



## Depression

Welcome!

These mini-lectures are an overview of your assigned readings—they should provide better understanding of what you are reading!

Just listen (if audio is provided, it plays automatically), then read the slide, and use the next arrowhead. If you are viewing this in PDF, use the down arrow at the top of the pdf.

### Contents:

Economic trouble  
Farming & overproduction  
Banking & credit  
Stock market crash  
Hoover & Hoovervilles  
Bonus Army & FDR's Election  
Life in the Depression  
3 R's (examples)  
SEC & Social Security  
Critics  
2d New Deal  
Dust and Strikes  
Conclusions. & A brief post test.



# SIGNS OF TROUBLE





- **OVEREXPANSION**
- **LOW WAGES**
- **HIGH DEBT**
- **MISMANAGEMENT**
- **LITTLE MARKET REGULATION**

# FARMING-LOW PRICES





# FARMING

- PRODUCTION UP 400% 1920s
- CONSUMPTION DOWN
- DROUGHT YEARS



# FORECLOSURES





# PURCHASING DOWN

- **30 % AMERICANS AT POVERTY LEVELS**
- **50% DON'T BUY A CAR**
- **75% DON'T BUY WASH MACHINES**





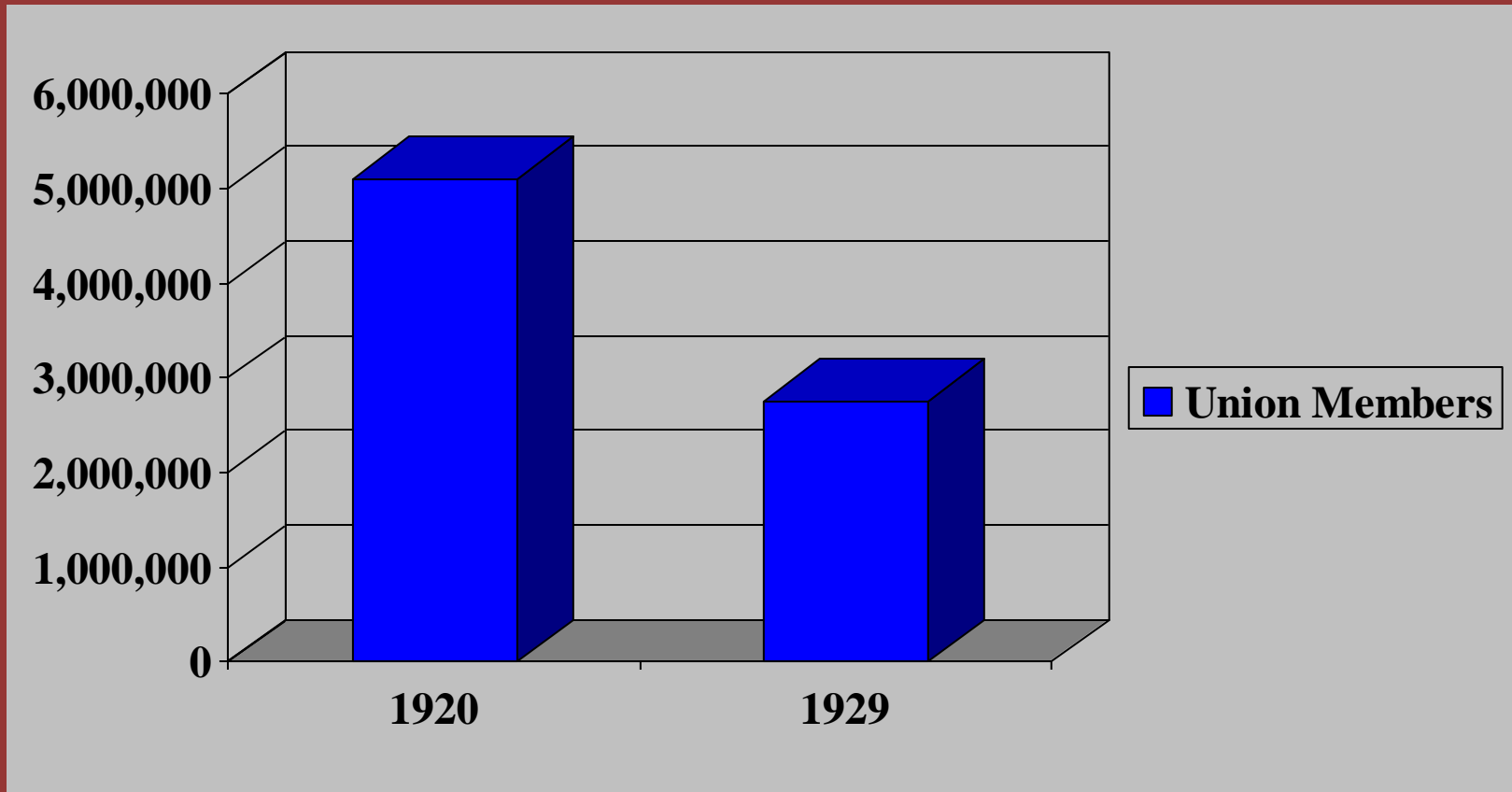
# OVER PRODUCTION

- VACUUM CLEANERS
- COAL PRODUCTION
- COTTON PRODUCTION
- AUTOMOBILES





# UNIONS SUFFER





# WEEAK STOCK CONTROLS

- 5% OF AMERICANS INVESTED
  - BUT MANY FOR SHORT TERM
- BANKS INVESTED HEAVILY
- STOCK FRUADS FREQUENT
  - NO STOCK REGULATION
- STOCK PRICES & PRODUCTION ROSE, SALES LEVEL OFF





# BANKS & CREDIT

- 50% OF BANKS NOT REGULATED
  - NOT FEDERAL RESERVE MEMBERS
- LOANS WITHOUT COLLATERAL
- STOCKS PURCHASED ON CREDIT OR "MARGINS"
- SPECULATION



# STOCK CRASH

## York Times.

THE WEATHER  
Clear and continued mild today  
Temperature 60 and warmer.

FRIDAY, OCTOBER 23, 1929.

TWO CENTS PER COPY

### WORST STOCK CRASH STEMMED BY BANKS; 12,894,650-SHARE DAY SWAMPS MARKET; LEADERS CONFER, FIND CONDITIONS SOUND

#### FINANCERS EASE TENSION

Five Wall Street Bankers  
Hold Two Meetings at  
Morgan Office.

#### CALL BREAK 'TECHNICAL'

Comment Lays It to 'Air Holes'  
—Says Low Prices Do Not  
Depict Situation Fairly.

#### Wall Street Optimistic After Stormy Day; Clerical Work May Force Holiday Tomorrow

Confidence in the soundness of the stock market structure, notwithstanding the upheaval of the last few days, was voiced last night by bankers and other financial leaders. Sentiment as expressed by the heads of some of the largest banking institutions and by industrial executives as well was strikingly cheerful and the feeling was general that the worst had been seen. Wall Street ended the day in an optimistic frame of mind.

The opinion of bankers was unanimous that the selling had got out of hand not because of any inherent weakness in the market but because the public had become alarmed over the steady liquidation of the last few weeks. Over their private wires these bankers counseled their customers against further thoughtless selling at sacrifice prices.

Charles E. Mitchell, chairman of the National City Bank, declared that fundamentals remained unimpaired after the deluge of the last few days. "I am still of the opinion," he added, "that this reaction had little permanent effect."

#### LOSSES RECOVERED IN PART

Upward Trend Starts  
With 200,000-Share  
Order for Steel.

#### TICKERS LAG FOUR HOURS

Thousands of Accounts Fused  
Out, With Traders in Dark as  
to Events on Exchange.



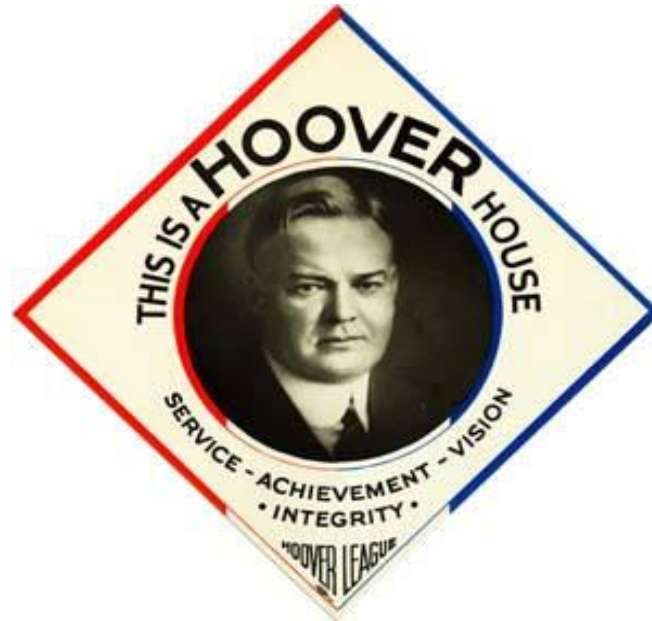
# STOCK CRASH

- **US STEEL**
  - 262 TO 22
- **MONTGOMERY WARD**
  - 138 TO 4
- **START (NOT CAUSE) OF DOWNWARD SPIRAL**





# HOOVER STEPS IN





Hoover was elected with high hopes. He was a self made millionaire, and had led the drive to conserve food for the war effort.

He was intelligent, and he would try many new approaches To fight the depression.

But he was also rigid and seemed aloof to americans in need.





As Hoover took the oath of office, March 9, 1929, Farmers had already convinced Congress that a special session was needed to pass farm relief—

Bills were passed but proved harmful. Hoover watched on the sidelines.

In only seven months he and the nation would tumble into ten years of depression.







