THE GREAT DEPRESSION & NEW DEAL
1929-1940
I. Intro

- As the “Roaring Twenties” came to a close, the downturn in the economy signaled the end of an era.
- The stock market crash of 1929 marked the beginning of the Great Depression.
- This economic collapse brought enormous suffering to Americans in all walks of life.
Herbert Hoover-1928

• “We in America today are nearer to the final triumph over poverty than ever before in the history of this land…We shall soon with the help of God be in sight of the day when poverty will be banished from this land…”

• Herbert Hoover, 1928 GOP Convention Speech
II. Prosperity Ends

- 1920s
  - “Bull Market”
    - Investors would pay for part of the stock with credit as a down payment.
      - They hoped to pay the rest back with money on the stock they bought.
    - “Buying on the Margin”
III. Black Tuesday

- October 29th, 1929
  - Market falls 500 points
  - 16 Million shares sold
  - 30 Billion Dollar market loss
STOCKS COLLAPSE IN 16,410,030-SHARE DAY, BUT RALLY AT CLOSE CHEERS BROKERS; BANKERS OPTIMISTIC, TO CONTINUE AID

Leaders see fear warning.
Point to 'lifting spells' in trading as sign of buying activity.

GROUP MEETS TWICE IN DAY
But resources are unable to stem selling tide—lament resource investors.

HOPE SEEN IN MARGIN CUTS
Banks reduce requirements to 25 per cent—adjustments in Wall St. more cheerful.

U.S. STEEL TO PAY $1 EXTRA DIVIDEND
American Can Votes the Same and Rates Annual Rate from $3 to $4.

BIG GAIN IN STEEL INCOME
Earnings for Nine Months are $18.82 a Share, Against $8.77 a Year Ago.

RESERVE BOARD FINDS ACTION UNNECESSARY
Six-Hour Session Brings No Change in the New York Restaurant Rates.

OFFICIALS ARE OPTIMISTIC
Hutton Now Attends Cabinet Meeting, but Declines to Discuss Developments.
$100 Will Buy This Car.
Must Have Cash.
Lost All In The Stock Market.
Stock Market: The Ride
HOOVER
‘PROSPERITY’
VI. The Cycle of Money

**Good Business Cycle**

- Workers make money
- Able to buy goods
- Factories need workers to make goods

**Bad Business Cycle**

- Workers can't afford to buy goods
- Factories fire workers
- Demand decreases
- Factories cut back production
A Wise Economist Asks a Question

“I did.”

“But why didn’t you save some money for the future, when times were good?”

Source: Chicago Tribune, August 19, 1931 (adapted)
1,028 Economists Ask Hoover To Veto Pending Tariff Bill

Professors in 179 Colleges and Other Leaders Assail Rise in Rates as Harmful to Country and Sure to Bring Reprisals.

SMOOT & HAWLEY
[Rep. Willis Hawley(left) & Sen. Reed Smoot]
Unemployment Rates During The Great Depression

The AMD

- 1928: 3.3%
- 1929: 3.3%
- 1930: 8.9%
- 1931: 15.9%
- 1932: 23.6%
- 1933: 24.9%
- 1934: 21.7%
- 1935: 20.1%
- 1936: 17.0%
- 1937: 14.3%
- 1938: 19.0%
- 1939: 17.2%
- 1940: 14.6%
- 1941: 9.9%
- 1942: 4.7%
Hoover Philosophy

• Hoover campaigned with ideas of:
  • **Rugged Individualism**
    • belief not only in personal liberty and self-reliance but also in free competition.
V. The Devastation Depression-The Cities

• The effects of the Depression:
  • Cities hit first.
• “Hoover-Villes”
FREE SOUP COFFEE & DOUGHNUTS OR THE UNEMPLOYED
“IT SEEMS THERE WASN'T ANY DEPRESSION AT ALL!”

Source: Daniel Fitzpatrick, *St. Louis Post-Dispatch*, December 18, 1935 (adapted)
1932 ELECTION
FDR vs. Hoover
It's an Elephant's Job
YES, YOU BET IT IS

KEEP HIM ON THE JOB

GOD BLESS AMERICA
FRANKLIN D. ROOSEVELT
OUR NEXT PRESIDENT
Bonus Army March 1932

- 1932 – The Bonus Army marches on Washington D.C.
  - WWI Veterans demanded they receive their bonus payment from serving in WWI.
  - The event gave the impression that Hoover didn’t care about the effects of the Depression.
SENATE DEFEATS BONUS, DESPITE 10,000 VETERANS MASSED AROUND CAPITOL

Herriot Says Debt Settlement Hinges on Understanding Here

Special Cable to The New York Times.
PARIS, June 17.—“The declaration of the six powers at Lausanne makes an ultimate European settlement conditional upon eventual understanding with the United States,” said Premier Edouard Herriot in a statement given out at Lausanne and reproduced tonight in the Paris press.

Herriot added that he consid-
MR. HOOVER LIKES JIG-SAW PUZZLES
By Bishop, in the St. Louis Star
Election of 1932
RETURN THE GOVERNMENT TO THE PEOPLE!
ON NOVEMBER 8th.

