AN ANALYSIS AND COMPARISON OF THE MAJOR AND IMMEDIATE CAUSES OF THE GREAT DEPRESSION

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Table Of Contents

INTRODUCTION

In the autumn of 1929 came the most devastating world economic crisis in capitalistic history. Throughout this capitalistic history, there have always been business crises but none had ever reached the magnitude that the Great Depression of 1929-1933 was to reach. This period in history has been called by most economists and historians The Great Depression, but it actually began as a stock market and financial crisis. At the beginning of 1929, the prices on the stock exchanges began to weaken. But the real crisis that was to produce years of suffering not only for the people of the United States but for people throughout the world came with the crash of the New York Stock Exchange in October of 1929. People in the United States who had bought stock with their life savings or with borrowed funds suddenly found themselves caught in the downward spiral of the stock exchange with no way out of this disaster without taking huge losses.

After the traumatic experience of the New York Stock Exchange crash in October of 1929 and as the United States settled into the period of history known as the Great Depression, one major question that was asked by economists, historians, and people affected by the depression was, how did this disaster begin? It is true that one prime concern of the people of the United States During this period was how to return the economy to a stable position once again. This alone however was not the only concern of the people. The causes of the Great Depression held a major position in the minds of those living during this critical period.

It must be noted here that no one, single cause can be presented as the ultimate and primary cause of the Great Depression. On-the-other-hand, it was a combination of causes that produced the stock market crash and the subsequent depression era. Herbert Hoover himself held this position and in his Second Annual Message to Congress on December 2, 1930 he presented his own views as to the causes of the Great Depression.

In Chapter I of this thesis I would like to present a brief description of the major events leading to the Great Depression. I feel that this is necessary in order to analyse the causes of the depression which will be presented in Chapter II. In Chapter II, which is the major section of this thesis, the views of Herbert Hoover concerning the causes of the depression will be offered along with the views of a few noted scholars. It is through an analyzation of these different views that I would like to bring to the surface the major causes of the Great Crash and the subsequent Great Depression.

CHAPTER I

A BRIEF DESCRIPTION OF THE MAJOR EVENTS LEADING TO THE GREAT DEPRESSION

The Great Depression, in a very strict sense, began as a stock market and financial crisis. It was through a tremendous rise in speculation by many ambitious Americans who displayed a great desire to get rich quickly with a minimum amount of effort and work, that began the stock market boom in the early 1920's. This specific trait to get rich quickly was even more wide-spread among Americans by 1925. Those who were affected by this monetary disease began investing life savings and borrowed funds into the stock market hoping for quick returns. This rise in speculation by many industrious Americans which was very characteristic of this period in history can best be exemplified by the Florida boom of 1925-1927. It began on a fairly safe factual basis but it was soon to turn into a fantasy world where by 1927 many millions of Americans would be hurt financially.

It was believed by many that Florida, because of its beautiful year-round weather, could be converted into a paradise that would attract millions of people either for the purpose of vacations or even possibly for the purpose of building a new home.

> "On that indispensable element of fact men and women had proceeded to build a world of speculative make-believe. This is a world inhabited not by people who have to be persuaded to believe but by people who want an excuse to believe. In the case of Florida, they wanted to believe that the whole peninsula would soon be populated by the holiday-makers and the sun-worshippers of a new and remarkably indolent era. ... The Florida climate obviously did not insure that this would happen. But it did enable people who wanted to believe it would happen so to believe." [1]

As the news of this seemingly glorious opportunity for a sure investment spread throughout the country, people flocked to Florida in increasing numbers. Each week more land was subdivided to accomodate those who wished to invest their money into this enterprize. "Values rose wonderfully. Within forty miles of Miami 'inside' lots sold at from $8000 to $20,000; waterfront lots brought from $15,000 to $25,000, and more or less bona fide seashore sites brought $20,000 to $75,000." [2]

By 1926 the great surge to buy land in Florida had decreased. This, however, was not the end to the boom. The real end came in September of 1926 when two disasterous hurricanes struck Florida. "The worst of these winds, on September 18, 1926, killed four hundred people, tore roofs from thousands of houses, and piled tons of water and a number of elegant yachts into the streets of Miami." [3]

Even though people in the United States were no longer interested in Florida as a way to get rich quick, it did not mean that they were finished with the speculation game. Speculation had by now become a part of their lives and they would just find some other new enterprize to invest their money.

As speculation continued to rise during 1927 so did interest in the stock market. Not only did people invest heavily in such speculative enterprizes as the Florida adventure, they also began to dabble in the stock market.