# AGRICULTURE

- LIMITED LOANS TO BANKS TO HELP FARMERS
- LITTLE IMPACT—ACTUALLY HURT, SINCE IT CREATED MORE DEBT





# RECONSTRUCTION FINANCE CORPORATION

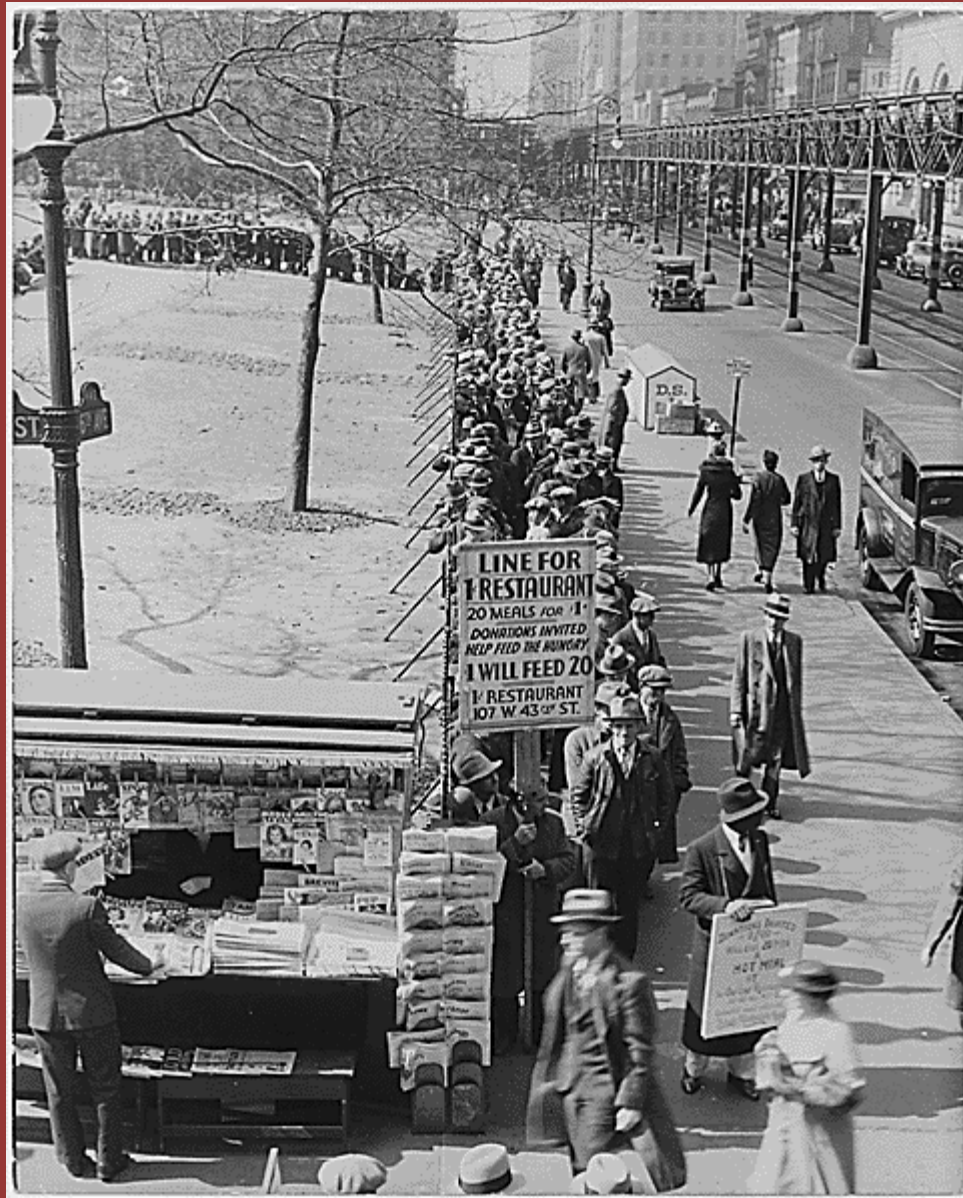
- **RFC, 1932,**
  - **LOANS TO BANKS, INSURANCE, RAILROADS**
  - **THEIR RECOVERY WAS TO TRICKLE DOWN TO OTHERS...**
- **HOOVER OPPOSED TO DIRECT RELIEF**

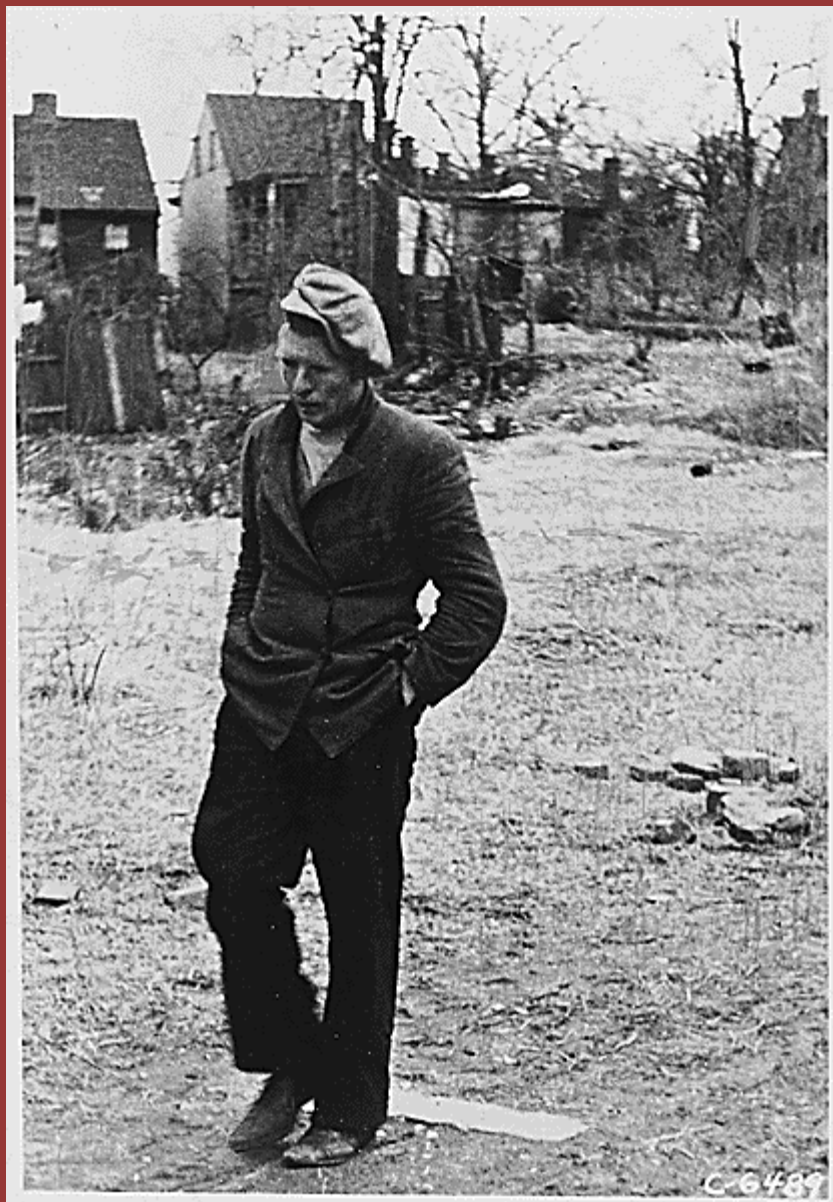


# STOP HOME LOAN DEFAULTS

- **\$25 MILLION AGAIN TO BANKS**
- **DISCOUNT LOANS TO HOME OWNERS**
- **NO IMPACT**





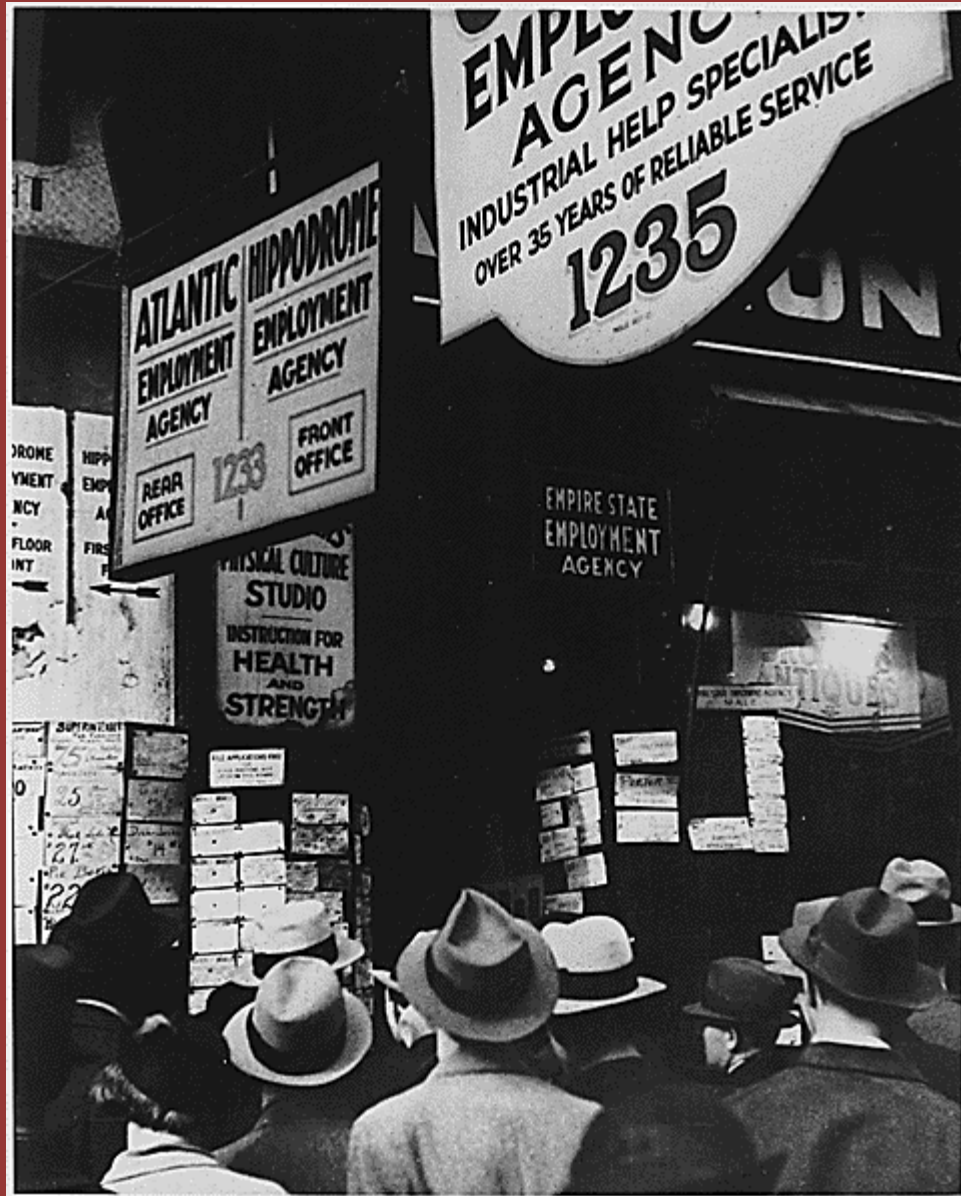


# UNEMPLOYMENT--HOOVERVILLES



Name, "Hooverilles" stuck long after Hoover left the White House











# UNEMPLOYMENT

- **1929-1933**
  - **1929: 3%**
  - **1930: 10%**
  - **1931: 19%**
  - **1932: 31%**

Note—Hoover is in office these 4 years. FDR is elected in November 1932, but does not take office until March 1933.





