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U.S. History Readers

The Twenties and the Depression

By Thomas Ladenburg

Kerry Gordonson, Editor

Dr. Aaron Willis, Project Coordinator
Amanda Harter, Graphic Designer

Social Studies School Service
10200 Jefferson Blvd., P.O. Box 802
Culver City, CA 90232
<http://socialstudies.com>
access@socialstudies.com
(800) 421-4246

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10200 Jefferson Blvd., P.O. Box 802
Culver City, CA 90232
United States of America

(310) 839-2436
(800) 421-4246

Fax: (800) 944-5432
Fax: (310) 839-2249

<http://socialstudies.com>
access@socialstudies.com

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The Twenties and the Depression

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The Twenties and the Depression

This unit on the Twenties and the Thirties focuses on economic issues and is based on a book by this author titled *The Prosperity and Depression Decades*. The underlying assumption of this unit is that the prosperity of the 1920s, with all of its Charleston-crazed youth and roads to easy riches, was fundamentally flawed because it failed to create the consumer demand that would sustain the increasingly productive industrial sector. The unit shows that the profits of the few were poured into overpriced stocks that evaporated in the Crash while the savings of millions were wiped out by subsequent bank failures. These twin catastrophes sparked the downward spiral that brought the U.S. into a severe depression. President Hoover chose to deal with the problems encountered under his stewardship by applying traditional economic assumptions that failed to end the Depression. President Roosevelt, it is pointed out, was more of a pragmatist willing to try a variety of approaches and change course if necessary. He was not alone in failing to understand that ending the Depression required the sustained government spending that was politically possible only while at war. This unit describes a whole host of government initiatives, including Roosevelt's Farm Program, the WPA, the TVA, Social Security, and the Farm Security Administration. The unit starts with chapters on the Scopes trial and the presidents and policies of the 1920s and ends with a chapter describing Roosevelt's attempt to shield his New Deal initiatives from a Supreme Court intent on declaring them unconstitutional.

This unit carefully explains a number of concepts in order to foster economic literacy. Among those covered and applied are the law of supply and demand, the components of gross national product, the Keynesian "multiplier," parity, the flow of goods and services, and margins. Students learn about the causes of depressions, methods of ending them, ways of curtailing the supply of farm products, operation of the stock market, the benefits of regional planning, the three major programs introduced by the Social Security Act, and various interpretations of the commerce clause. While the details of the Hoover presidency or the accomplishments of the 100 days may fade from students' memories, the understanding of how the economy functions will hopefully remain.

Each chapter is designed to accommodate a wide range of student abilities. The first part of every chapter is written at a lower reading and conceptual level than the second part. The two parts are separated by a series of student exercises, including a graphic organizer and several questions intended to help students master basic information and stimulate higher-order thinking skills. The second part of each chapter, "For Further Consideration," is written at a higher reading and conceptual level. It is followed by a question that requires students to write a strong paragraph and/or be prepared to present their opinions in class. In some cases, this section continues the story; in others, it challenges students to think deeply about issues related to the overarching question raised in the unit. In addition, I (Inquiry)-Charts are provided to help students optimize what they already know or think about a topic and integrate that with identifiable additional information they find in the text. Finally, each lesson includes

vocabulary words and key terms in a flashcard format; these can be used either for review or reference.

This unit is also designed to stimulate informed discussions and higher-order thinking skills rather than recitation and rote learning. It provides students with the information they need to acquire so they can share factually supported opinions and consider important philosophic issues. In the first part of this unit, students relive the Scopes trial and struggle with the questions of enforcing the constitutional strictures on separation of church and state while reconciling the teachings of science with biblical revelation. The chapters on the Twenties focus on economic issues such as the extent of the prosperity of the period and the causes of the Depression. The chapters on the Thirties contrast Hoover's and Roosevelt's approaches to the Depression, the success of deficit spending in ending it, the wisdom of the AAA and WPA, and the issue of court packing.

Chapter 1. Conservative Policies and Presidents, 1921–1933

Teacher Page

Overview:

This chapter provides students with information about the qualifications of the three presidents who served during the 1920s and a very brief summary of what they did while in office. The Graphic Organizer question asks students to match the information provided about each of the presidents to the correct chief executive. The “For Further Consideration” section summarizes the beliefs in *laissez-faire* and trickle-down attributed to Harding, Coolidge, and Hoover, and explains the policies based on these philosophies that these presidents pursued during the 1920s. Advanced students are asked to first present and explain these policies and philosophies and then to lead a discussion on the wisdom of following them.

Objectives:

Students will:

- become acquainted with the names, accomplishments, and words of the three men who served as president of the U.S. in the 1920s
- understand the rationale behind the domestic policies of government leaders during the 1920s
- discuss whether these policies were more likely to stimulate economic growth than lead to a devastating depression

Strategies:

Before class: Assign the chapter either up to or including the “For Further Consideration” section and inform students they will be expected to write their answers to all the Student Activities questions covering the assigned section(s).

