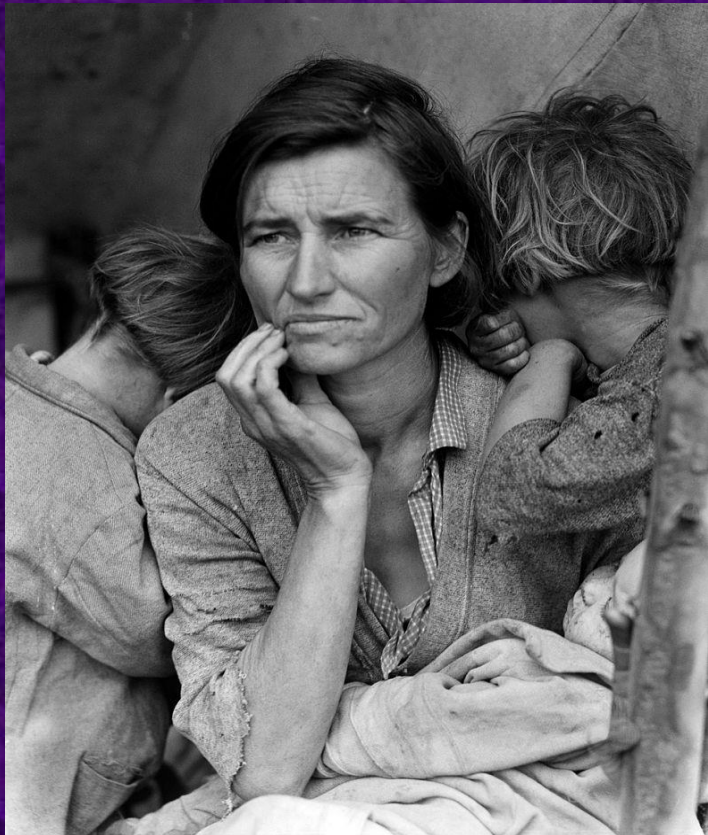
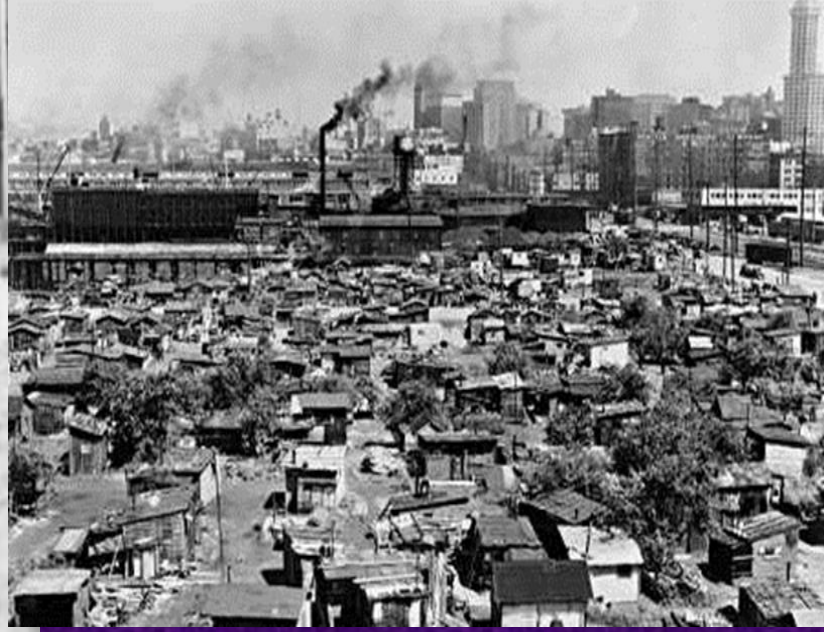