# SOUP LINES















# BONUS ARMY, Summer 1932



# LIFE IN DEPRESSION

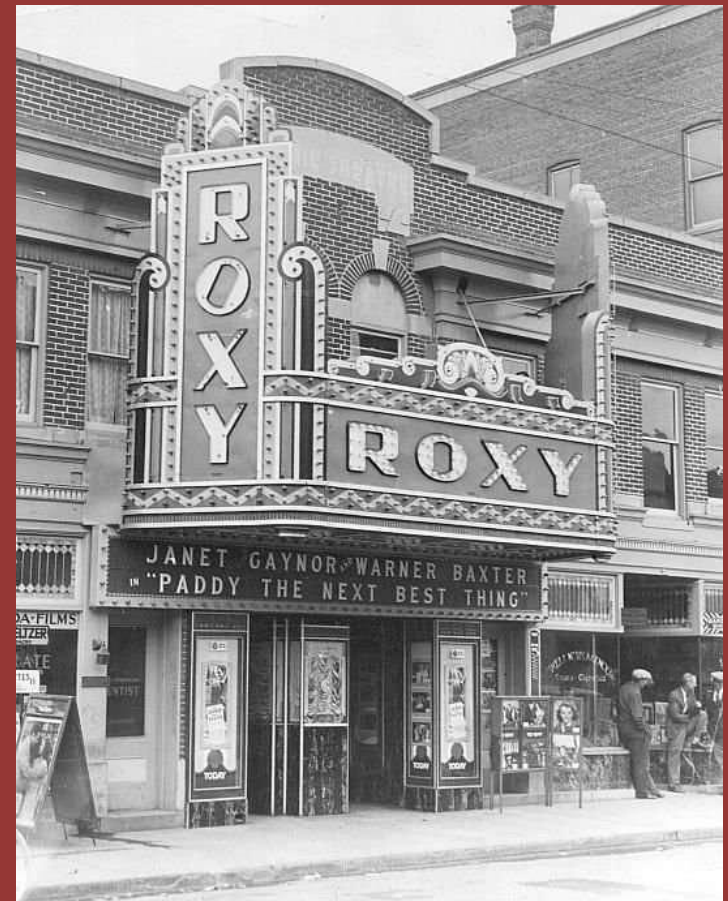


Clark Cable & Claudette Colbert

Wizard of Oz, 1939



City Lights, Charlie Chaplin  
The Thin Man  
The Bride of Frankenstein  
It Happened One Night  
The Lady Vanishes



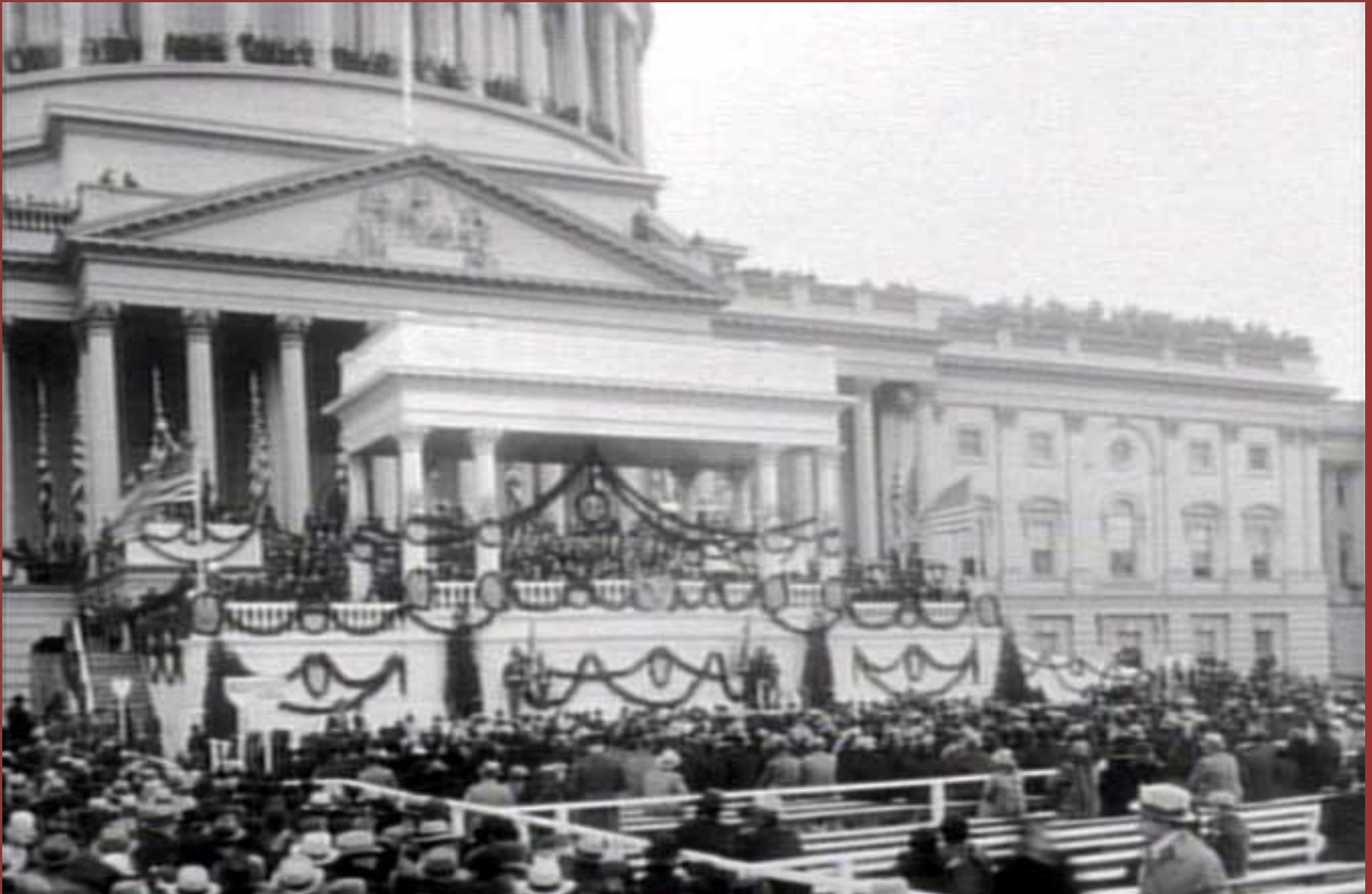
# WHAT WAS SELLING?

- CANNING JARS
- CADILLACS
- SEWING KITS
- MOONSHINE
- THEATRE TICKETS

# DEPRESSION SPECIALS

- **FROG FARMS**
- **“RIT” DYES FOR A NEW DRESS**
- **“CHEE EW CHICKLETS... AND CHEER UP”**
- **1 IN 10 FAMILIES TOOK BORDERS**

# FDR ACTS



# FIRESIDE CHATS--BANKING





# THE FIRST 100 DAYS

- **DEMOCRATIC CONGRESS**
- **CABINET SWORN IN**
- **SPECIAL SESSION**
- **EMERGENCY BANK BILL**
- **FLOOD OF LEGISLATION**







# BRAIN TRUST

Rexford Tugwell, Columbia University  
Economist  
and others came to aid the President.

Tugwell proposed measures that would  
“prime the pump” temporarily, allowing  
families to earn some cashing start  
spending again, thus easing the  
depression.





Relief—temporary jobs to get cash to unemployed. They would begin to purchase, and the economy would grow. Aimed for six months—lasted eight years. (CCC, PWA)

Reform—programs to prevent another depression. (SEC, FDIC, Social Security)

Recovery—larger program aimed at helping large business, (AAA, NIRA)



## Civilian Conservation Corps

...enroll 18-22 year olds for 6 months

...planting trees, building parks

...provide housing and food and \$30 a month

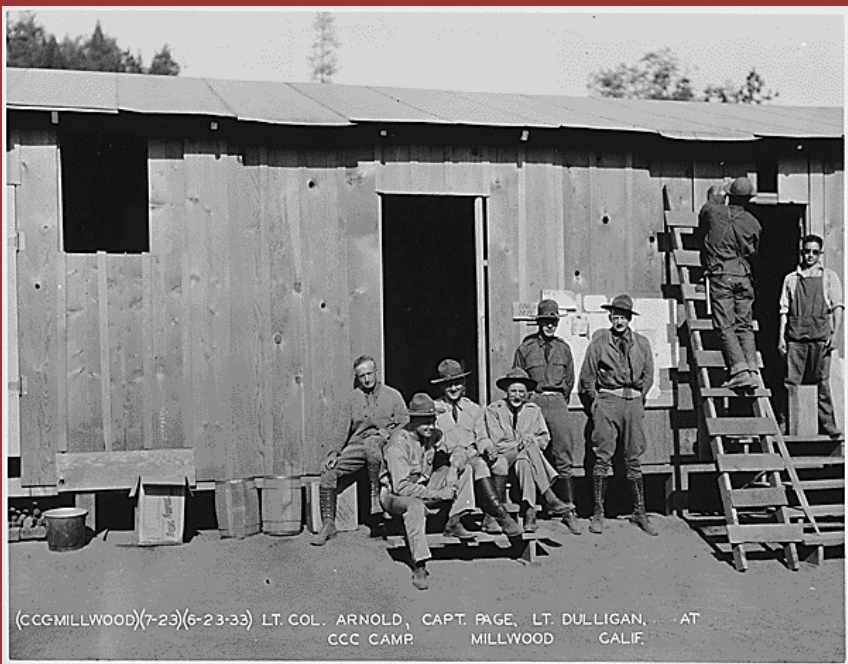
...but send \$25 of that back to their families

...very popular, but lasted eight years & never solved unemployment



CCC





(CCC MILLWOOD) (7-23) (6-23-33) LT. COL. ARNOLD, CAPT. PAGE, LT. DULLIGAN, AT  
CCC CAMP MILLWOOD CALIF.



(C.C.C. CAMP 17) (3-23) (6-25-33) KITCHEN, CAMP 17, CALIF.





In 1934, Eleanor hosted a national conference on unemployed women. Eleanor also helped create a smaller version of the CCC for women called She, She, She. The first camp was Camp Tera and the camps eventually served 5,000 women annually.



Eleanor Roosevelt at SheSheShe Camp for unemployed women in Bear Mountain, New York, 1933

Franklin D. Roosevelt Library





## Agricultural Adjustment Act

...a processor tax (middle man) would help pay farm subsidies

...farm prices were compared to costs = “parity”

...another section of the law controlled the number of acres to be planted in seven basic crops; and farmers not planting were paid cash for not planting crops

...tax declared unconstitutional by the Supreme Court in 1936, *Butler v. US*

...two other farm programs, Resettlement Administration and Farm Security Administration took the place of the AAA without the tax





# AAA



By 1938 a second AAA controlled production levels; and the first food stamp program was begun. Farm prices recovered with the coming of war in Europe and the Pacific.



## National Industrial Recovery Act

...two complicated programs, the main recovery program was called the National Recovery Administration (NRA)

...national industry codes of fair price & and fair labor

...fair meant low, but with some profit to stimulate purchasing

...so codes for tires, steel, glass, paint, etc were developed

...compliance was “voluntary” and so a “hullabaloo” campaign began to stir up patriotic interest ... buy with businesses that fly the blue eagle.

