

The Great Depression

1929-1940

A large, dark blue, diagonal shape that starts from the bottom left corner and extends towards the top right corner, covering the lower half of the slide.

October 29, 1929 – Stock Market crashes



On October 24, 1929 - America experienced a drastic decline in the stock market - this was a warning to one of the greatest economic downfalls the world has even experienced.

On October 29, 1929 - America would suffer the consequences of a decade of bad politics and risky financial behavior

Within weeks - banks were closed - by choice or collapsed following a series of "bank runs" by the American public

Newly elected President Herbert Hoover took the blame for the Great Depression just months after being sworn into office.

For over a decade, America will suffer trying to get Relief, Recovery, and Reform

Causes of the Great Depression

Economic Boom - post war prosperity

Overproduction - underconsumption (we produced too much after the war was over and we were not supplying our allies)

The 1920s weren't great for everyone!!

Bull Market - relying on the projections of a market not the actual market

Buying on Margin - buying with credit/loans

Speculation Boom - hopes of getting a large profit/return

Smoot - Hawley Tariff - limited/expensive foreign trade

Bad government regulation/policy - lots of 1920s political corruption

Stock Market crash causes mass panic

Human Experience of the Great Depression

Tens of Thousands of businesses failed.

Half a million farmers lost everything.

¼ of all American banks failed and would never reopen.

More than 10 million people lost their jobs.

No “safety net”

When banks failed - people lost everything - their savings, then homes, then basic necessities - many were forced to depend on bread lines and the kindness of others

Organizations formed during the Social Gospel Movement quickly failed because they could not keep up with the demand.

Hooverilles

Many families were torn apart when children were sent to live with family or even strangers to survive, hundreds starved to death or died in the streets

President Hoover

Took office in early 1929 - believes it is the job of the public to solve the economic crisis and the government should not get involved in social issues **His laissez- faire idealism only intensify the crisis

Blamed for stock market crash - believes market will fix itself and result in “trickle down economics”

Hooverilles - shanty/cardboard towns set up inside of cities because people had lost their homes and had nowhere to go Hoover Blankets - old news papers

Bonus Expeditionary Force - ordered by Hoover the US Army attacks WW1 Veterans protesting for their war bonuses in Washington, D.C.

The Dust Bowl hits the midwest - destroying crops, killing livestock, many run west to California - “Okies”

Eventually realizes the problem won't fix itself - tries to use public works (building the Colorado Dam (Hoover Dam) to fix the problem)

President Roosevelt

F.D.R

Elected in 1933 - inherits the turmoil of the G.D. - widespread unemployment, collapsed banking system, decreased production, foreclosures, Dust Bowl, laissez faire style government policies

Believed in a three part plan to solve the economic conditions of the United States

Passed more legislation in his first 100 days (New Deal) than any other President

Used "alphabet soup" to get the country running again

Called for a bank holiday and new bank regulation/requirements before banks could reopen

F.D.R. with the People

Roosevelt was fighting a psychological battle with the American people, he knew he needed their trust and respect.

Fireside Chats - F.D.R used the radio to keep the American people informed of what the government was doing to help them and assure them things were going to get better/progress that had already been made.

Believed in transparency with the people - rebuilding their faith in the government by enacting policy that would work long term and stabilize the country

Loved by most Americans - elected for 4 terms

President Roosevelt F.D.R

Following the philosophy and ideals of Progressive reformers from the early 1900s, Roosevelt surrounded himself with a team of intelligent, experienced advisors to come up with a **relief** plan for the United States.

He appointed the first woman cabinet member - Frances Perkins - Secretary of Labor

Eleanor Roosevelt (wife) would serve a vital piece to FDR's political cabinet keeping him informed on the conditions of the poor and minorities.

Relief, Recovery, Reform

The New Deal – Relief

1933-1935 - Roosevelt takes action; backed by a Democratic Congress he is able to push more legislation that anyone believed possible

This included:

Financial Crisis -

The Bank Holiday - banks could not reopen until they proved their stability - The Emergency Banking Act allowed the federal government to provide assistance to banks in need

1933 FDIC - Federal Deposit Insurance Corporation - ensured that deposits made into banks were secure and available

1934 SEC - Securities and Exchange - created to oversee the stock market - fair and honest business practices

The New Deal – Relief

Unemployment Crisis -

1933 - Federal Emergency Relief Act - gave money to states and local governments to provide emergency relief and provided jobs

1933 - CCC - Civilian Conservation Corps - gave outdoor jobs to young men - planting trees and draining swamps

1933 - PWA - Public Works Administration and the CWA - Civil Works Administration - built highways, bridges, hospitals, airports, courthouses, and public facilities

1933 - HLC - Home Owners Loan Corporation - gave low interest loans to homeowners to prevent foreclosures

1933 - AAA - Agricultural Adjustment Act - provided loans to farm owners to prevent foreclosures