The Great Depression

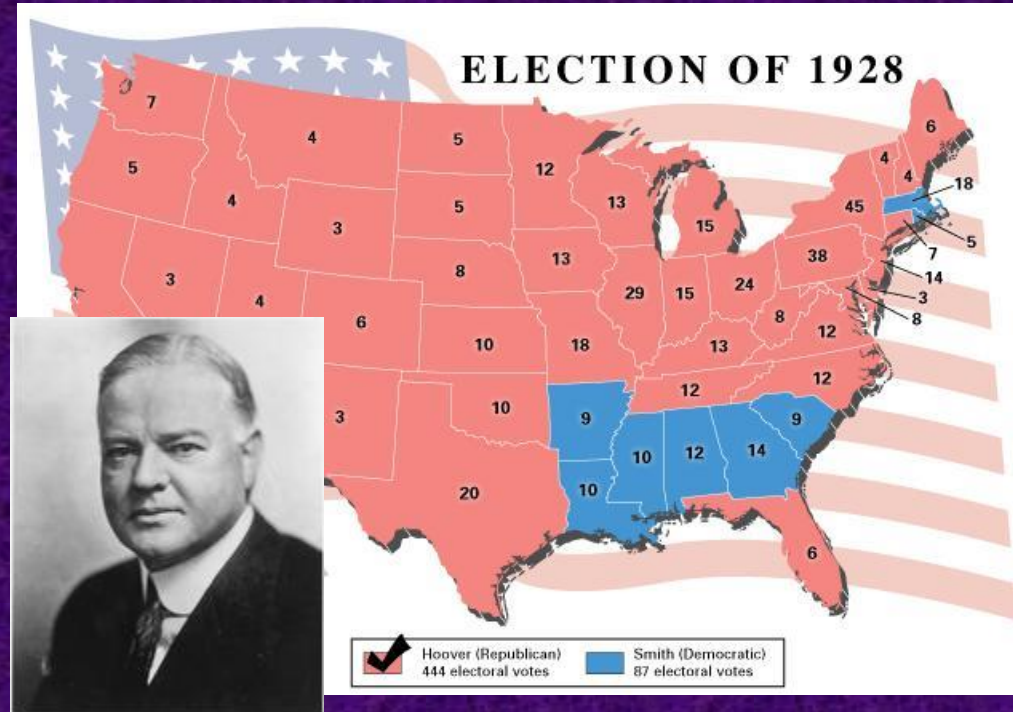


Dorothea Lange's- Migrant Mother Photo (1936)



Election of 1928

- **Herbert Hoover (R-VP) vs. Alfred E. Smith (D-New York)**
- **Smith-1st Catholic nominated for president. 3 term governor.**
- **Hoover made a fortune as a mining engineer working in Asia, Africa, and Europe**
- **Hoover wins in a landslide-444-87**



Causes of the Great Depression

- **Uneven distribution of wealth**
- **Overproduction of goods by business and agriculture**
- **Lower demand for consumer goods**
- **Buying stock on margin**
- **Failure of Germany to make war reparation payments to France and Britain**
- **Britain and France in turn could not repay their debts to the U.S.**

Depression hits the U.S

- **Paper money vs. the gold standard**
- **Bank Failure**
- **New Federal Reserve System fails to act**
- **Stock Market Crash of October 24, 1929**
- **Hawley-Smoot Tariff-1930-Highest level to date of a U.S. tariff**

“Bonus Marchers”

- In July 1932, WWI veterans protest in Washington D.C. demanding a bonus due to them in 1945
- President Hoover sends in the federal troops to put down march