...utter failure...director Hugh Johnson ineffective



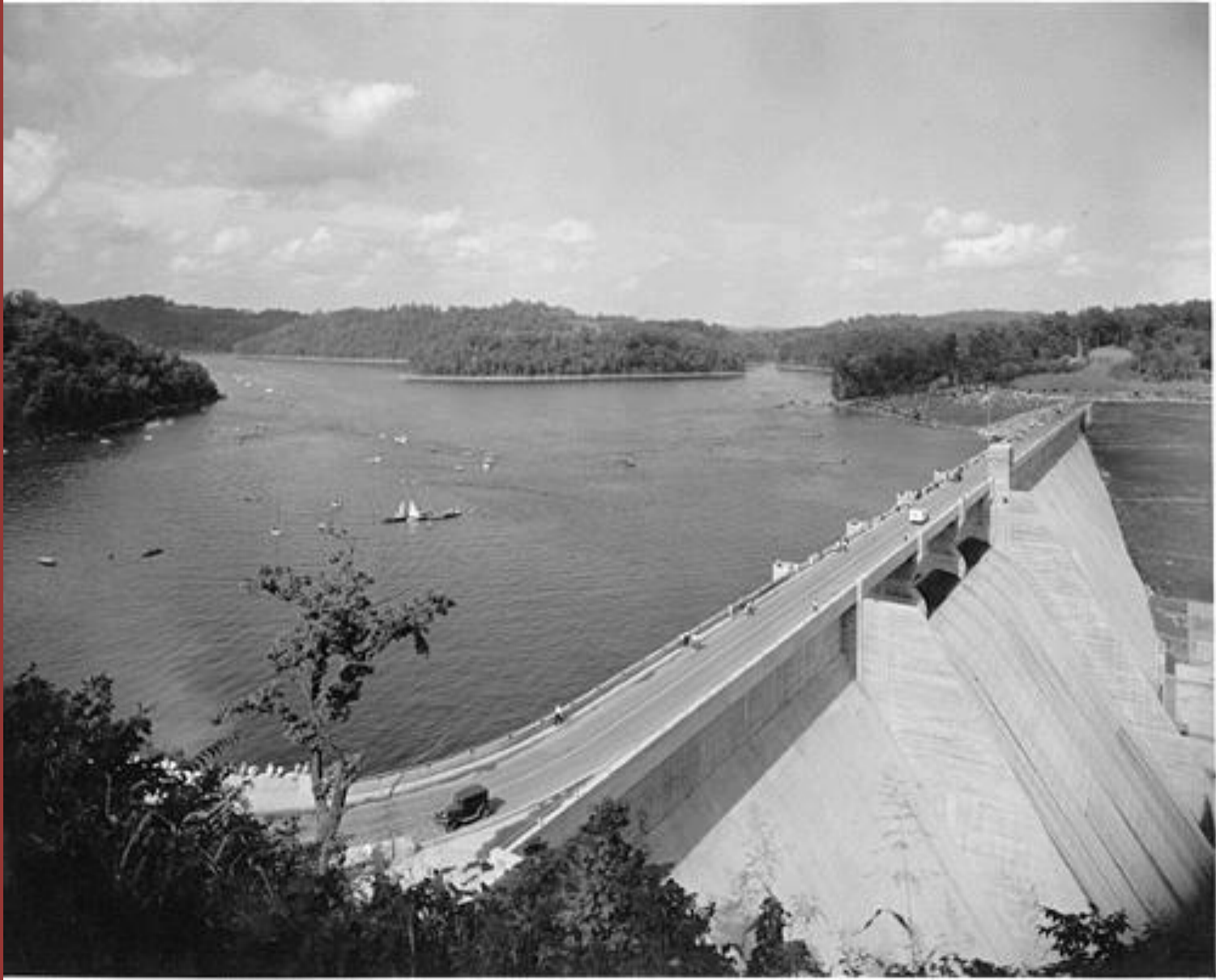


# NIRA

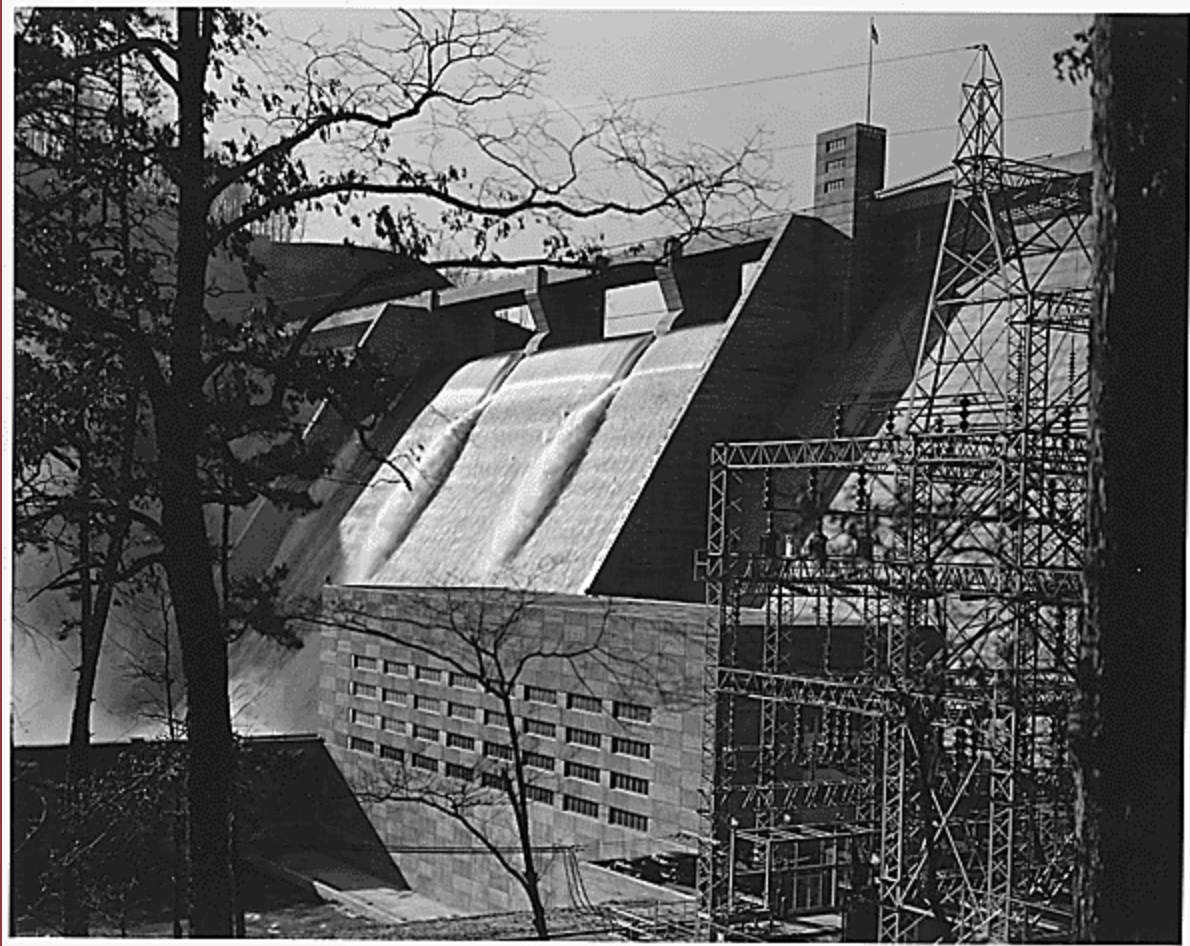


In 1935 in the case, *Schechter Poultry Corp. v. United States* the Court declared the law Unconstitutional due to inappropriate powers Given to the president.

