

Boom, Doom, and Zoom: U.S. Economic Policy during the 1920s, 30s and 40s

The Great Depression was a harrowing time for many Americans. This era has a special meaning in the United States due to overwhelming number of people affected by this catastrophic event. However, to fully understand the Great Depression and its impact, students must examine the decades which bookend the doom and gloom of the early 1930s. The three issues/topics below ask students to examine economic events which set the stage (the 1920s boom) for the Great Depression, economic events during the Great Depression itself (the 1930s doom) and economic events which finally helped America regain its economic footing (the 1940s zoom). Were the economic decisions in the era discussed a success for America? And what were the economic consequences for the future? Historians have long debated these questions. Now you will have a chance to do the same and express differing views about these events after examining all sides of the economic events and policies. Most of the information on this topic can be found online at the Federal Reserve websites' educational link: <http://www.federalreserveeducation.org/FRED/> Additional resources are also listed below and in the bibliography.

Issues:

1. From 1920-1932 how did government economic action or non-action contribute to the Great Depression? Which economic beliefs guided the thoughts of most U.S. citizens?
2. From FDR's inauguration in 1933 until the start of WWII in 1939 how did FDR's economic policies (especially as part of his New Deal) impact the Great Depression? What was the prevailing thought process of his advisors and how did their views shape economic policy during his first two terms?
3. From 1938 until the late 1940s how did America's economic and war policies spur growth and release the U.S. from the grip of the Great Depression? How did the Employment Act of 1946 affect the role of government in relation to fiscal policy? How did the Marshall Plan help craft U.S. international economic policy for the next few decades?

Issue #1 (1920s witnesses):

1. **Herbert Hoover – 32nd President of the U.S. (1928-1932)**
President who presided over the first three years of the Great Depression
<http://hoover.archives.gov/exhibits/Hooverstory/gallery06/gallery06.html>
<http://www.pbs.org/wgbh/amex/rails/timeline/index.html>
2. **Benjamin Strong – Governor of the New York Fed (1914-1928)**
Recognized that gold no longer served as central factor in controlling credit
<http://www.federalreserveeducation.org/fed101/History/index.cfm>
<http://www.newyorkfed.org/aboutthefed/BStrongbio.html>
3. **Raymond Rubicam - Madison Avenue Advertising Executive**
Representative of the promoters of the consumer culture of the Roaring 20s
<http://adage.com/century/people046.html>
<http://lcweb2.loc.gov/service/mss/eadxmss/eadpdfmss/2009/ms009217.pdf>
4. **Sen. Reed Smoot (R-Utah) – Main proponent of the Smoot-Hawley Tariff Act 1929-30**
Supported raising tariffs on imports to U.S. to highest levels ever
<http://eh.net/encyclopedia/article/obrien.hawley-smoot.tariff>
<http://www.time.com/time/magazine/article/0,9171,960038,00.html>
5. **Alphonse "Al" Capone – leader of American "underworld" who controlled illegal liquor industry**
Capone controlled a vast Prohibition-era crime syndicate which made "mad" money
<http://www.chicagohs.org/history/capone.html>
<http://www.fbi.gov/libref/historic/famcases/capone/capone.htm>

Issue #2 (1930s witnesses):

1. **Harry Hopkins – FDR’s Federal Relief Administrator “Point Man”**
“Not the destiny of Americans to remain permanently on relief roles”
<http://www.nps.gov/archive/elro/glossary/hopkins-harry.htm>
<http://www.u-s-history.com/pages/h1610.html>
2. **Henry Morgenthau – FDR’s Secretary of the Treasury**
pushed FDR to balance budget and reduce deficit, opposed Keynesian economics
<http://www.usmm.org/wlc/article.php?lang=en&ModuleId=10007408>
<http://www.ustreas.gov/education/history/secretaries/hmorgenthaujr.shtml>
3. **Harold Ickes – FDR’s Secretary of the Interior**
“Big business is enslaving America”, oversaw the PWA
<http://www.nps.gov/archive/elro/glossary/ickes-harold.htm>
<http://www.rpts.tamu.edu/Pugsley/Ickes.htm>
4. **Huey Long – Governor & later U.S. Senator from Louisiana**
began massive government public works programs & “every man a king & chicken in every pot”
<http://www.hueylong.com>
<http://www.pbs.org/kenburns/hueylong/resources/>
5. **Fr. Charles Coughlin – The “radio priest” from Michigan**
FDR supporter turned critic who espoused “Social Justice”
<http://www.fathercoughlin.org/>
<http://www.ssa.gov/history/cough.html>