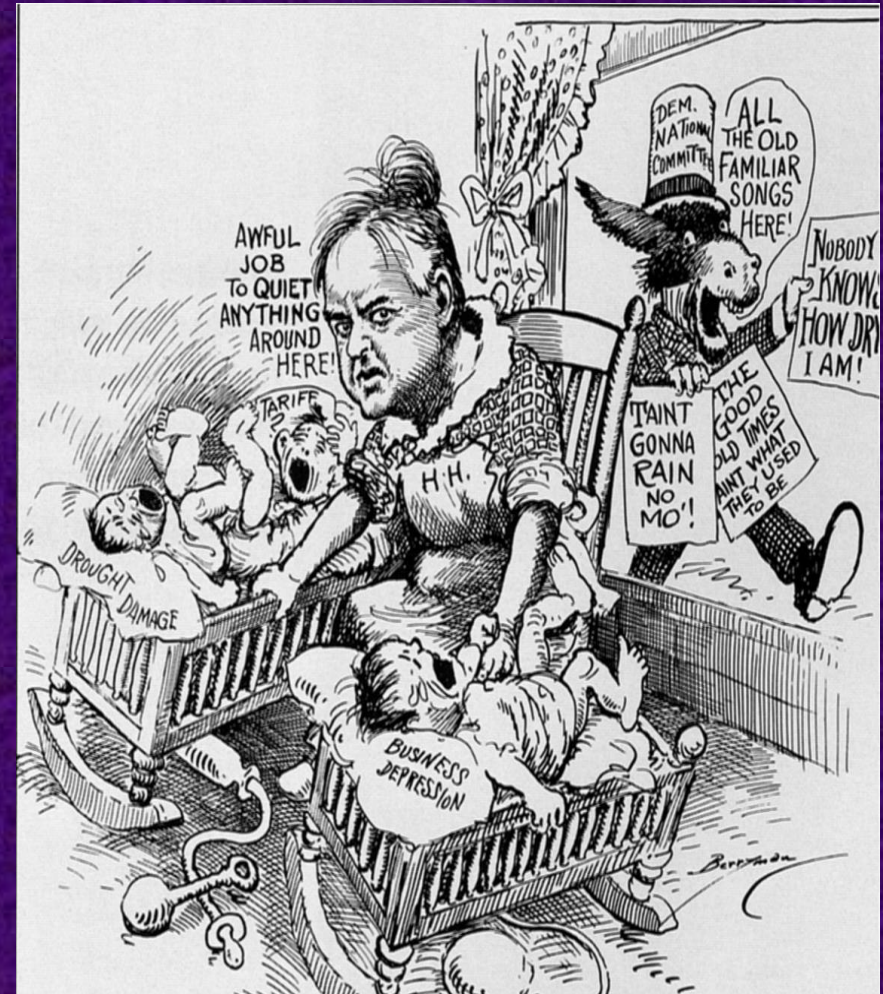


Hoover's Response

- **Government had never faced a crisis this bad**
- **Unemployment rate-25-30 percent**
- **No official figure for those who gave up looking for a job**
- **Most government officials believed the normal business cycles would eventually allow economy to recover**
- **Government aid to unemployed was uncommon during this time**

Hoover's Failures ☹️

- Hoover encouraged businesses to maintain status quo
- His "hands off" approach fails badly
- 1932
 - Reconstruction Finance Corporation
 - Federal Home Loan Bank System
 - \$2 billion for public works projects
 - No direct relief to unemployed



Did the Great Depression signal the possible end of democracy in the U.S.?

- **End of democratic governments in Italy and Germany**
- **Communism popular in Italy and Germany**
- **FDR's future "Brain Trust" traveled to Soviet Union to see Soviet factories**
- **What did Italy, Germany (after Hitler comes to power), and Soviet Union have in common?**
 - **State run economies**
 - **Full employment to all able bodied adults**
 - **Rewards for quotas met**

FDR & The New Deal

FDR- Background

- **FDR's background**
 - **Came from a wealthy family in Hyde Park**
 - **Fifth cousin of TR**
 - **Graduated from Harvard in 1904**
 - **Undersecretary of the Navy during WWI**

More on FDR

- **Ran for VP in 1920**
- **1921-Contracts polio on vacation in Campobello, Maine**
- **Elected governor of New York in 1928**
- **Wins the election in a landslide (472-59)**
- **Promised America a "New Deal"**
- **"Only thing we have to fear is fear itself"**

Election of 1932

- **Franklin D. Roosevelt vs. Herbert Hoover**
- **Wins the election in a landslide (472-59)**
- **Promised America a “New Deal”**
- **“Only thing we have to fear is fear itself”**