> "Day after day and month after month the price of stocks went up. The gains by later standards were not large, but they had an aspect of great reliability. Again in only two months in 1927 did the averages fail to show an increase." [4]

As can be seen the stock market was steadily gaining during 1927 to the delight of all those who had invested in it. To these people the stock market had become just another way of achieving a financial goal with the least amount of work and effort as possible.

It is claimed by many historians that the year 1927 was the year that the seeds of the disasterous Great Depression were sown. In 1925, "Britain returned to the gold standard at the old or pre-World War I relationship between gold, dollars, and the pound." [5] Because of this change Britain found it difficult to sell its products to other countries; on-the-other-hand Britain became an easy place where other countries could sell their products. Britain realized that the only way to change this situation was if the interest rate was lowered in the United States. In 1927, because of the plea from Britain, the Federal Reserve Board reduced its rediscount rate from 4 to 3.5 per cent. On account of this decision on the part of the Federal Reserve Board, a tremendous amount of government securities were sold which meant that those people who had sold them, such as individuals and banks, were left with extra money which they could invest in the stock market. This act of the Federal Reserve Board can be considered a major event leading to the Great Depression in that it indirectly encouraged the people of the United States to invest their extra money into the booming stock market or speculative enterprizes.

The year 1927 ended with a rising stock market and also rising speculation. The Federal Reserve Board during this fateful year tried to settle the economy by reducing its rediscount rate. It failed in its attempt and therefore actually encouraged investment. The year 1928 began in practically the same manner that 1927 had ended. "While the winter months of 1928 were rather quiet, thereafter the market began to rise, not by slow, steady steps, but by great vaulting leaps. On occasion it also came down the same way, only to recover and go higher again." [6] Even though the stock market did climb steadily during the year 1928 which proves that most people believed that the market was a safe place to invest their money, some citizens began to wonder just how safe the stock market was. "As early as the beginning of 1928, astute American observers recognized the dangers inherent in the stock market boom, but how to stop it without hurting ordinary business or adding substantially to government controls was not clear." [7]

During 1928 massive profits were being compiled by large companies and corporations. With their huge profits these companies invested in the stock market which affected the market and affected those people who wanted to invest in it.

> "The fact that the demand for useful, labor-employing capital was insufficient to consume all the savings did not mean that the surplus of saved money was not 'invested'. Much of it flowed into the purchase of stocks, thus raising stock prices and tempting promoters to issue unsound and unneeded securities. These securities usually took the form of new stock in mergers or holding companies, substantially increasing the nominal capital of the companies involved." [8]

So as can be seen, the stock market, through investments by large companies and by individuals, continued to rise during 1928. As long as this growth continued, investors were satisfied and they were unwilling to consider the possibility of disaster within the stock market.

During the prosperous boom in the stock market in 1928, the Federal Reserve Board was aware of the possibility of the trouble that existed but they were unsure of the action that was necessary to return the market to stability once again. They were conscious of the action that they had employed in 1927 in regard to the lowering of the rediscount rate and did not want to make the same mistake again. It was not until 1929 that the Board attempted action with regard to open market operations and the rediscount rate. However, by 1929 it was too late to make an attempt to control the inevitable crash.

Another major event that occurred before the Great Crash in October of 1929 was the Presidential election of 1928. The campaign placed the Republican Herbert Hoover against the Democratic Governor Alfred E. Smith of New York. One of the main questions in this particular campaign was the booming stock market and whether or not the country would retain its prosperous economy. The American economist and statistician, Robert W. Babson, "on September 17, told an audience in Wellesley, Massachusetts, that 'if Smith should be elected with a Democratic Congress we are almost certain to have a resulting business depression in 1929.' He also said that 'the election of Hoover and a Republican Congress should result in continued prosperity for 1929,'..." [9] In regard to the campaign and the major questions concerned in it "Hoover later noted that he was sure he would win 'if we made no mistakes. General Prosperity was on my side.' Except for farmers, everyone was doing just fine: wages and profits were high, and the stock market was soaring. 'We in America today,' said Herbert Hoover on August 11, 1928, 'are nearer to the final triumph over poverty than ever before in the history of any land.'" [10] The tally of votes showed Hoover with 444 electoral votes to 87 for Smith.

As a result of the 1928 election the stock market soared higher than it ever had before and it continued at this pace throughout the rest of the year. Citizens in the United States had faith in their Republican President and also in their booming stock market. But this faith was not to last long for in 1929 disaster would strike that would reach every citizen in the United States.

