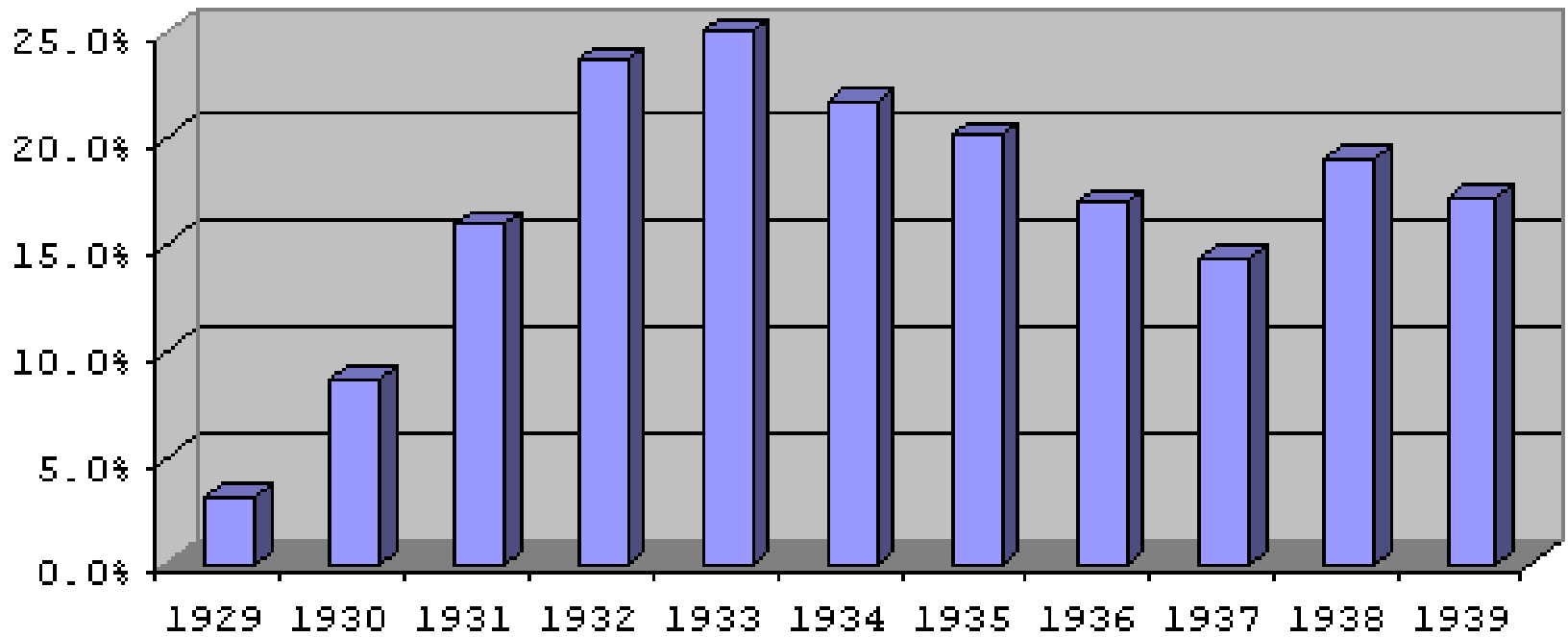


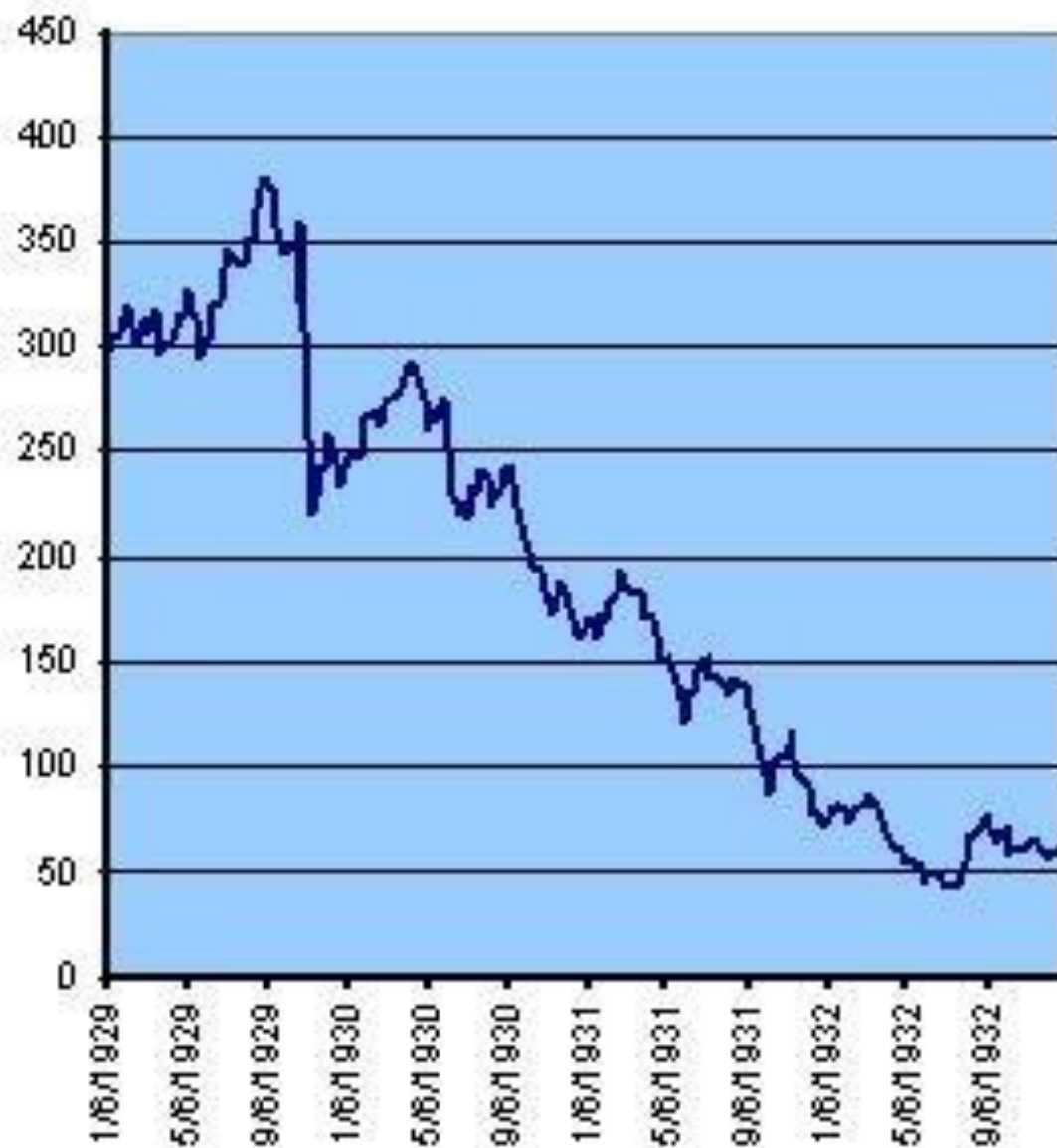
# The Stock Market Crash

- [YouTube - 1929 Wall Street Stock Market Crash](#)