He’s Ready! Are You?

WE NEED ACTION!

FROM
PRESIDENT ROOSEVELT'S
ACCEPTANCE SPEECH
August 30, 1932

We have had four years of futile prophecy, broken promises, and blundering statesmanship.

As a result, the country is in its worst crisis in its history. 12,000,000 able-bodied workers are unemployed. 5,000,000 American people are living on charity. 12,000 bank failures. Thousands of schools, churches, hospitals, and homes foreclosed.

Agriculture is prostrate and on the verge of bankruptcy. Surplus crops are poisoning the farmer while millions of human beings are starved to death.

The President has proved his utter lack of capacity to restore the nation to economic health. The people have lost confidence in his leadership and will not be reassured by his hollow campaign forecasts of reviving prosperity.

The battle has not been won! The fundamental cause of our distress has not been remedied! Each day of delay adds to human misery and despair!

THE NATION DEMANDS CONSTRUCTIVE LEADERSHIP!

ELECT... ROOSEVELT... ELECT
1932 Election Results
ROOSEVELT PROMISES NATIONAL RELIEF

QUICK ACTION TO BE PUT UP TO CONGRESS

Power Similar to That Granted in War to Be Asked at the Coming Special Session.

WASHINGTON, March 4—(U.P.)—President Franklin D. Roosevelt declared today that his immediate aim was dynamic action, if necessary, to battle the economic and social stresses and strains of the country.

In his inaugural address delivered before thousands of spectators making the broad plaza of the capital building, he declared that it would go as far as he and Congress could to combat the 'forces that are huge and mightier than the government of the people, for the people, and by the people' to which Roosevelt has referred.

WASHINGTON, March 4—(U.P.)—President Franklin D. Roosevelt declared today that his immediate aim was dynamic action, if necessary, to combat the economic and social stresses and strains of the country.

And Now, a Man of Courage Is at the Helm

Thousands See Nation's New President Take Oath

Cheers greet Roosevelt and Hoes are sounded in salute to the Capitol.
FDR Offers a New Deal

• “First of all, let me assert my firm belief that the only thing we have to fear is...fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert into advance...The people of the United States have not failed...they want direct, vigorous action...They have made me the present instrument of their wishes.”

  • President Franklin D. Roosevelt
  • First Inaugural Address, 1933
SWEEPING CHANGES ARE EXPECTED
AFTER MARCH 4TH
BY MORRIS

FEDERAL REORGANIZATION BROOM TO PRESIDENT ROOSEVELT

CONGRESS
FDR: The Man
First 100 Days

- Emergency Banking Act (March 6, 1933)
- Fireside Chats
- Federal Deposit Insurance Corporation (1933)
  - Restore confidence in the banking system
ROOSEVELT ORDERS 4-DAY BANK HOLIDAY, PUTS EMBARGO ON GOLD, CALLS CONGRESS
Depression in the Rural Areas

- Farmers in Great Plains exhaust land through overproduction
- 1930s, drought, windstorms hit; soil scattered for hundreds of miles
- **Dust Bowl**
  - area from North Dakota to Texas that is hardest hit
  - Many farm families migrate to Pacific Coast states
  - “Okies” from Oklahoma pack up and head west
DUST STORM DAMAGE, 1930-1940

- Dust Bowl States
- Area with most severe dust storm damage
- Other areas damaged by dust storms
Social Effects of the Great Depression

- 1928–1932, suicide rate rises over 30%
- Admissions to state mental hospitals triple
- People give up:
  - health care
  - College
  - put off marriage
  - children
- Develop habit of saving and thriftiness
Dust Bowl

Efforts to move the car through the dust on the road. Cimarron County, OK. 02/06/1939

A black roller blowing dust from unprotected farmlands

Wind devastated farmland

Walking through the dust storm, Cimarron County, OK. 02/06/1939

Source: NRCS

In the public domain
The Farmer: “Sure, I’ll Try Anything Once!”

By Morris
VIII. Social Effects of the Great Depression (Cont.)

• Women Struggle to Survive
  - Homemakers budget carefully,
  - can food
  - sew clothes

• Women work outside home
  - Many women suffer in silence, ashamed to stand in bread lines

• Children Suffer Hardships
  - Poor diets, health care lead to serious health problems in children
  - Lack of tax revenue leads to shortened school year, school closings
  - Teenagers leave home, ride trains in search of work

• Homelessness

• Crime
JOBLESS MEN
KEEP GOING
WE CAN’T TAKE CARE OF OUR OWN
CHAMBER OF COMMERCE
PART II - THE NEW DEAL

1933-1940
CONFIDENCE IN YOUR DOCTOR IS HALF THE BATTLE
The Three “R’s”

- **Recovery**
  - Restoration of the institutions that suffered as a result of the depression

- **Reform**
  - Fixing the institutions to prevent another depression from happening again

- **Relief**
  - Direct need to the people

- **Alphabet Soup**
  - A series of programs known by their acronym
OF COURSE WE MAY HAVE TO CHANGE REMEDIES IF WE DONT GET RESULTS
New Deal II-Post 100 Days

- Focused More on Relief
- Workers Progress Administration (WPA)
  - Built roads, bridges, public buildings, and highways
  - Employed artists, writers & actors to promote New Deal Policies
NRA

U.S.