The transition between 1929 and 1928 was practically the same as the transition between 1928 and 1927 except for one major difference. The roaring stock market in the beginning of 1929 was more massive than it had been in the beginning of 1928. It was felt by many that by 1929 a depression was well overdue. No one can determine exactly whether a depression is due or overdue. But it is true, however, that in the beginning of 1929 progress in the stock market was booming and like all booms, it had to come to an end soon.

As the year 1929 moved forward prices on the New York Stock Exchange began to fluctuate. Many economists and individuals realized that a depression was inevitable due to this fluctuation of prices. Many theories at that time were proposed to explain this fluctuation and decline of prices in the stock market. One such theory was that of overproduction.

> "(3) As the immediate cause of the decline of prices was the accumulation of stocks in various branches of production, a natural conclusion is that we are faced with the phenomenon of overproduction." [11]

Another theory put forth to explain the inevitable depression was that of underconsumption.

> "(4) Those who are not satisfied with the superficial explanation of the crisis as a result of the increase of production arrive at the conclusion that the reason why the surplus cannot be absorbed is deficient consumption. ... A great variety of theories are put forward to explain this phenomenon of underconsumption. According to some, the habit of saving is responsible for it; according to another, disequilibrium between the production of capital goods and consumers' goods is the source of the evil." [12]

Investors in speculative enterprizes or in the stock market often purchased their stock on what is called margin. This particular form of credit also helped to create the situation that existed in the stock market in 1929.

> "Much of this buying of stocks was on margin, which meant that investors, ... put up about a fourth of the price. ... This precarious credit structure of brokers' loans had trembled in February, 1929 when the Federal Reserve Board ordered member banks not to lend money for such speculative purposes." [13]

The Federal Reserve Board realized by early 1929 that something had to be done to control the booming stock market and the inevitable depression. One instrument of control which the Board felt it had was that of open market operations.

"Open market sales of government securities by the Federal Reserve bring to the vaults of the Reserve Banks the cash which is paid for the securities. There it remains sterile and harmless. Had it stayed in the commercial banks it would have been loaned to the public in multiple volume and particularly in those days to people who were buying common stocks." [14]

Another instrument of control which the Federal Reserve Board possessed was that of the rediscount rate. This is the rate at which member banks borrow from the Reserve Banks in their district. On February 14, 1929, the Federal Reserve Board raised its rediscount rate from five to six per cent. This however was actually a meaningless decision because the rate at which brokers charged individuals for loans ranged anywhere from six to twelve per cent. Speculation in the stock market was not deterred very much by this act of the Federal Reserve Board. Fluctuation and tension continued within the stock market after February, 1929, due to the fact that nothing was done to control the oncoming depression.

Tension remained in the fairly steady stock market until the stock market crash on October 24, 1929. On that day almost thirteen million shares of stock changed hands. The hopes and dreams of millions of Americans were lost in the downward spiral of the once booming stock market. Panic spread throughout the country as investors in the stock market realized that life-savings and borrowed funds had been lost. It is true that the major questions in the minds of citizens at this time was how can the economy be returned to stability once again? Another important question, however, that many were concerned with was how did the depression come about? Or in other words - What were the causes of the Great Depression?

An analysis of the causes of the Great Depression will be covered in Chapter II.

CHAPTER II

AN ANALYSIS OF THE CAUSES OF THE GREAT DEPRESSION

The Great Depression that occurred in the United States in the 1930's was a very complex era in history, not only in the United States but throughout the world. After the New York Stock Exchange crash in October of 1929 the primary concern of the citizens of the United States was how could the country be returned to prosperous times once again. Besides this primary concern, economists, historians and people of the United States also wanted to know the major causes of the disasterous era in which they found themselves. They wanted to know the major causes of the Great Depression. It must be noted here that no one, single cause can be presented as the ultimate and primary cause of the Great Depression. On-the-other-hand, it was a combination of causes that produced the stock market crash and the subsequent depression era.

In Chapter I of this thesis a brief description of the major events leading to the Great Depression was presented. In Chapter II an analysis of the causes of the Great Depression will be offered. In order to accomplish this analysis, views have been chosen for comparison from a few men. These men are considered to be very knowledgeable in the area of the depression. The first of these men is Herbert Hoover who was President of the United States during the stock market crash and the Great Depression.