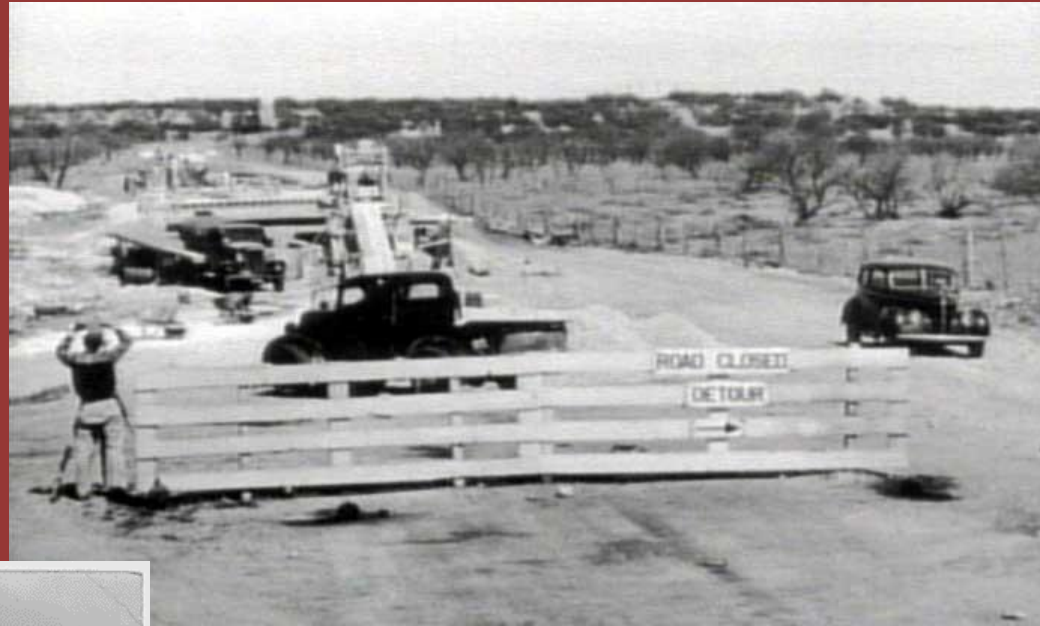




# TVA, Norris Dam



# WORK RELIEF

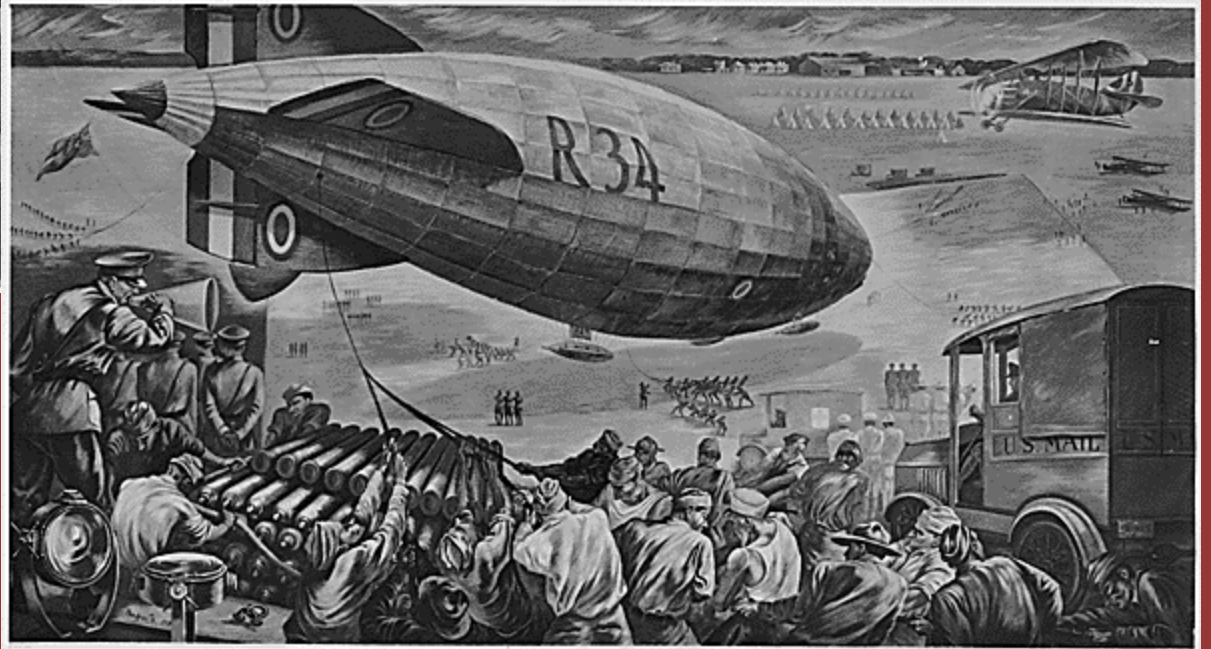
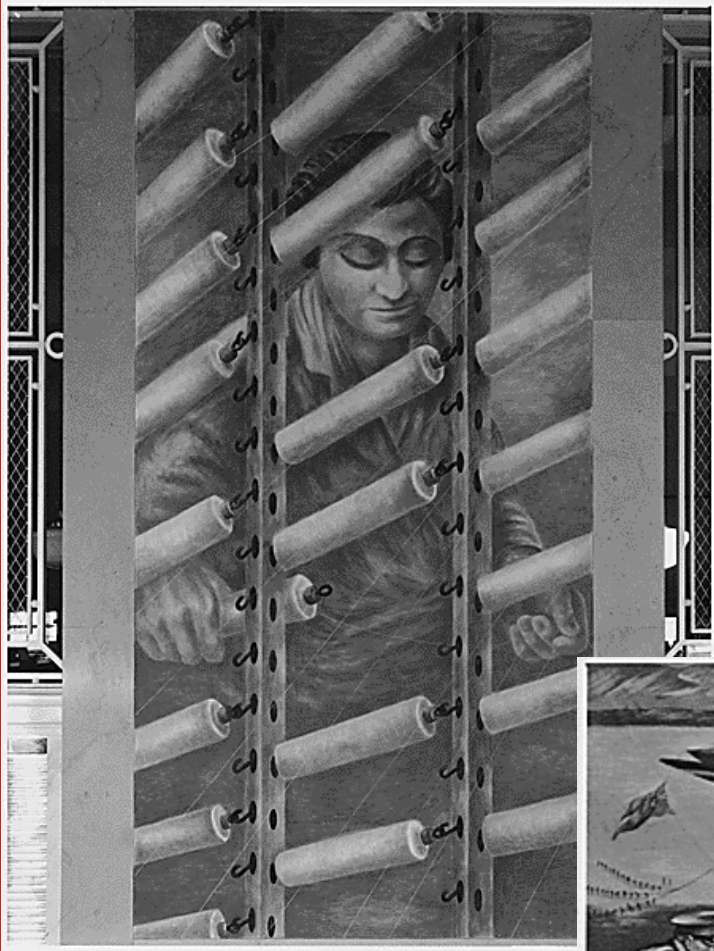


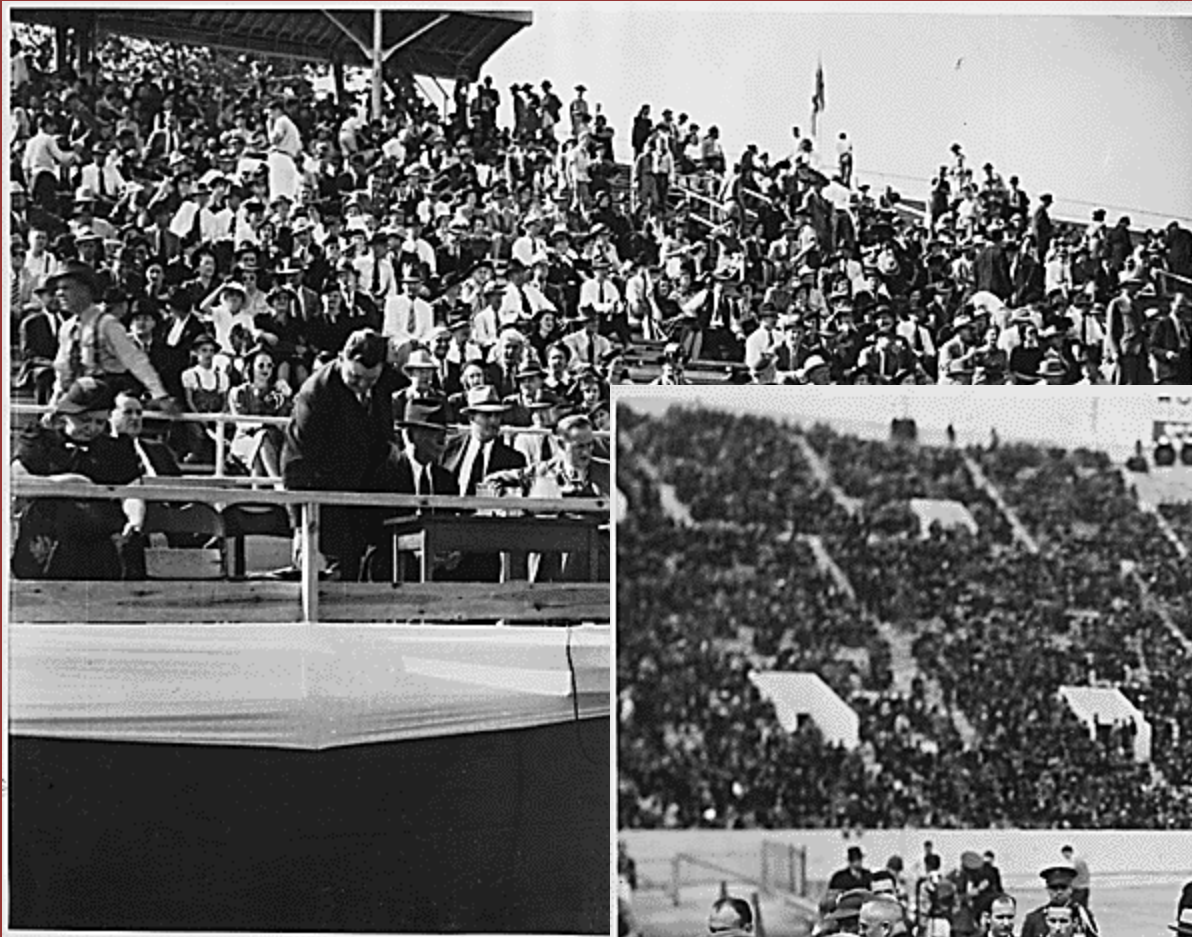
# **SECURITY & EXCHANGE COMMISSION, 1934**

- **REGULATORY COMMISSION**
- **RULES FOR STOCK EXCHANGE**
- **COMMON PUBLIC INFORMATION ABOUT STOCK COMPANIES**
- **CONTROL OF WHICH COMPANIES SOLD PUBLIC STOCK**