CODE

we operate under an approved code and display the Blue Eagle as a symbol of our cooperation

WORK

PROMOTES

CONFIDENCE

WORKS PROGRESS ADMINISTRATION
**WPA**
FEDERAL MUSIC PROJECT OF NEW YORK CITY

**THEATRE OF MUSIC**
254 WEST 54TH STREET
COLUMBUS 5-8489

**SYMPHONY CONCERTS**
Every Sunday Evening - 8:30

25¢ POPULAR PRICES 50¢
ALL SEATS RESERVED

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SEE AMERICA
UNITED STATES TRAVEL BUREAU
JOHN IS NOT REALLY DULL HE MAY ONLY NEED HIS EYES EXAMINED

OLYMPIC BOBSLED RUN LAKE PLACID
Up where winter calls to play
OPERATED BY NEW YORK STATE CONSERVATION DEPT
EAT FRUIT

BE HEALTHY

Work Pays America!

Prosperity

Works Progress Administration
ALPHABET SOUP

ABC
DEF
GHI
JKL
M
NOP
QRST
UVWXYZ
1234567890
Social Security Act

- Federal insurance program
- Monthly payments over the age of 65
  - Unemployment benefits
  - Dependent mothers & children
- Most controversial program of the New Deal
A monthly check to you-

For the rest of your life... beginning when you are 65

Get your Social Security account number promptly

Applications are being distributed at all workplaces

Who is eligible: Everybody working for salary or wages (with only a few exceptions, such as agriculture, domestic service, and government work). Applications for Social Security accounts are available through employers. If you do not get one from your employer, ask for one at the Post Office.
“I Will Not Promise the Moon…”
Critics of the New Deal

• **Political Right (Conservatives)**
  • People with ideology that want to preserve the current system or power structure.
  • These people thought the New Deal did too much

• **Political Left (Liberals)**
  • People who sought for political, economic, and social change
  • These people thought the New Deal didn’t do enough
“Share Our Wealth” Program
Court Packing Plan

- The S.C. ruled many provisions of New Deal programs unconstitutional
- 1937:
  - FDR proposes adding six additional justices
  - Known as the “Court Packing Plan”
  - Heavily criticized for politicizing the Supreme Court
FALL IN!

EXECUTIVE

LEGISLATIVE

JUDICIAL

HE JUST AIN'T FAST ENOUGH

THE OLD NINE

THE BENCH

PRESE. ROOSEVELT'S REQUEST FOR SIX NEW SUPREME COURT JUSTICES

BROOKLYN CITIZEN
TRYING TO CHANGE THE UMPIRING

LISTEN—I DON'T LIKE YOUR "DECISIONS!"
FROM NOW ON, YOU'RE GOING TO HAVE TO WORK
WITH SOMEONE WHO CAN SEE THINGS MY WAY!

THE SUPREME COURT

PRESIDENT ROOSEVELT

NEW DEAL ACTS DECLARED UNCONSTITUTIONAL

N.R.A. "OUT"
A.A.A. "OUT"
A.A.A. TAX REFUNDS "OUT"

FREE NEW DEAL LAWS
THE PIT AND THE PENDULUM!

CONSTITUTIONAL GOVERNMENT

DICTATORSHIP

ALL I SAID WAS 'GIMME SIX MORE JUSTICES!'
Recession of ‘37-‘38

- Recession of ’37-‘38
  - Social Security Tax reduced consumer spending
  - New Deal Program funds running out
  - Unemployment remains high (20%)
1938 Mid Terms

- Democrats lose:
  - 72 Seats in the House
  - 6 Seats in the Senate
  - Largest net loss for any party in American history
1940 Election

- FDR runs for 3\textsuperscript{rd} Term
- GOP nominates businessman, Wendell Willkie
- **Issues:**
  - Economy/Unemployment
  - Prospect of War in Europe
  - Legacy of the New Deal
No Third Term!
End of the Great Depression

New York World-Telegram

1500 DEAD IN HAWAII

CONGRESS VOTES WAR

Tally in Senate is 82 to 0, In House 388 to 1, with Miss Rankin sole objector

By LYLE C. WILSON, United Press Staff Correspondent

WASHINGTON, Dec. 7—Congress today proclaimed existence of a state of war between the United States and the Japanese Empire 33 minutes after President Roosevelt stood before a joint session to ask each House to arm in such a crisis and pledge that we will triumph—"we help us, God." Democracy was proveing its might to a place in the

Soviet Union

United States

100 to 200 soldiers killed in Japanese raid on Luzon in Philippines

BULLETIN

MANILA, Dec. 8—Press dispatches reported that 100 to 200 troops, 60 of them Americans, were killed or injured today when Japanese warplanes raided Ilocos, on the west coast of the Island of Luzon, north of the Olongapo naval base.