 as a Republican. He had a distinguished career as a mining engineer and achieved international fame and respect in leading efforts to feed starving Europeans, especially children, after the war. In 1921, he started an eight-year career as Secretary of Commerce under Presidents Harding and Coolidge. Soon after assuming office, Hoover faced a national crisis. Almost half of American families engaged in agriculture at the time. When they didn't have the money to purchase manufactured items, factories couldn't sell their products and they laid off workers. This created a downward spiral because unemployed workers could not buy products either. The trouble spread across the entire economy.

In October 1929, the value of stocks on the New York Stock Exchange started a sudden downward slide that touched off panic among investors. As in land prices earlier, there had been speculation in stocks that exceeded the companies' capacity to produce. Banks and financial institutions that had loaned money began to fail, and credit necessary to keep the economy moving became hard to acquire.

Through Hoover's presidency, the situation was bleak and many blamed the president. Up to one-third of the work force was unemployed. More and more families were homeless, and many young people took to the road in the desperate hope of finding work. In Iowa, farm families had the advantage of large gardens and homegrown livestock but struggled to find the cash to pay their taxes and necessary purchases. City families struggled. Before this period, welfare programs were very limited and taking government assistance was seen by many as a disgrace.

Some farmers threatened with the loss of their farms and homes became desperate. Farmers in eastern Iowa opposed a state law requiring their dairy cattle to be tested for tuberculosis. They formed gangs to threaten veterinarians doing the testing. The governor had to provide special protection for the vets. In western Iowa, farmers were so angry with a judge who refused to promise not to hear cases of farm foreclosure that they dragged him out of the courtroom into the country and threatened to lynch him. They did not carry through but the governor had to call out the National Guard to restore order. Would the country collapse into chaos?

Hoover Loses Ground, Roosevelt Claims the Election

In 1932, with Hoover's popularity very low, the nation elected Franklin D. Roosevelt, governor of New York. He
appointed Iowa’s Henry A. Wallace as Secretary of Agriculture, and Wallace quickly created a very ambitious plan to raise farm prices. Since surpluses were keeping prices low, the federal government promised a higher guaranteed price to those farmers who would reduce the number of acres they farmed and the size of their herds. This did provide some relief to farmers but, along with other federal programs, it also greatly expanded the role of the federal government that some people opposed.

The 1930s was a decade of struggle for Iowans along with the rest of the nation. In 1939, Germany’s invasion of Poland touched off a second major war in Europe. America was drawn into the conflict when Japan bombed the U.S. naval base at Pearl Harbor on December 7, 1941. Suddenly, there was once again strong demand for manufacturing and farm goods, and employment numbers rose dramatically.

The Great Depression, however, continued to have a lasting impact. Programs like Social Security were adopted to provide a safety net in times of economic stress, and individuals who had gone through the tough times never forgot it. Through the Depression and World War II, the role of the federal government grew tremendously and Iowans found themselves connected to the outside world in new ways.

Supporting Questions

**Whose interests did Republican policies serve businesses, individuals or themselves?**

- “A Chicken in Every Pot” Political Ad, October 30, 1928
- Inaugural Address of Herbert Hoover, March 4, 1929
- Letter from Arthur Smith to President Hoover, August 17, 1930
- Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932

**Do you feel Herbert Hoover’s policies demonstrated an understanding of the the plight of individuals during the Great Depression or was he a “do-nothing” President?**

- “Bonus Army” Assembles on U.S. Capitol Steps, 1932
- Crowds Outside New York Stock Exchange, 1929
- Dwellers in Circleville’s “Hooverville” in central Ohio, 1938
- Hoover’s Response to Questions by the Press, October 4, 1930
- Recovery: A Federal Writer’s Project Interview with Mr. W.W. Tarpley, January 5, 1940
- Veterans March to Washington Broadside, December 5, 1932

*Printable Image and Document Guide*
Additional Resources

**Herbert Hoover: “From Hero to Scapegoat”** - Featuring information and photos from the Herbert Hoover Presidential Library and Museum, this gallery features the expectations Hoover came into office with and the insurmountable obstacles he faced in office.

**The American Presidency Project: Election of 1928** - A map from the 1928 presidential election that shows which states voted for Hoover over Democrat Alfred E. Smith. Hoover won nearly 84 percent of the vote.

**“Herbert Hoover State of the Union Highlights: 12 Quotes From Addresses”** - Twelve quotes attributed to President Herbert Hoover from State of the Union addresses concerning the economy.

**Herbert Hoover Political Cartoons:**
- “While such things are possible there is nothing very wrong with our country”
- “Blame it on Hoover”
- “Farm Relief”
- “It Seems There Wasn’t Any Depression at All”
- “Another Very, Very Dry Issue”

**National Archives: “Bonus Army Riots in Washington, D.C., July, 1932”** - Video clips of violence breaking out during the “Bonus Army” march. Video shows D.C. policemen dragging veterans from a Pennsylvania Ave. warehouse and loading them on trucks. Cavalry and tank units patrol the city and more than 43,000 march on Washington, D.C.