WPA Murals, PBA, Ben Shahn artist





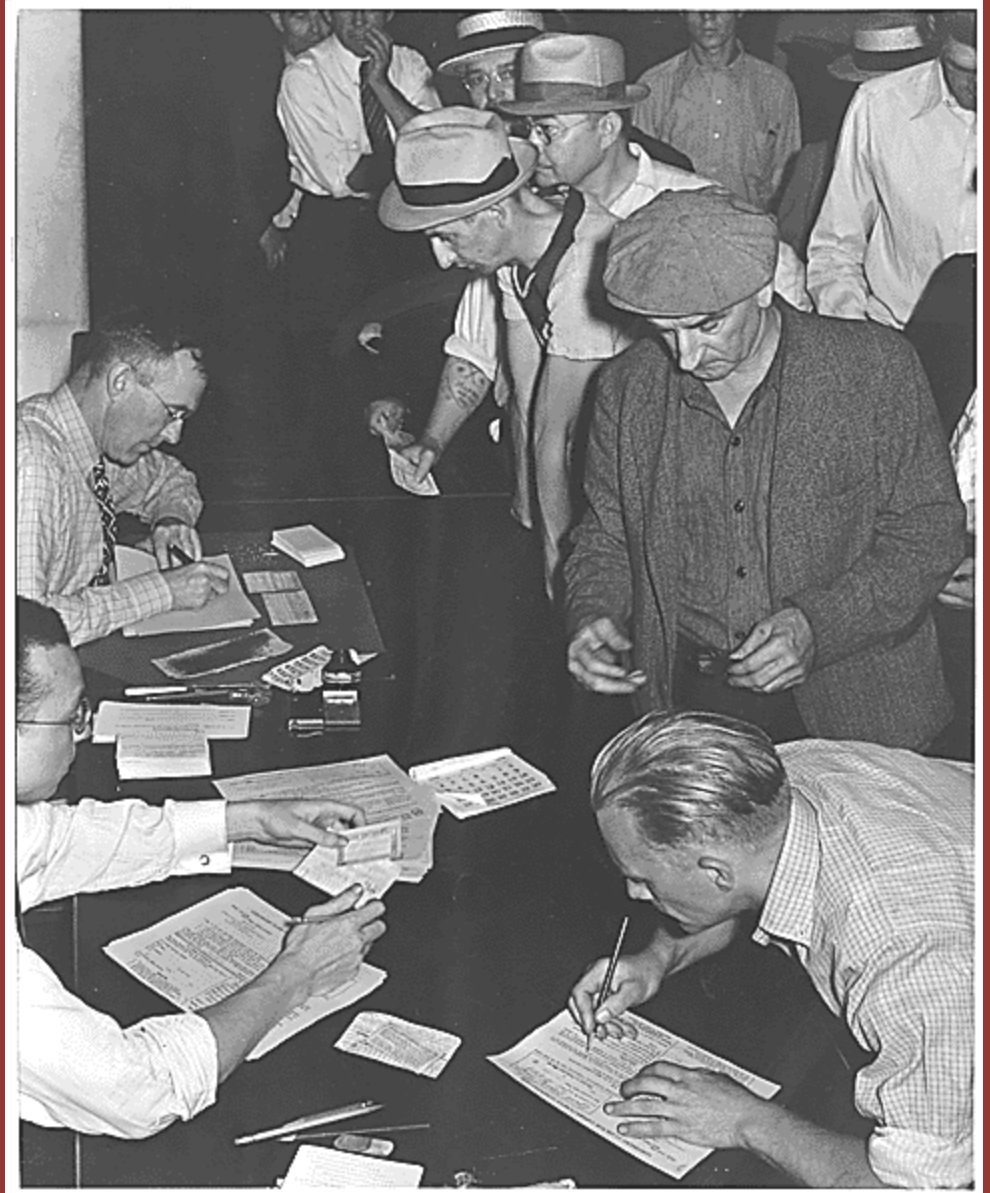
WPA, University of  
Arkansas Stadium



WPA, University of  
Louisiana Stadium

Harry Hopkins, WPA head,  
and FDR confidant, speaking

# SOCIAL SECURITY 1935





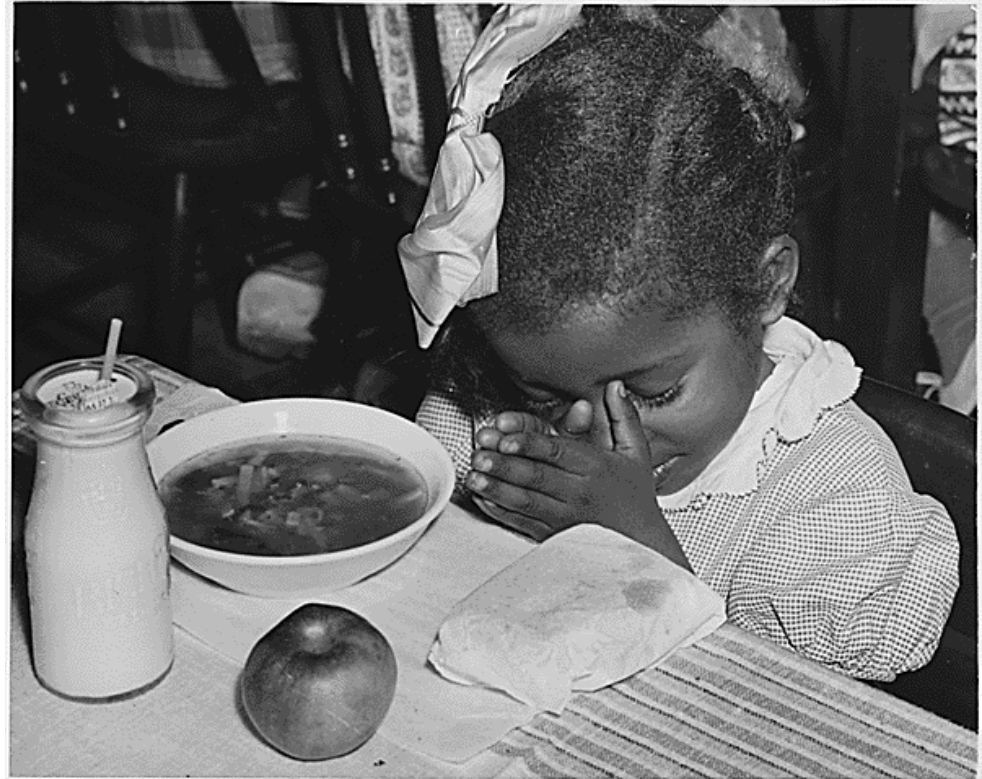
Social Security was a nightmare of paper work.



## Surplus Commodities

### School Lunch Program

...helped farmers by  
purchasing surplus  
food & distributing it  
to schools...





# National Youth Administration



Included a "Negro Division"



Limited Training programs





## Rural Electrical Administration—electricity to the farm





Program abounded—  
for education, for  
physical fitness, for  
preschoolers.



But it wasn't enough.

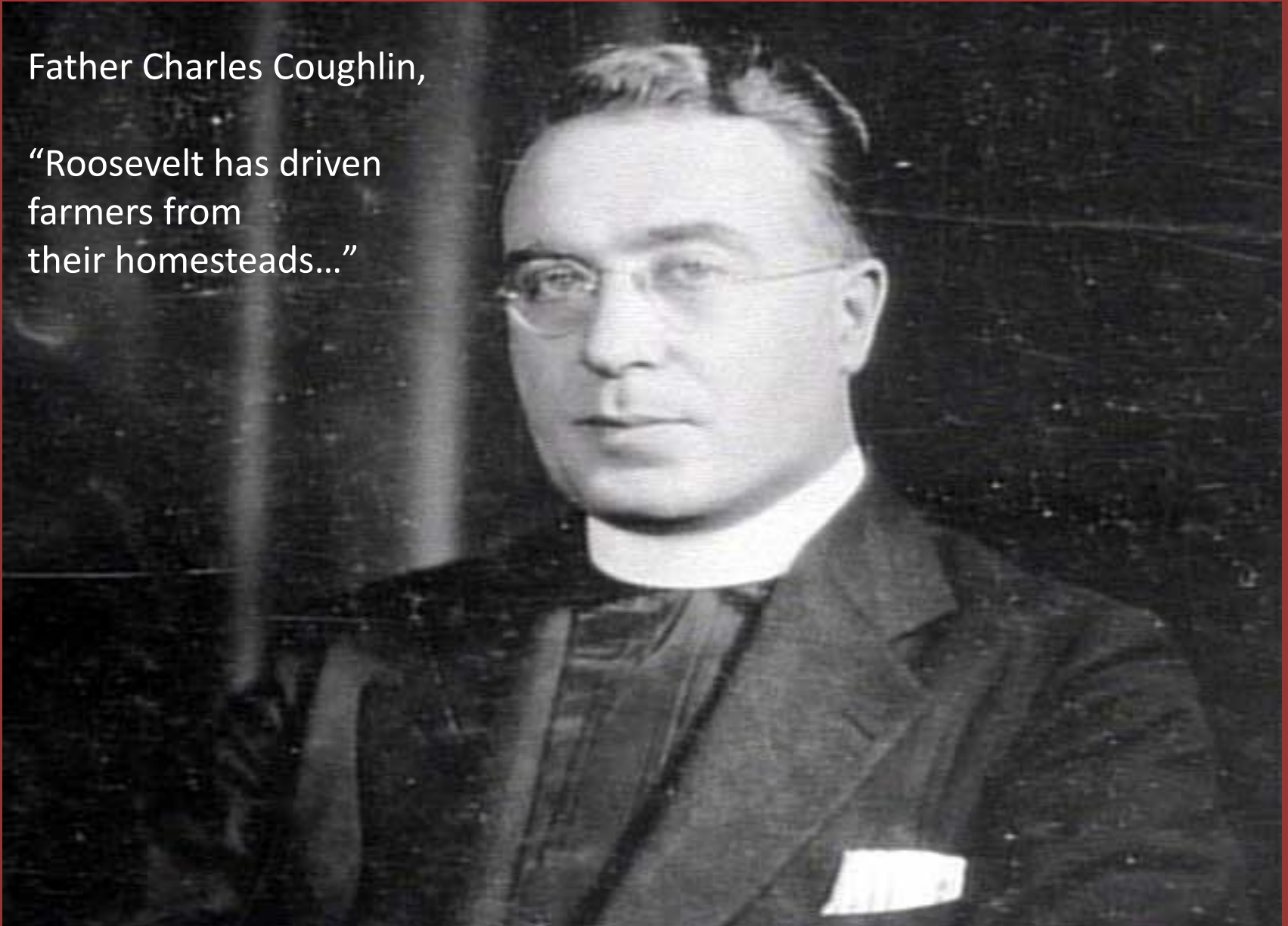




# CRITICS

Father Charles Coughlin,

“Roosevelt has driven  
farmers from  
their homesteads...”