In class: I suggest you start by asking students what general knowledge they have about previous U.S. presidents and then ask what they know about Harding, Coolidge, and Hoover before reading this chapter. Next, you may want to have students share their answers to the Student Exercise questions and the Graphic Organizer. If possible, allow up to 20 minutes for advanced students to explain the philosophies of trickle-down and *laissez-faire* and show how these beliefs influenced policies followed during the 1920s. You may wish to spend an entire class period on that exercise. This will afford you the time to discuss, analyze, and evaluate these philosophies, the wisdom of the policies that resulted from them, and relate your discussion to 21st-century economic issues.

Chapter 1. Conservative Presidents and Policies I-Chart

	Notable facts about the U.S. presidents during the 1920s	Economic philosophies of conservatives during the 1920s	Wisdom of policies (not philosophies) the government pursued during the 1920s
What I already know			
What I learned from Chapter 1, Part I			
What I learned from Chapter 1, Part II			
What I would still like to learn			

Chapter 1—Conservative Presidents and Policies

undistinguished

rhapsody

adherence

conservatism

normalcy

resolutely

liberalism

convention

**balance the
budget**

Chapter 1—Conservative Presidents and Policies

<p>Sticking with; remaining loyal or faithful to</p>	<p>A musical term that also can refer to an expression of strong feeling</p>	<p>Less than notable; ordinary</p>
<p>With determination or sense of purpose</p>	<p>Word made up by President Harding; means things getting back to the way they once were</p>	<p>Political philosophy usually calling for less government, lower taxes, and fewer regulations while helping the upper-middle and upper classes</p>
<p>Refers to a government or other organization spending less money than it collects in a given year</p>	<p>Usually an important meeting held by organized groups, such as political parties</p>	<p>Political philosophy usually calling for government spending to help lower-income and middle-class people while also regulating business and protecting the environment</p>

Chapter 1

Conservative Policies and Presidents, 1921–1933

Introduction

Throughout American history, major changes in public opinion have occurred roughly every ten to 20 years because people want to make changes in the relationship of the government to the economy. Sometimes they elect liberal (sometimes called progressive) presidents and congresses because they want the government to do more to help lower-income and middle-class people, to regulate business, and to protect the environment. Because liberal leaders sometimes end up doing more than the people who elected them wanted them to do, they get voted out of office and replaced by more conservative politicians, who usually scale back the scope of government spending and regulation. During the Progressive Era (1900–1920), for instance, liberal presidents Theodore Roosevelt and Woodrow Wilson used the national government to protect workers and consumers from unregulated big businesses. It seemed that the U.S. government was on a crusade to reform everything from business practices to tenement houses to the consumption of alcohol. Beginning in 1917, President Wilson extended his crusade into foreign policy to “save the world for democracy,” and advocated his idealistic Fourteen Points as a blueprint to achieve this objective. By the time the fighting ended, the American people had grown tired of liberal crusades, rejected the League of Nations, and returned to a more conservative foreign policy. Most citizens just wanted to take care of their own businesses and have a good time. The presidents and the congresses they elected in that period (1920–1930) expressed this newfound conservative mood. In this chapter, you will learn about the three men who served as U.S. presidents during the 1920s and their ideas on governing the country.



Warren Harding

Warren Harding—A Conservative President

Warren Harding was the first conservative president elected in the 1920s. Since Harding came from Ohio, a swing state in presidential elections, party bosses decided to nominate him for president. Another reason he was nominated was that the most respected Republican men in the party had taken unpopular stands on important issues. Harding, with an undistinguished record as a lieutenant governor and senator, had not taken significant stands on any issues. However, his appearance radiated authority and dignity and he had made few enemies. Businessmen liked him because he was a conservative and would do what they wanted. Republican

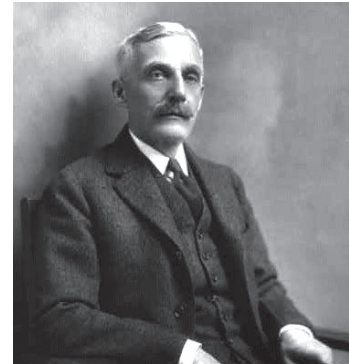
Party political bosses liked him because he did not know enough about politics to run the country without their advice. They nominated him in a closed convention after

a backroom deal and chose Calvin Coolidge of Massachusetts as his running mate because he had taken a strong stand against a policeman's strike in Boston.

In a speech in Boston in May 1920, Harding said what the country needed was not heroes but healing, not new government experiments but a return to "normalcy," not "revolutions but restoration; not agitation but adjustment." It mattered little that the word "normalcy" was not in the dictionary, for American voters longed to return to the "good old days" of the 1890s, when President McKinley promised a "full dinner pail" and neither international responsibilities nor domestic reforms were the orders of the day. Harding's campaign speeches played on this longing. He plucked a favorite chord by taking a stand for "happiness" as the greatest thing in the world. In his rhapsodies on normalcy, he declared himself in favor of peace, honesty, private enterprise, Americanism, low taxes, and a balanced budget. He campaigned in the traditional manner by remaining in his Ohio home where he received visiting delegations and played horseshoes. He was in the words of his supporters "no world beater," but he gave voice to a mood most Americans shared; and he was elected over the Democratic ticket of James Cox (also of Ohio) and future President Franklin D. Roosevelt by a landslide with 61 percent of the popular vote.