**“Bonus Army marches on Washington, DC 1932”** - Video from an unknown documentary of men, presumably part of the “Bonus Army,” demanding redeployments by cash payments for their service certificates by protesting.


**The History Project, University of California, Davis:** A collection of 40 primary source documents related to the Bonus Army March. Special attention to Documents 8 ("Orders issued by Secretary of War Hurley to General MacArthur") and 11 ("At Ease: Stories I Tell to Friends, Dwight D. Eisenhower describes some of the events of July 28, 1932"), which offer evidence that could be used to argue President Herbert Hoover was not primarily responsible for the forced removal of the veterans.

**Bonus Army Photo Galleries:**
- **The Roosevelts** - Video gallery of 17 powerful photos remembering veterans of the Bonus Army.
- **Chicago Tribune** - Photos of veterans gathering in Washington, D.C., and camping in shantytowns during the protest.
Description
This is the advertisement that caused President Herbert Hoover’s opponents to state that he had promised voters a chicken in every pot and two cars in every garage during the campaign of 1928. During the campaign of 1932, Democrats sought to embarrass the president by recalling his alleged statement. According to an article in The New York Times, Hoover did not make such a statement. The report was based on this ad placed by a local committee.

Transcript of “A Chicken in Every Pot” Political Ad

Text-Dependent Questions
• What policies are Republicans promoting that they have enacted which led to “…raised living standards and lowered living costs?” Do you think those policies lead to the standard of living stated or could other factors have lead to this development?
• How does this government policy as laid out by the quote below make the fall into the great depression more surprising? Did this make more difficult for individuals to accept the reality of the depression?

“Thanks to Republican administration, farmer, dairymen, merchant can make deliveries in less time and at less expense, can borrow cheap money to refund exorbitant mortgages, and stock their pastures, ranges and shelves.”

Citation Information
“A Chicken in Every Pot,” The New York Times, 30 October 1928. Courtesy of National Archives and Records Administration
Inaugural Address of Herbert Hoover, March 4, 1929

Newly-elected Herbert Hoover outlines his plans for his presidency in his inaugural address in 1929. His speech included speaking about the enforcement of the 18th amendment, which would be the prohibition of alcoholic beverages by declaring the production, transport and sale of alcohol illegal. He also spoke about the relationship between business and the government and what role the United States will play in world events.

Full Transcript of President Herbert Hoover’s Inaugural Address

Transcribed Excerpt from President Herbert Hoover’s Inaugural Address

Text-Dependent Questions

- How would you characterize Herbert Hoover’s philosophy on the relationship between business and government? Support your answer using the document.
- Predict the impact of this relationship on Hoover’s response to the depression using evidence from his address.
- Based on this first speech as president, predict how Hoover will respond to the Great Depression when it begins later on in 1929. Refer to specific passages from the text in your prediction.

Citation Information

Hoover, Herbert, 4 March 1929. Courtesy of Herbert Hoover Presidential Library and Museum
Letter from Arthur Smith to President Herbert Hoover, August 17, 1930

The typed letter is from Arthur Smith to President Herbert Hoover. Smith was vice president of engineering for Great Northern Utilities Incorporated, and he was asking Hoover for advice on how to secure funding to build facilities in 1930. He was looking for suggestions from the president to increase financing so he can build gas plants to provide employment.

Transcript of Arthur Smith’s Letter to Herbert Hoover

Text-Dependent Questions

- Given the estimates of workers who could have been employed in each factory and the six-month time period to secure funding, whose interests is Arthur Smith asking Hoover to consider? Do you think it would be responsible for Hoover to act on his request? Use evidence from the document to support your response.
- In closely reading the third paragraph, how could a company benefit from the economic crisis? How could workers benefit from the action proposed by Smith? Would the benefit be felt equally by both parties?

Citation Information

Smith, Arthur, 17 August 1930. Courtesy of National Archives and Records Administration
Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932

Description
This letter from President Herbert Hoover to Herbert S. Crocker, president of the American Society of Civil Engineers, responds to the Society’s suggestion to expand public works programs. Hoover outlines in detail his opposition to expanding public works and explains what he feels the government can do.

Full Transcript of Letter from Herbert Hoover to Herbert S. Crocker

Transcribed Excerpt of Letter from Herbert Hoover from Herbert S. Crocker

Text-Dependent Questions
- What did President Herbert Hoover feel was the best option for the country to “restore normal employment?”
- Reflecting on the quotes: “(t)hese channels will continue clogged by fears if we continue attempts to issue large amounts of government bonds for purpose of non-productive works,” and “(s)uch a program as these huge Federal loans for ‘public works’ is a fearful price to pay in putting a few thousand men temporarily at work and dismissing many more thousands of others from their present employment,” how is Hoover attempting to balance the needs of the present with the long-term health of the country?
- Given the historical context, do the policies laid out by Hoover show he understands the economic needs of the country or is he too far removed from the struggles of the “common man?” Why or why not?