Herbert Hoover was elected to the Presidency of the United States in the Presidential election of 1928. Hoover received more than twenty-one million votes which was about six million more votes than his Democratic opponent, Alfred Smith, received. Hoover based a major part of his campaign on the prosperity of the United States. The year 1928 was a very prosperous year in the history of the United States. Citizens of the United States were very content with this economic situation and Herbert Hoover guaranteed, if he was elected, continued prosperity. This specific aspect of continued prosperity was emphasized by Hoover in his Inaugural Address in Washington, D.C., on March 4, 1929 when he said:

> "In the large view, we have reached a higher degree of comfort and security than ever existed before in the history of the world. Through liberation from wide-spread poverty we have reached a higher degree of individual freedom than ever before... We are steadily building a new race - a new civilization great in its own attainments... For wise guidance in this great period of recovery the Nation is deeply indebted to Calvin Coolige." [1]

On the day that the optimistic Herbert Hoover took office, the country was at the very pinnacle of prosperity. The stock market and business were booming and the people of the United States believed this upward trend in the economy would continue and that profits would be bigger and bigger. Hoover in his inaugural address stated that "ours is a land rich in resources; filled with millions of happy homes; blessed with comfort and opportunity. In no nation are the fruits of accomplishment more secure." [2]

This, however, was only the external picture of the economic structure of the United States. The internal structure was very different and President Hoover and the people of the United States were not aware of the economic danger signals that existed in it.

> "These economic danger signals - the unhealthy stock-market speculation, the overexpansion of capital goods, the inadequate purchasing power of the people, the depression in agriculture, the uncertainty of the foreign markets due to the chaotic postwar economic conditions in Europe - all these foreshadowed the impending disaster." [3]

The inevitable crash of the stock market came on October 24, 1929, only ten months after Hoover had been in office. At first Hoover predicted that the worst effect of the crash would be over within two months and that the economy would soon return to the level that it once held in 1928. [4] However, this prediction of Hoover's never came true and the depression continued, affecting the lives of all Americans. It was not until late in Hoover's term that serious measures, such as government controls and the Federal Reserve Board, were taken to cope with the deepening depression.

The citizens of the United States were very panic-stricken because of the disasterous depression and they were very eager to return to prosperous times once again. They were also very concerned about the causes of the depression and in answer to this latter concern of the people of the United States, Herbert Hoover in his Second Annual Message to Congress, December 2, 1930 (Third Session of the Seventy-first Congress) voiced his opinions as to the causes of the crash and the subsequent depression.

> "During the past 12 months we have suffered from economic depression.
> The origins of this depression lie to some extent within our own borders through a speculative rather than constructive enterprise. Had over-speculation in securities been the only force operating, we should have seen recovery many months ago, as these particular dislocations have generally readjusted themselves.
> Other deep-seated causes have been in action, however, chiefly the world-wide overproduction beyond even the demand of prosperous times for wheat, rubber, coffee, sugar, copper, silver, zinc, to some extent cotton, and other raw materials. The cumulative effects of demoralizing price falls of these important commodities in the process of adjustment of production to world consumption have produced financial crises in many countries and have diminished the buying power of these countries for imported goods to a degree which extended the difficulties farther afield by creating unemployment in all the industrial nations." 5

As can easily be seen, Herbert Hoover did not place the origin of the Great Depression on one, single cause. On-the-other-hand, he felt that the origin of the depression laid in a combination of several causes. In his Second Annual Message to Congress, Hoover pointed out what he viewed were the three major causes of the depression. They were: 1) Overspeculation on the part of individuals in the United States who invested life savings and borrowed funds, hoping for quick and huge returns; 2) Overproduction on the part of business and industry which exceeded beyond the demand of the consumers even during this prosperous period; 3) Underconsumption by individuals who preferred to keep their money in liquid form instead of using it to buy overproduced basic commodities.

William Starr Myers and Walter H. Newton in their book <u>The Hoover Administration: A Documented Narrative</u>, feel that the fundamental causes of the Great Depression lay in the Great War. However, in regard to the immediate causes of the Great Depression they agree with Herbert Hoover in that speculation was a major cause.

> "We now may examine the more immediate causes of the crisis in the United States... One of them was the weakness in our banking organization which lent itself to the boom and gave inadequate protection during the collapse. Another was the development of gigantic speculation in the United States which in itself had certain origins in the afterwar situation in Europe." [6]

In another comparison of the views of Herbert Hoover as to the causes of the Great Depression, Ray Lyman Wilbur and Arthur Mastick Hyde in their book The Hoover Policies point out that the origins of the depression lay within the World War. On this point they are in accord with Myers and Newton, the authors of The Hoover Administration: A Documented Narrative. However, in respect to the immediate causes of the depression they agree with Herbert Hoover and also with Myers and Newton that speculation on the part of individuals in the United States was of primary importance.