- <http://www.youtube.com/watch?v=gqsT4xnKZPg>
- <http://www.youtube.com/watch?v=Lm3Bntsp2ck>

- **Was the New Deal an attempt to save democracy?**
- **FDR sought advice on how to carry out New Deal from his “brain trust”**

Banking Crisis

- **FDR takes office on March 4, 1933**
- **FDR's First Hundred Days**
- **5,000 banks failed between 1929 and 1933**
- **Before leaving office, Hoover repeatedly asked for FDR's help with this issue. FDR refused**
- **On March 5th, FDR declares a "bank holiday"**

- <http://www.youtube.com/watch?v=z9CBpbuV3ok>



- **Some of Hoover's officials worked with FDR's men to solve crisis**
- **FDR calls Congress into special session**
- **March 9th-Emergency Banking Act-Funds to help threatened banks**
- **Glass-Steagall Act-Barred banks from buying stock on margin**
- **Federal Deposit Insurance Corporation (FDIC)-insured individual accounts up to \$250,000**

- **FDR took country off gold standard**
- **Idea was increased supply of money leads to increased spending**

Hundred Days

- **FDR won a passage of many laws**
- **Expansion of federal government**
- **Expanded role of government in people's lives**

“Alphabet Soup”

- **National Industrial Recovery Act (1933)**
- **Established NRA (National Recovery Administration)**
- **Gov’t worked with business leaders to establish codes for output, prices, and working conditions**
- **Goal was end “cutthroat” competition and establish fair competition**
- **Problem: Takes market forces out of economy**
- ***Schechter Poultry v. United States*- “Sick Chickens Case”**
- **Declared unconstitutional by Supreme Court**

N R A

MEMBER



U.S.

WE DO OUR PART

- **Civilian Conservation Corps (1933-1942)**
- **Unemployed young men to work on projects**
- **3 million men between 1933 and 1942**
- **Government wage of \$30 per month**

- **Public Works Administration (June 1933)**
- **Secretary of Interior Harold Ickes**
- **Built roads, schools, hospitals, public facilities**
- **RFK Bridge (Triborough Bridge) and Lincoln Tunnel**
- **“Priming the Pump”**

Agricultural Adjustment Act

- President Coolidge-Rejects Farm Subsidies
- Dust Bowl in Kansas, Oklahoma, Texas, Colorado, and New Mexico
- Drought, poor farming techniques, and high winds
- http://www.weru.ksu.edu/new_weru/multi-media/dustbowl/dustbowlpics.html
- Agricultural Adjustment Act (1933)
- Raise farm prices by setting quotas for major crops
- Fed government paid farmers not to plant more
- AAA declared unconstitutional in 1936

- **Tennessee Valley Authority (May 1933)**
- **Use the Tennessee River to provide electricity to homes and factories in a seven state region**

- **Other agencies created included the Federal Communications Commission (FCC) and the Securities and Exchange Commission (SEC)**
- **By 1934, 10 million people remained unemployed-20% of population**

Second New Deal

- **Launched in 1935**
- **Works Progress Administration (1935)**
- **Largest New Deal Program**
- **Public Works project**
- **Artists and Musicians**
- **Wagner Act**
 - **Legal for workers to join a union**
 - **Legal for workers to collectively bargain**

■ **Social Security Act of 1935**

- **European programs for the elderly**
- **Huey Long-Share Our Wealth**
- **Townshend Movement**
- **Francis Perkins-Secretary of Labor**
- **Social Security**
- **Payroll Deduction**
- **Eligible for payments when you reached 65 years of age**
- **First payments issued in 1940**
- **Discriminatory?**

- **Court Packing**
- **FDR-wanted to add up to 6 judges for every judge over 70 years old**
- **FDR-angry Supreme Court has ruled some New Deal Legislation unconstitutional**

Recession of 1937-1938

- **“Roosevelt Recession”**
 - **Employment rate was 14.3%**
 - **FDR wanted to balance the federal budget**
 - **FDR cut federal spending for New Deal programs**
 - **Employment rate jumped to 19.0%**
 - **1938-Return to deficit spending**