Citation Information
Hoover, Herbert, 21 May 1932. Courtesy of National Archives and Records Administration
“Bonus Army” Assembles on U.S. Capitol Steps, 1932

Description
The image is of a group of men, presumably part of the “Bonus Army,” on the U.S. Capitol steps. This group consisted of nearly 43,000 marchers - many World War I veterans and their families - who gathered in Washington, D.C., to demand redemptions by cash payments for their service certificates. At the time, many WWI veterans had been out of work since the Great Depression began.

Text-Dependent Questions
• What does the image tell you about the scope of the protest by the “bonus army” marchers?
• What might the government's response be to veterans camping out on the steps? What might civilians response be to veterans camping out on the steps? Would either of responses change if those camping out were unemployed civilians rather than veterans?

Citation Information
Crowds Outside of the New York Stock Exchange, 1929

Description
The black and white photograph shows a massive crowd of people standing outside of the New York Stock Exchange (NYSE) after the stock market crash of 1929. It was on “Black Tuesday,” October 29, 1929, that investors traded around 16 million shares on the NYSE in a single day that resulted in billions of dollars being lost on the market. This led to America's spiral into what would be known as the Great Depression.

Text-Dependent Questions
• Imagine you were in the crowd depicted in the photograph? Describe how you would feel?
• Select a role or perspective of someone from the time period. How would that individual caption the image?

Citation Information
“Crowd of people gather outside the New York Stock Exchange following the Crash of 1929,” 1929. Courtesy of Library of Congress
Dwellers in Circleville’s “Hooverville” in central Ohio, 1938

Description
The small, decrepit shack is a home in Circleville, Ohio’s “Hooverville” in 1938. The image shows the exterior of the home that is typical to others of the time period during the Great Depression. As the Depression worsened in the 1930s, many blamed President Herbert Hoover for the intolerable economic and social conditions - which plays into the naming of these shantytowns by their residents. These “Hoovervilles” were found predominantly on the outskirts of major cities.

Text-Dependent Questions
- How would you describe the homes in a “Hooverville?”
- How does the name symbolize the feelings of people toward President Herbert Hoover in relation to their situation? Is this characterization fair? Why or why not?

Citation Information
Herbert Hoover’s Response to the Press, October 4, 1930

In reply to a press question the President said:

"No Special Session is necessary to deal with employment. The sense of voluntary organization and community service in the American people has not vanished. The spirit of voluntary service has been strong enough to cope with the problem for the past year and it will, I am confident, continue in full measure of the need.

"Colonel Woods is receiving most gratifying evidence of this from the Governor, Mayors, Industrial leaders and welfare organizations throughout the country."

Description
President Herbert Hoover responds to a question about the need for a special session of U.S. Congress to address the issues of unemployment. The question was made by the press at a time as the U.S. economy was in a tailspin after the stock market crashed in 1929.

Transcript of Herbert Hoover’s Response to the Press

Text-Dependent Questions
- How does President Herbert Hoover support his response about the need for a special session?
- Consider the following quote, "The spirit of voluntary service has been strong enough to cope with the problem for the past year and it will, I am confident, continue in full measure of the need." Was this response appropriate given the information he had at the time? Why or why not?

Citation Information
Hoover, Herbert, 4 October 1930. Courtesy of National Archives and Records Administration
Recovery: A Federal Writer’s Project Interview with Mr. W.W. Tarpley, January 5, 1940

Description
In the following excerpt from American Life Histories: Manuscripts from the Federal Writers’ Project, 1936-1940, W.W. Tarver, who had worked in a bank at the time of the stock market crash in October 1929, describes how his life was changed by the circumstances of the Great Depression. The interview was conducted in Georgia in 1940 after about a decade of intolerable economic and social conditions in the United States.

Full Transcript of Federal Writer’s Project Interview

Transcribed Excerpts from Federal Writer’s Project Interview

Text-Dependent Questions
- How does Mr. Tarpley describe his experience during the Great Depression?
- In reading about Mr. Tarpley’s experience how would he describe President Hoover’s ability to understand the plight of the American people during this time?

Citation Information
Veterans March to Washington Broadside, December 5, 1932

Description
The broadside - or persuasion poster - outlines the reasons veterans should march to Washington D.C., at the opening of the U.S. Congress on December 5, 1932. The veterans were asked to march to demand cash payment of a bonus promised to veterans in 1924 by the federal government. The broadside was created by the Veterans Rank and File Committee in 1932.

Transcript of the Veterans March to Washington Broadside

Text-Dependent Questions
- What, if any, circumstances of the veterans outlined in the text warrant early payment of their bonus? Use specific evidence from the text to support your response.
- Was it fair to compare the earlier treatment of the Bonus Army marchers in Washington D.C. to the conditions of World War I? Why or why not?
- Is the Bonus Army's characterization of Hoover and their current plight a fair assessment of their situation? Use evidence from the text to support your response.

Citation Information