"The Best Minds"

Warren Harding was aware of the fact that he really did not know enough to run the country. He therefore tried to get the men with the "best minds" in the country to tell him what to do. Some of these minds did make it into the president's cabinet, including Herbert Hoover, a successful businessman with a distinguished record of public service whom Harding appointed Secretary of Commerce, and Charles Hughes, a former presidential contender and later Chief Justice of the Supreme Court, who became Secretary of State. Andrew Mellon, who had made a fortune with the Aluminum Corporation of America (ALCOA), resigned from 60 corporate directorships to take a position in Harding's cabinet as Secretary of the Treasury.



Andrew Mellon

Hoover, Mellon, and most other of Harding's cabinet members were wealthy men who believed what was good for rich Americans was good for the country as a whole. These men gave America a conservative government, which pleased American businessmen from John D. Rockefeller to the corner grocer. In addition to Hoover, Hughes, and Mellon, Harding appointed some of his own friends and political associates who had neither the "best minds" nor the best morals. They included Harry Daugherty, Harding's campaign manager, as Attorney General and Albert Fall as Secretary of the Interior. Daugherty was later accused of selling pardons and liquor permits, but was acquitted when a jury failed to reach a verdict after deliberating for 62 hours. Fall was later found guilty of receiving "loans" of \$400,000 for leasing valuable government oil lands at Teapot Dome, Wyoming without competitive bids.

Presidents Coolidge and Hoover



Calvin Coolidge

When Warren Harding died in 1923, Americans were just beginning to realize how much money his friends had taken from the government. However, these scandals were soon forgotten as Harding's vice-president, Calvin Coolidge, took control of the office that Harding had disgraced. Coolidge had attracted national attention as governor of Massachusetts by standing up to striking Boston police officers in 1919. He called the National Guard and made sure all who disregarded their public duty were fired. Coolidge's warning that no one had the right to strike against the public good convinced Republican leaders he would help Harding win the election.

As President, Coolidge ran a tight ship. He got rid of the thieves in Harding's government and replaced them with honest public servants. He asked Congress to reduce taxes and balance the budget. He vetoed attempts to give money to American farmers and helped reduce income taxes. Coolidge summed up his philosophy of government with his famous statements that "the business of America is business," and the less famous statement that "a man who builds a factory builds a temple." In keeping with his *laissez-faire* philosophy, Coolidge aspired to be the "least" president that the U.S. ever had and is said to have succeeded in that regard. He proposed no major legislation, was known for his many veto messages, took long naps in the afternoons, made few appointments, and said little to those who managed to see him.

After Coolidge decided not to run for reelection in 1928, the Republican Party chose Herbert Hoover to round out 12 years of conservative rule. Raised by uncles who could not afford to send him to college, Hoover worked his way through Stanford University. He earned his first million as a mining engineer before he was 40 and then devoted himself to public service. He gained universal fame and respect before and after World War I for heading organizations that provided relief to war victims, and for his service in the Harding-Coolidge cabinet as Secretary of Commerce. During the campaign, Hoover promised to continue the policies of the previous years:



Herbert Hoover

When the Republican Party came into full power [in 1921] it went at once resolutely back to our fundamental conception of the State and the rights and responsibilities of the individual. Therefore it restored confidence and hope in the American people, it freed and stimulated enterprise, it restored the Government to its position as an umpire instead of a player in the economic game. For these reasons the American people have gone forward in progress while

the rest of the world has halted, and some countries have even gone backwards.

By adherence to the principles of decentralized self-government, ordered liberty, equal opportunity, and freedom to the individual, our American experiment in human welfare has yielded a degree of well-being unparalleled in all the world. It has come nearer to the abolition of poverty, to the abolition of fear of want, than humanity has ever reached before. Progress of the past seven years is the proof of it.

Student Activities

A. Student Exercises

In the opinion of American voters at the time, what outstanding qualifications did Harding, Coolidge, and Hoover have that seemed to prepare them to lead the nation? Comment on each man's qualifications.

B. Graphic Organizer

Match each of the statements below this chart with the president to whom it could/should be attributed.

	Matches Most Closely with Which President?		
President Harding			
President Coolidge			
President Hoover			

Claimed prosperity of 20s due to policies he supported	Decided not to run for reelection in 1928
Died in office	Slept a good deal while in office
Strove to be the "least president" he could be	Known for corruption of people he appointed while in office
Believed in 'normalcy'	Was a millionaire by the time he was 40
Known for claiming that "the business of America is business"	