> "There were immediate causes in the United States which contributed to precipitate and intensify the crash. After the war Presidents Harding and Coolidge had prudently balanced the budget, reduced the debt and we were slowly liquidating our war losses and rebuilding a great prosperity on the sole basis of increasing national efficiency. But the United States also, in 1927, started credit inflation on the mistaken notion of our Federal Reserve leaders that we could help to tide over a threatening European slackening of business. Out of this inflation and other causes, including too much optimism and failure to pass on decreasing costs to the consumer, the United States was enveloped in a period of mad speculation which crashed in October of 1929." [7]

A very noted economist, Mr. Paul Einzig, has published almost fifty books on contemporary economic and financial problems and is very knowledgeable on the subject of the depression. In his book, The World Economic Crisis, Mr. Einzig lists nine theories as the principle causes of the depression. The nine theories are: (1) Periodic crises. (2) The necessity to return to the pre-war level. (3) Overproduction. (4) Underconsumption. (5) Monetary causes. (6) Overcapitalization. (7) Overspeculation. (8) The Moral Factor. (9) Coincidence of a number of independent factors. Mr. Einzig believes very strongly that the Great Depression was the outcome of the combination of a large number of causes and that no one, single cause can be presented as the ultimate and primary cause of it.

In his Second Annual Message to Congress Herbert Hoover stressed overproduction and overspeculation as the primary and immediate causes of the depression. In regard to overproduction Mr. Einzig states:

> "As the immediate cause of the decline of prices was the accumulation of stocks in various branches of production, a natural conclusion is that we are faced with the phenomenon of overproduction. There is no doubt about it that both agricultural and industrial production have increased considerably during the last few years and, in many branches, is in excess of its pre-war figures. The world is suffering, therefore, from acute 'embarras de richesse.'" [8]

As to overspeculation as an immediate cause of the depression, Mr. Einzig maintains that:

> "In the past most crises were preceded by a frenzy of speculation. As the present crisis was preceded by the Wall Street boom, it is natural that there should be people who should regard overspeculation as the cause which led to the crisis." [9]

The economist John Maynard Keynes, the author of

Essays in Persuasion, is considered by many economists the most influential British economist of the depression period. In respect to the causes of the depression Mr. Keynes does not hold overspeculation as a primary and immediate cause of the depression as does the authors previously mentioned. On-the-other-hand, Mr. Keynes believes that "...the fundamental cause of the trouble is the lack of new enterprise due to an unsatisfactory market for capital investment."[10] In respect to this fundamental cause, which is a cause of underconsumption on the part of individuals in the United States, Mr. Keynes raises the question: "How, then, can it be that the total costs of production for the world's business as a whole can be unequal to the total sales proceeds." Mr. Keynes answers this by saying that it depends "on whether the public prefer to keep their savings liquid in the shape of money or its equivalent or to use them to buy capital-goods or the equivalent."[11] Mr. Keynes, therefore, maintains as does Herbert Hoover that underconsumption on the part of individuals in the United States who preferred to keep their money in liquid form was one of the immediate and primary causes of the Great Depression.

The last economist, whose views have been chosen as a comparison to the views presented by Herbert Hoover, is John Kenneth Galbraith, the author of *The Great Crash*. Mr. Galbraith feels very strongly, as do the authors that have previously been mentioned, that the causes of the stock market crash and the following depression period can not be explained in one or two primary causes. He asserts that the depression was the outcome of a combination of many varied situations and circumstances. However, Mr. Galbraith does stress two causes of the depression, namely overspeculation and overproduction, more than the other causes which he presents in his book.

In regard to overspeculation and the stock market crash Mr. Galbraith notes that: "The striking thing about the stock market speculation of 1929 was not the massiveness of participation. Rather, it was the way it became central to the culture." [12] On numerous occasions in the past there has been a low rate of interest and credit has been easy, but there has been no speculation or depression. However, in 1929 these same circumstances existed and speculation and depression did occur. Mr. Galbraith explains this by saying that the citizens of the United States were very optimistic about the stock market and had confidence in it. Mr. Galbraith states in his book that speculation on a large scale, similar to that which existed in 1929, "requires a pervasive sense of confidence and optimism and conviction that ordinary people were meant to be rich." [13] Mr. Galbraith agrees with Herbert Hoover in that overspeculation was an immediate cause of the Great Depression, but Mr. Galbraith goes one step further in that he explores the optimistic and confident mood of the people of the United States prior to the crash of the stock market.