**SHARE  
OUR  
WEALTH  
Huey  
Long**

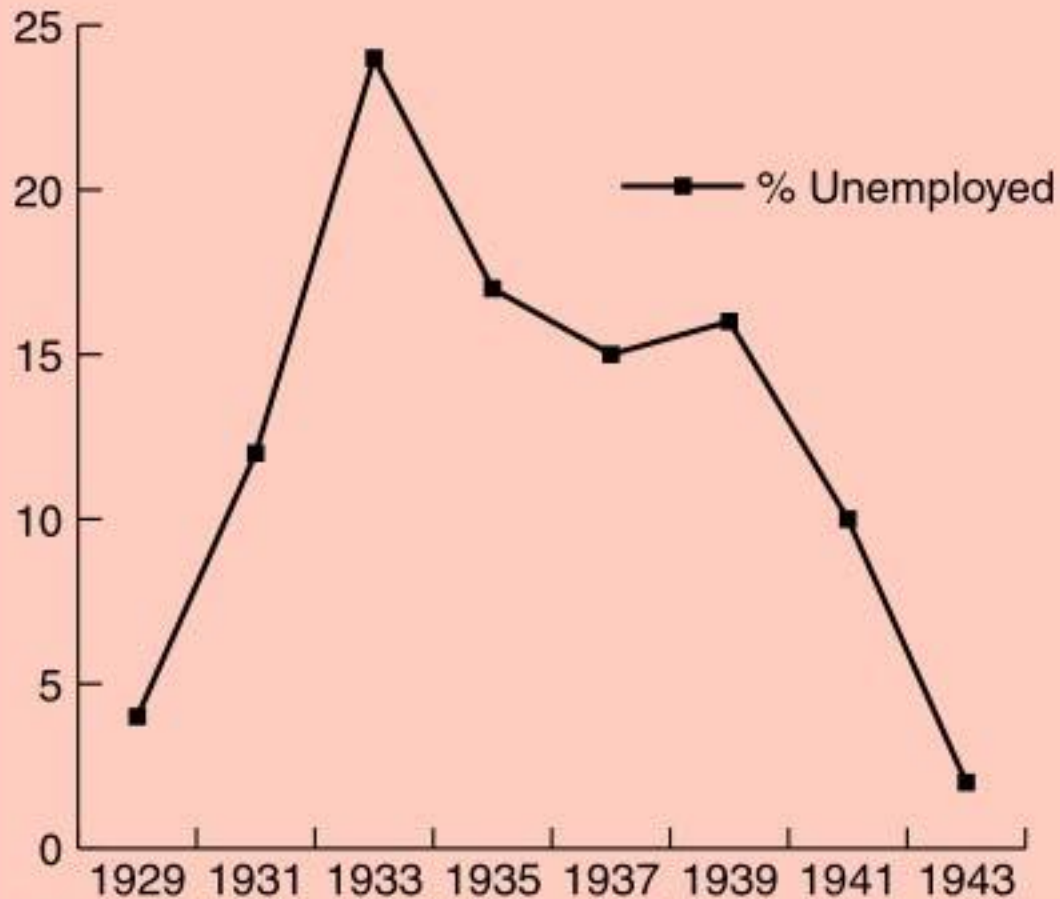
# A SECOND NEW DEAL, 1936



# UNEMPLOYMENT—STILL HIGH



# UNEMPLOYMENT



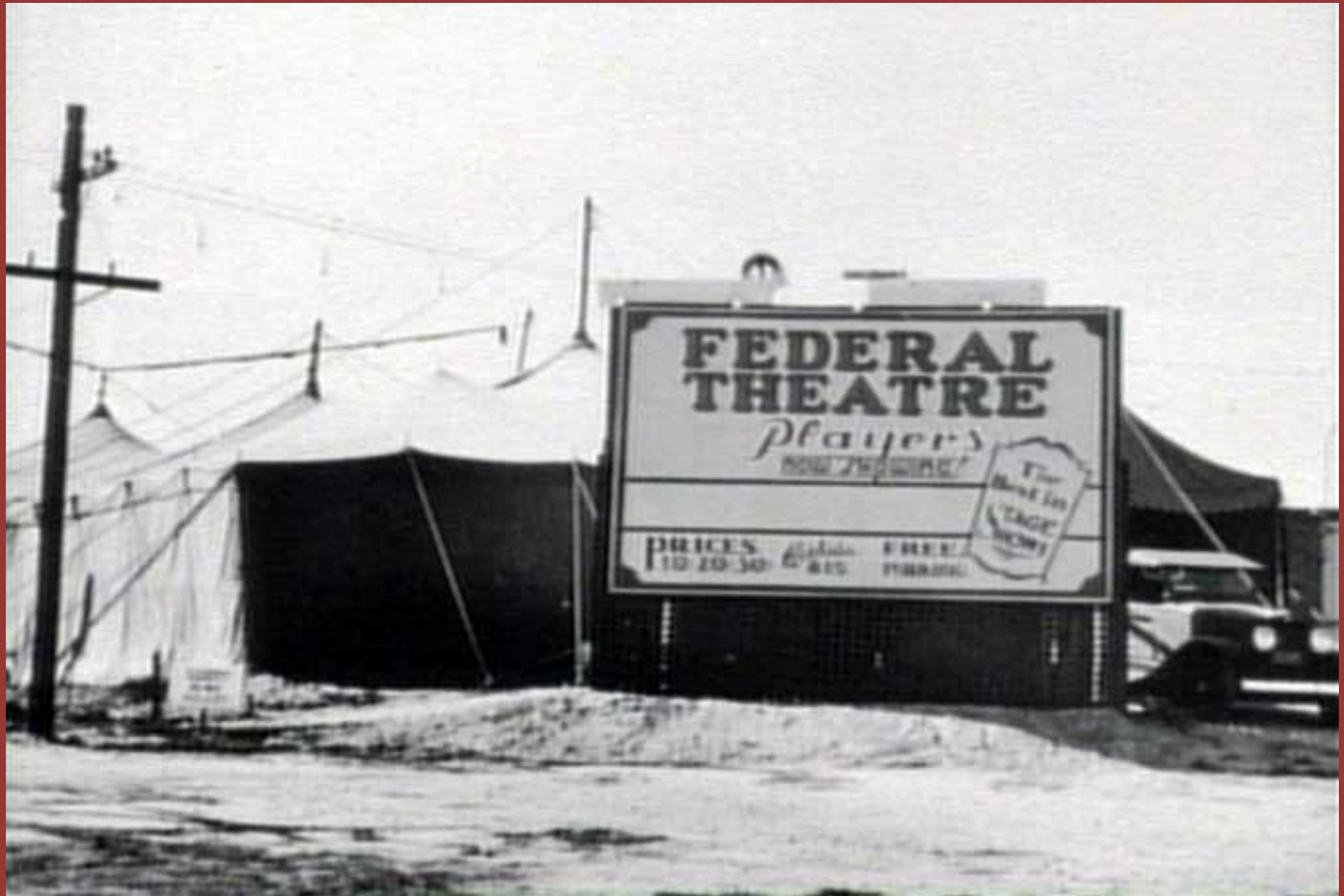
***Unemployment, 1929 to 1943***

*"Historical Statistics of the United States"*

# WPA CREATED 1935



# NEW DEAL FOR ARTS

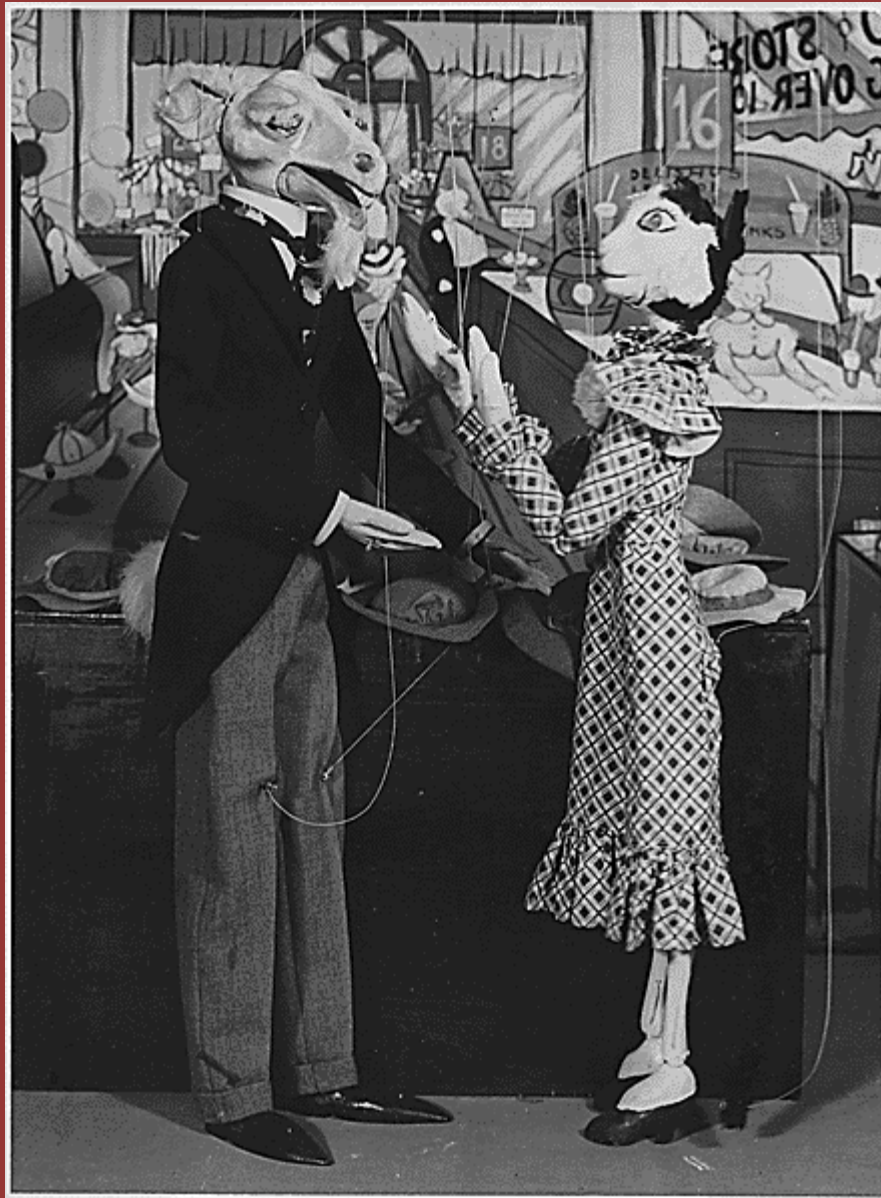




WPA Federal Music Program



Marionette  
Program





“Candide” Federal Theatre project

# The Dust Bowl





Dust Storm 4-14-35  
Smith Studio, Liberal, Kans.

# DUST



# DUST





# MEMORIAL DAY MASSACRE

- **10 STEEL STRIKERS KILLED BY POLICEMEN**
- **CONGRESSIONAL INVESTIGATION**
- **UNIONS GAINED MORE POWER**
- **DEMOCRATIC PARTY DEVELOPED CLOSE TIES TO UNIONS**

May 30, 1937, police over-reacted and killed ten, injuring 30 more.



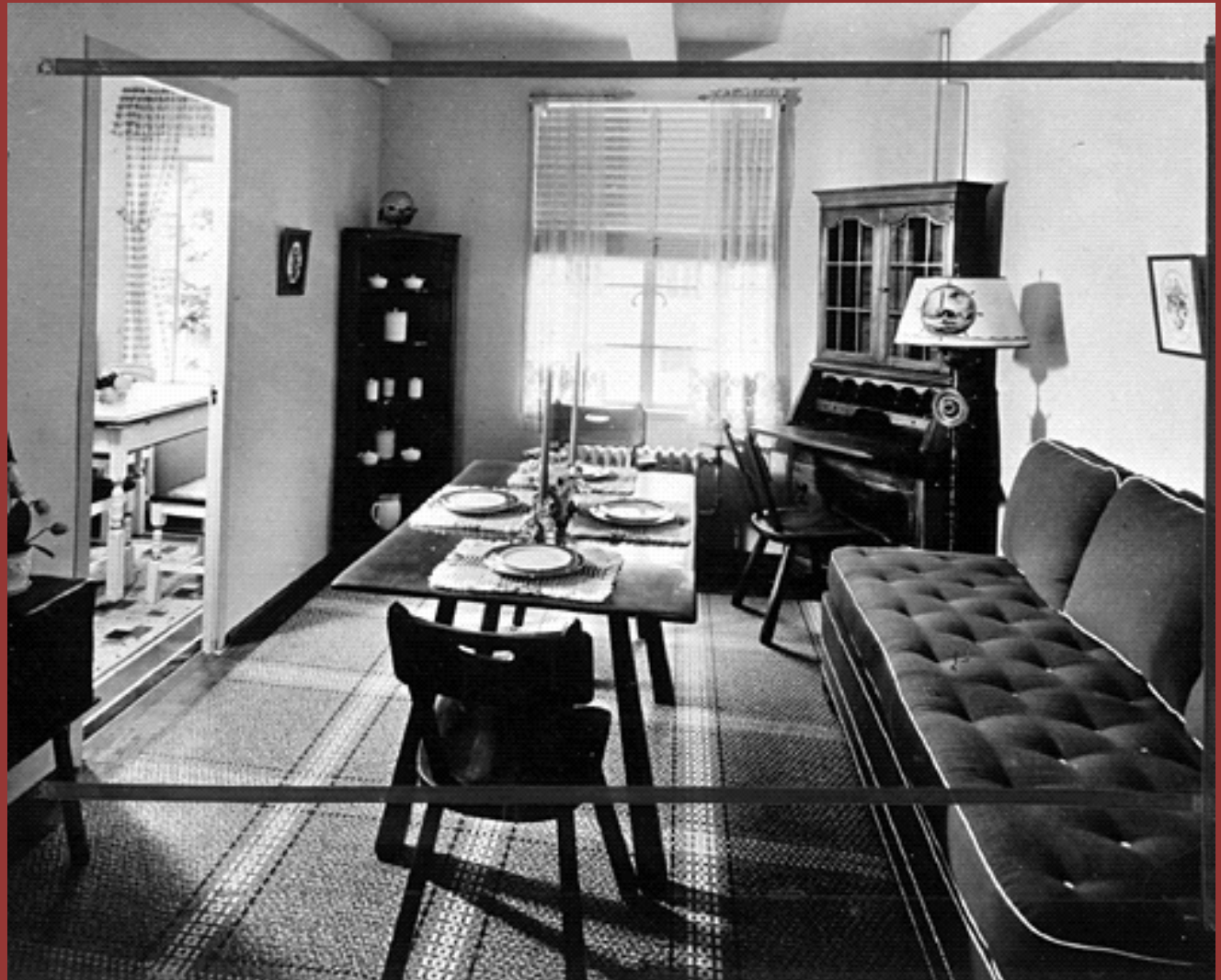


Numerous auto strikes in 1935-1937 resulted in violence like this at the Ford Motor Company.