The New Deal – Relief

Unemployment Crisis Continued -

1933 - TVA - Tennessee Valley Authority - in an effort to help the South - one of the hardest hit areas during the G.D. The TVA was an experiment to provide jobs, electricity and running water to impoverished regions of the Tennessee Valley

“Priming the Pump” - Roosevelt considered this part of his plan getting the people and the economy ready for the next stage of his plan - Recovery

The New Deal – Recovery

1933 - National Industrial Recovery Act - designed to raise prices and reduce competition - creates the

1933 - NRA - National Recovery Administration - regulated business practices and ensured there was a “code of fair practice” this set price standards, limited production, reduced work week (40 hours) and minimum wage - business volunteered to participate and became Blue Eagle businesses to show their support and participation in the program

Some business challenged this policy and sued. The Supreme Court ruled that the NIRA was unconstitutional on the grounds that the federal government has no power to interfere in businesses operating within one state

The New Deal – Recovery

1933 & 1938 - Agricultural Adjustment Act - was meant to help farmers and would operate similar to the NRA

1933 - farmers were paid to produce less - killing crops and livestock in order to reduce supply and increase prices

Ruled unconstitutional by the SC in 1936 - stating Congress could not interfere in economic activities in a single state

1938 - AAA the government decided how much a crop should be marketed each year, regulated how many acres should be farmed, government storage was provided for surpluses and farmers were paid based on the value of their stored crops

New farming techniques were introduced to prevent another man made disaster like the Dust Bowl

Roosevelt will continue to support corporations and negotiate new trade deals and lower tariffs

The Second New Deal- Reform

1935 - Roosevelt changes direction and focuses on the long term - Reform

These plans were meant to ensure a Depression would never happen again

WPA - Works Progress Administration - increased employment by creating new public works projects - spent over \$11 billion and provided over 9 million people with jobs building schools, roads, courthouses, and bridges

They also employed artists, architects, writers and musicians and paid them to paint murals, design buildings, write guidebooks and produce plays and concerts - encouraging creativity and hope for the future

The Second New Deal-

Reform

1935 - SSA - Social Security Act - created a “safety net” for the American people in times of unemployment, illness or death

- a. Unemployment insurance - workers received unemployment insurance paid out of a tax on employer payrolls
- b. Retirement Benefits - employees would get monthly payments after retirement age paid for by a tax applied to their pay and contributions made by the employer - not relief or charity since the employee had earned this money over their career; would be given to the family in case of death
- c. Disabled and Orphaned - disabled and orphaned Americans were eligible to receive special grants from the SSA

The Second New Deal- Reform

1935 - NLRA - National Labor Relations Act - Wagner Act - replaced the unconstitutional NRA - gave workers the right to form unions, to bargain collectively and submit their grievances to the National Labor Relations Board

Prevented unfair anti-union practices

Roosevelt hoped if workers could organize it would lead to higher wages, better working conditions, and increased purchasing power

Sit Down Strike 1936 - workers sat down at a General Motors plant in Flint, Michigan - these types of strikes made it impossible for owners to continue production or utilize "scabs"

1938- **Fair Labor Standards Act** - set maximum working hours, minimum wage and prohibited child labor in factories

Alphabet Soup

NRA - National Recovery Agency

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AAA - Agricultural Adjustment Act

CCC - Civilian Conservation Corps

WPA - Works Progress Administration

FDIC - Federal Deposit Insurance Corporation

SSA - Social Security Administration

TVA - Tennessee Valley Authority

Wagner Act - National Labor Relations Act

Opposition and Court Packing

Roosevelt was not popular with everyone and would come under criticism after his reelection in 1936 - he was a target by Senator Huey Long who claimed that Roosevelt's plans and promises were not enough - he went so far as to promise each American family an income of \$5,000 a year that would be provided by taxing the wealthy.

After years of pushing legislation through, F.D.R. is finally told no by the Supreme Court - ruling that some of his new legislation was not Constitutional - F.D.R. pushes to fire the justices and replace them with new ones - essentially "packing" the court with judges who will support him

While Congress tells him no - within a few years those justices retire and he gets to appoint new ones anyway

Pop Culture



John Steinbeck - *The Grapes of Wrath* - depicted the life of the "Okies" and their struggles out West.

Dorothea Lange - photographed sharecroppers and migrant workers, capturing the experience of the Great Depression

Langston Hughes - used his poetry to capture the African American Experience

Walker Evans - photographed poor tenant farmers in Alabama

Margaret Bourke White - photographer - *Life Magazine*

Ernest Hemingway - writer - moved to Florida, wrote about the *Haves and the Have Nots*

Talkies - *Gone with the Wind*, *The Wizard of Oz*

Comic Strips & Mickey Mouse

All provided some escape from the conditions of the 1930s

The End of the Great Depression

The Great Depression didn't just happen to America - the consequences were felt worldwide. This led to turmoil and regime changes in Europe.

While Americans had spent a decade recovering, Hitler had spent the same time building a horrible legacy that would drag America into another world conflict - World War 2

Preparing for the war will be a major factor to ending the Great Depression.