The second cause of the depression which Mr. Galbraith considers very important is that of overproduction. In 1929 business and industry were manufacturing goods at a higher rate than individuals in the United States could consume them. This gap between what was being produced and that which was being consumed caused a serious drop in prices of basic commodities. Mr. Galbraith agrees with the views of Herbert Hoover that overproduction on the behalf of business and industry coupled with overspeculation on the behalf of the citizens of the United States are the two most important immediate causes of the stock market crash and the Great Depression.

CONCLUSION

Hardship struck the United States with the devastating crash of the New York Stock Exchange in 1929. The period that followed, known as the Great Depression, affected the lives of all Americans. Many varied theories have been offered by historians and economists as to why the depression era occurred. The reason for this difference of opinion that has occurred between those who have written on the subject of the causes of the depression is that there is no one set theory that can be presented to explain this period in history. The Great Depression was a result of a combination of many causes and not just one single cause. However, it is possible to view the depression from the standpoint of a few primary and immediate causes. Herbert Hoover did this in his Second Annual Message to Congress in 1930 when he stated that overspeculation and overproduction were two primary and immediate causes of the depression. Since 1930 many historians and economists have written on the subject of the causes of the depression and most of them have agreed with the opinion of Herbert Hoover. It is when historians and economists view the depression in a wider scope, which includes deep-seated and minute causes, that the difference of opinion occurrs.

Economists and historians will continue to write about the causes of the Great Depression and many new theories will be proposed but the primary and immediate causes which Herbert Hoover proposed in 1930 will always remain essential in the causes of the Great Depression.

FOOTNOTES

CHAPTER I

[1]John Kenneth Galbraith, _The Great Crash_ (Boston: Houghton Mifflin Co., 1961), pp. 8-9.

[2]_Ibid._, p. 10.

[3]_Ibid._, pp. 10-11.

[4]_Ibid._, p. 13.

[5]_Ibid._, p. 14.

[6]_Ibid._, p. 17.

[7]Thomas F. Cochran, _The Great Depression and World War II_ (Atlanta: Scott, Foresman and Co., 1968), p. 4.

[8]_Ibid._, p. 3.

[9]Galbraith, _op. cit._, p. 20.

[10]Editors of American Heritage, _The American Heritage Pictorial History of the Presidents of the United States_ vol. II. (American Heritage Publishing Co., 1968), p. 768.

[11]Gordon Wright and Arthur Mejia, _The Age of Controversy_ (New York: Dodd and Mead Co., 1969), p. 208. As cited in Paul Einzig, _The World Economic Crisis_ (London: Macmillan, 1932), pp. 23-28.

[12]_Ibid._, p. 208.

[13] Dixon Wector, *The Age of the Great Depression 1929-1941* (New York: The Macmillan Co., 1948), pp. 4-5.

[14] Galbraith, *op. cit.*, p. 34.

CHAPTER II

[1]Louis Filler (editor), The President Speaks (New York: G.P. Putnam's Sons, 1964), p. 177.

[2]William Starr Myers, The State Papers And Other Public Writings Of Herbert Hoover Vol. I (New York: Doubleday, Doran and Co. Inc., 1934), p. 12.

[3]Stefan Lorant, The Presidency (New York: The Mac-Millan Co., 1953), p. 519.

[4]*Ibid.*, p. 581.

[5]Myers, *op. cit.*, p. 428.

[6]William Starr Myers and Walter H. Newton, The Hoover Administration: A Documented Narrative (New York: Charles Scribner's Sons 1936), pp. 6-7.

[7]Ray Lyman Wilbur and Arthur Mastick Hyde, The Hoover Policies (New York: Charles Scribner's Sons, 1937), p. 359.

[8]Paul Einzig, The World Economic Crisis 1929-1931 (London: The MacMillan Co., 1932), p. 26.

[9]*Ibid.*, p. 211

[10]Gordon Wright and Arthur Mejia, The Age of Controversy (New York: Dodd and Mead Co., 1969), pp. 211-212.

[11]*Ibid.*, p. 211.

[12]Thomas F. Cochran, The Great Depression and World War II (Atlanta: Scott, Foresman and Co., 1968), p. 4.

[13]John Kenneth Galbraith, The Great Crash 1929 (Boston: Houghton Mifflin Co., 1961), p. 174.

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