# NAT'L HOUSING ACT

A model home  
from the  
government!



# United States Housing Authority--BEFORE



# United States Housing Authority--AFTER





# FAIR LABOR ACT

- **1933 NRA, SEC 7A, GAVE UNIONS FEDERAL PROTECTION TO ORGANIZE (LAW STRUCK DOWN)**
- **1935, NLRA, CREATES BOARD**
  - **UNION RIGHTS TO ELECTIONS, TO BARGAIN & HAVE FEDERAL ENFORCEMENT**

Frances Perkins  
Dept. Labor

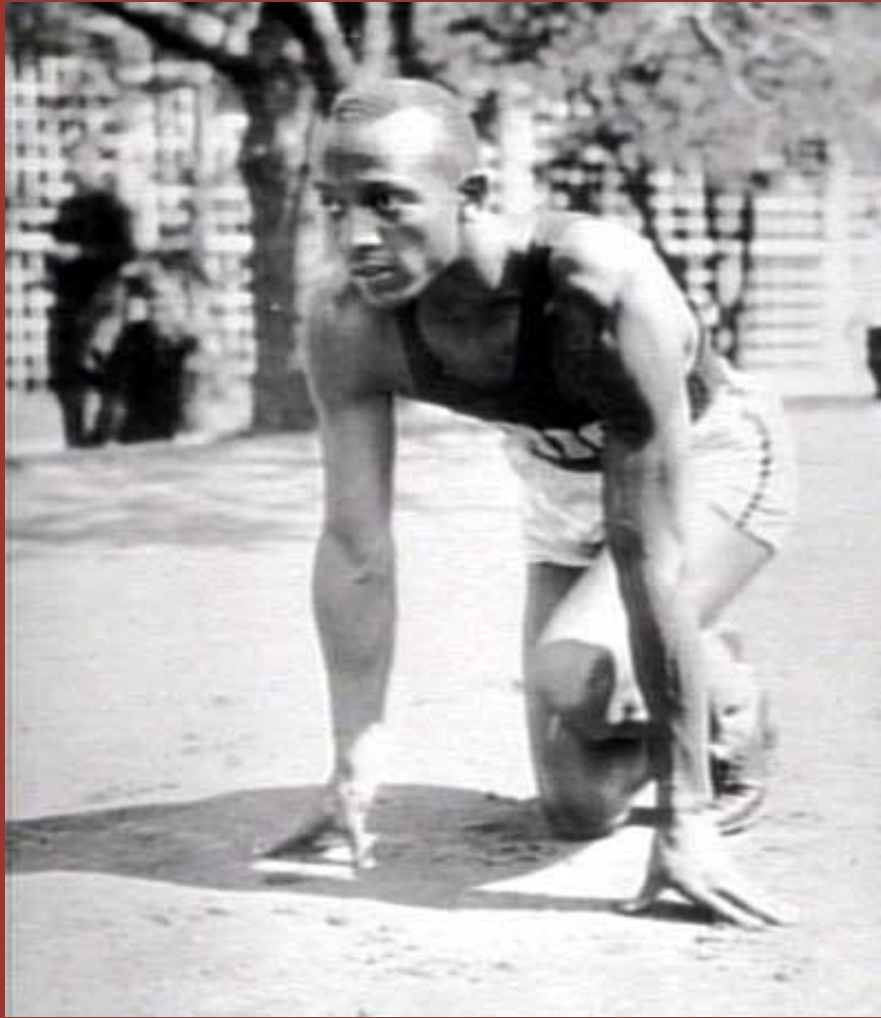


# WOMEN



Eleanor and Marian Anderson



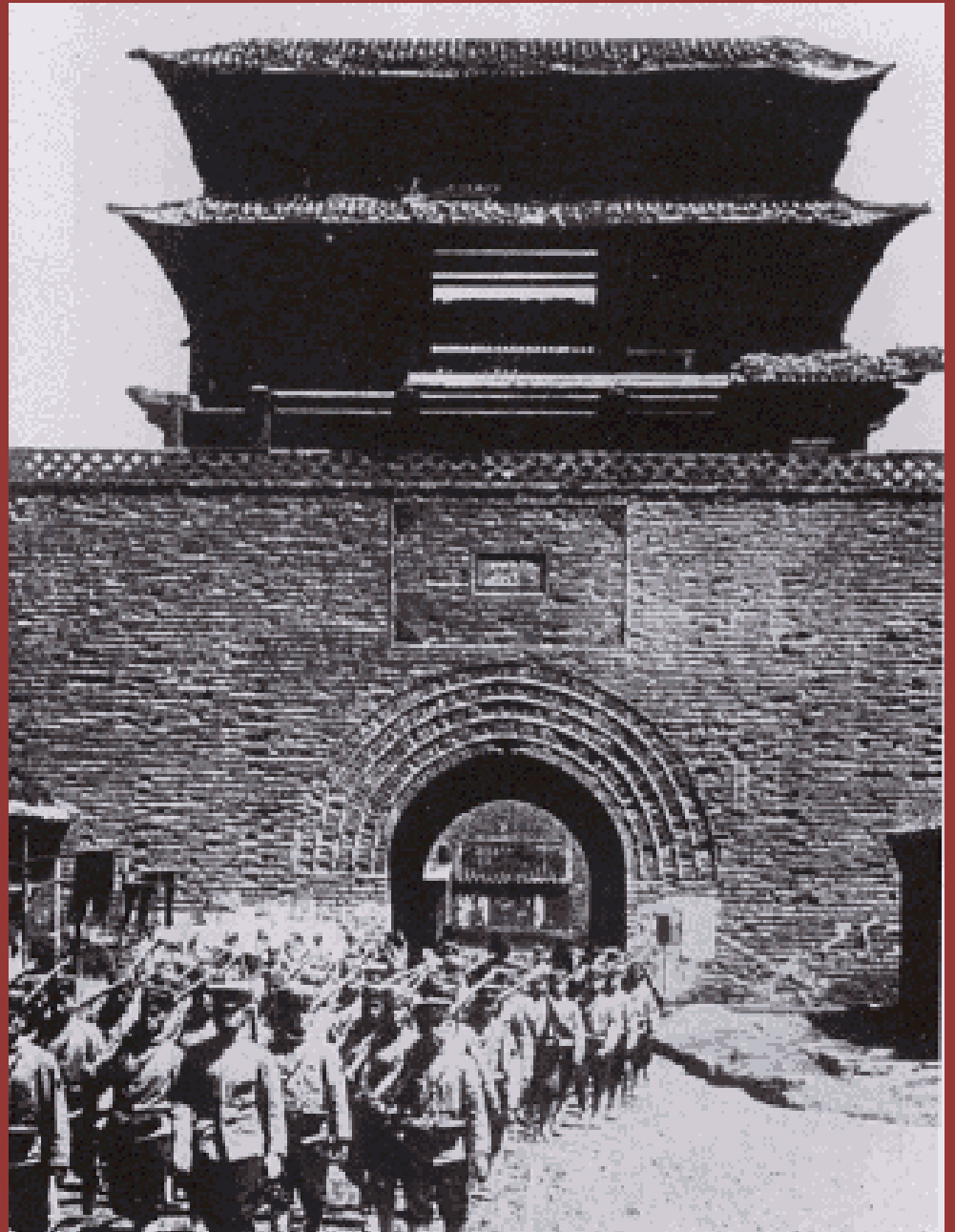


# HEROES

The 1936 Olympic Games in Berlin saw African American Jesse Owens break records and ruin Hitler's Chance for domination.

Owens later said at least Hitler waved to him, while FDR did not even send a telegram.

**WORLD  
NEWS  
IGNORED**



# WAR CLOUDS GATHER





# CONCLUSIONS

- ...the federal government was in every town in America
- ..work relief lasted 7-9 years and was a permanent temporary fix
- ...so-called “recovery” programs for big business did little
- ...the “reform” acts are still with us...SEC...Social Security...FDIC...REA
- ...organized labor became glued to the Democratic Party
- ...farm prices became controlled by federal subsidies
- ...yet Americans were extremely “thankful” for government efforts
- ...what a time



A Brief Post Test! Read the question, then click on the best answer to see feedback.

A many causes of the Great Depression included over production. [True.](#) [False.](#)

The Stock Market crash of 1939 made the depression worse. [True.](#) [False.](#)

Hoover provided no attempts at relief. [True.](#) [False.](#)

The unemployment in the 1930s was 20-30%. [True.](#) [False.](#)

The movies of the 1930s was one means for Americans to “escape” depression. [True.](#) [False.](#)

FDR’s brain trust included college professors who helped shape policies. [True.](#) [False.](#)

FDR’s new deal included reform, recovery, and relief. [True.](#) [False.](#)

The CCC employed young men at first for 6 months. [True.](#) [False.](#)

The NRA was one of the most successful New Deal programs. [True.](#) [False.](#)

The AAA was declared unconstitutional; but began the idea of parity. [True.](#) [False.](#)

FDR critics like Huey Long complained FDR did not go far enough. [True.](#) [False.](#)

The New Deal even included theatre programs . [True.](#) [False.](#)

Eleanor Roosevelt often advocated her issues and those of women. [True.](#) [False.](#)





**Good! That is Correct!**

**[Click to return to the Post  
Test!](#)**



**Yikes! Try that again!**

**[Click to return to the Post  
Test!](#)**