Issue #3 (1940s witnesses):

1. **FDR – (only 4 term POTUS, Jan. 1944 State of the Union Address)**
2nd Bill of Rights: individual freedom cannot exist without economic security and independence
http://www.fdrheritage.org/bill_of_rights.htm
<http://www.worldpolicy.org/projects/globalrights/econrights/fdr-econbill.html>
2. **Harry Dexter White – Co-creator of the IMF and World Bank**
Believed U.S. economy would require a restoration of international monetary stability
<http://www.imf.org/external/pubs/ft/fandd/1998/09/boughton.htm>
<http://www.documentstalk.com/wp/white-harry-dexter-1892-1948>
3. **Employment Act of 1946 and the Marshall Plan (ERP)**
“FULL” Employment Act stated the government was responsible for helping all American to get a job.
The Marshall Plan was the \$13 billion economic aid package to help rebuild Europe after WWII.
http://research.stlouisfed.org/publications/review/86/11/Employment_Nov1986.pdf
http://www.trumanlibrary.org/whistlestop/study_collections/marshall/large/index.php
<http://www.fordham.edu/halsall/mod/1947marshallplan1.html>
4. **John Maynard Keynes – Father of Keynesian Economics**
Government must spend to get economy going (produce mass consumption)
<http://www.econlib.org/library/Enc/bios/Keynes.html>
<http://www.maynardkeynes.org/maynard-keynes-economics.html>

Debate Format:

1. The class views a teacher overview of policies, acts, and decisions related to issue # 1.
2. The witnesses of issue # 1 make an opening statement (between one and two minutes).
3. The witnesses debate issue # 1.
4. The class poses a question to each witness and the teacher can follow up if needed.
5. The class votes on the issue at the conclusion of the debate. The vote will entail students voting on the following question: Overall, did the policies outlined in issue #1 help or hurt the U.S.?
6. The teacher debriefs the issue.
7. The process is repeated for issues # 2 and # 3.

Guidelines/Assessments:

1. View the two suggested source listed but examine as many other sources as needed.
2. Submit a resume or background summary on your witness outlining the highlights of your witness and the main points of your testimony (use bullet points as it will be easy to follow).
3. Prepare a four paragraph overview on your witness.
4. Employ the following structure: In the first paragraph, provide historical background for the issue by consulting the readings, internet sources and course texts. In the second paragraph, introduce the witness, outline his or her political viewpoint on the issue by examining the suggested source(s) and offer personal information about the witness. What were the most important events or accomplishments in his or her life? In the following paragraphs, analyze the issue and examine the beliefs of the witness in greater detail. In the final two paragraphs, assess whether the witness brings a valuable perspective to the issue despite his or her bias. Then consider the validity of his or her viewpoint. Do you agree with it? Why or why not?
5. Give the source for all direct quotations and factual information that is not general knowledge. Use citations from at least two suggested sources or readings. Provide works cited.
6. As a witness, first identify who you are and explain what position you take on the issue (one to two minutes). Be clear, concise, and coherent. Use notecards if necessary but do not read to the class. Then participate actively and appropriately in the debate. As a witness, always try to relate your point to a point made by another speaker (either in support or rebuttal). As an observer, pay attention and ask questions.
7. Cite appropriately. Plagiarism is not allowed. Please edit carefully as we will post you final typed overview online.