## Unemployment in the Great Depression



# DJIA



Foster and Kleiser

**WORLD'S HIGHEST STANDARD OF LIVING**



*There's no way  
like the  
American Way*

© 1935 Ford Motor Company

**WORLD'S HIGHEST STANDARD OF LIVING**



*There's no way  
like the  
American Way*





**JOBLESS MEN  
KEEP GOING  
WE CAN'T TAKE CARE OF OUR OWN  
CHAMBER OF COMMERCE**

MB  
41100







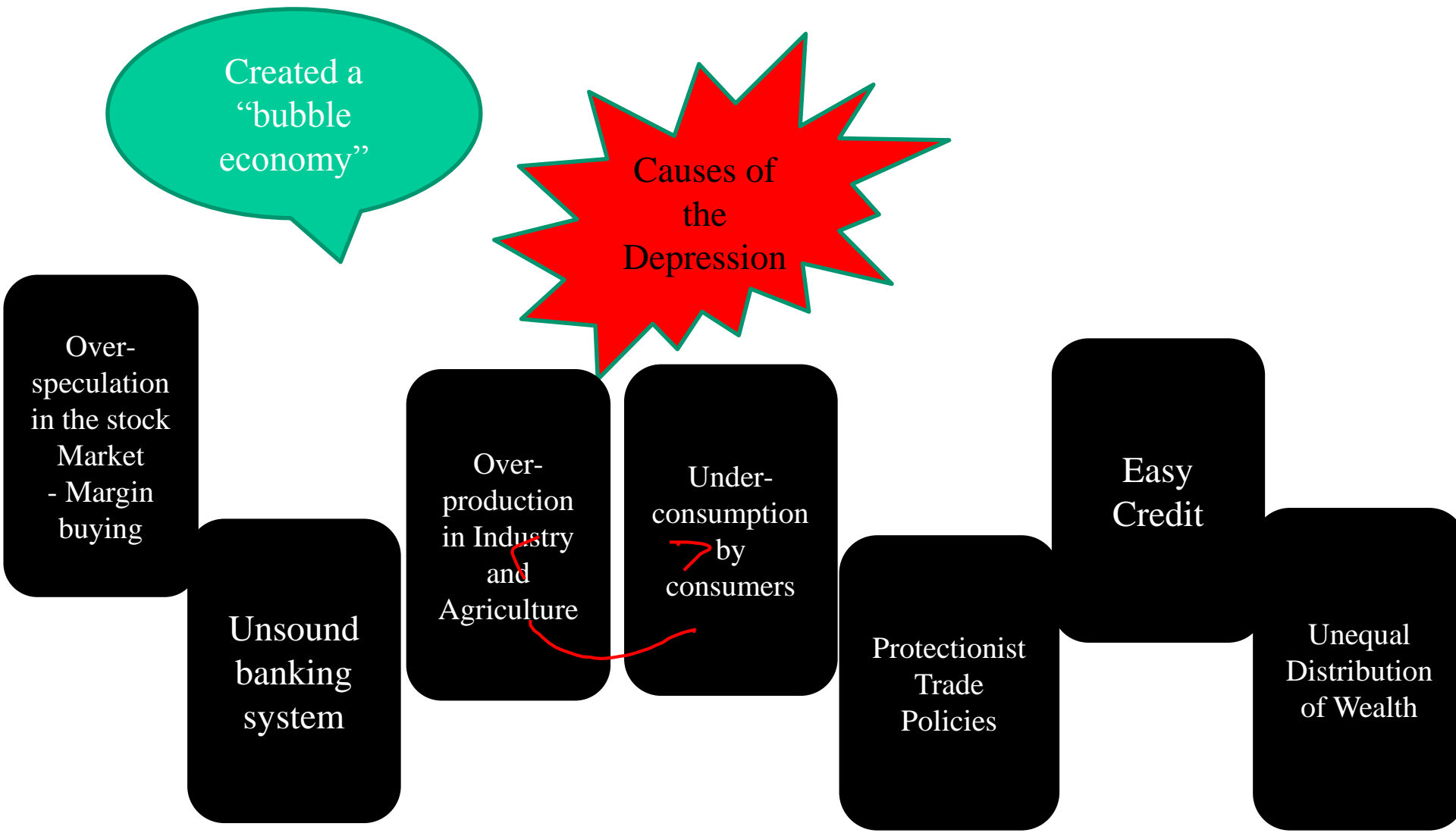


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# Aim: How did the Great Depression affect Americans from all walks of life?



# Characteristics of Great Depression

- Unemployment hit 25%
- Business Failures
- Thousands of Bank Failures
- Stock Market Collapse
- Deflation

# Dorothea Lange Photos





THE  
**GRAPES of WRATH**


*John Steinbeck*





# Causes of the Depression

- Over-speculation in the stock market
  - Margin buying
- Easy Credit
- Lower tax rates
- Overproduction in Agriculture and Industry
- Unequal Distribution of Wealth
- Protectionist Trade Policies (Fordney–McCumber, Hawley-Smoot)



Created a  
“bubble  
economy”

Causes of  
the  
Depression

Created a  
“bubble  
economy”

Over-  
production  
in Industry  
and  
Agriculture

Over-  
speculation  
in the stock  
Market  
- Margin  
buying

Easy  
Credit

Unequal  
Distribution  
of Wealth

Protectionist  
Trade  
Policies

# Dust bowl

- [YouTube - U.S. Dust Bowl of 1930's](#)

# Did 1920's Economic Policy play a role?

- Harding – “Return to Normalcy”
  - Sec. of Treasury – Andrew Mellon
    - Undo progressive reforms by not enforcing them (rather than by repealing them). Regulatory agencies headed by individuals opposed to regulation
    - Income tax rate on wealth lowered significantly
    - Created a “bubble economy”

# Hoover's Response

Initially – rely on “rugged individualism”

- “pull oneself up by the bootstraps”
- Economy would work itself out
- Encouraged private charities and local solutions

Later – support to industry and agriculture

- Reconstruction Finance Corporation (Trickle Down)
- Some public works projects
- Protectionism (Hawley Smoot)

# Rejected the Following:

- Direct aid ~~to~~ individuals
  - Responsibility of charities, local or state gov'ts
- Federal ~~ownership~~ of owning any industry
  - Vetoed Muscle Shoals Bill (dams and power plants)



# The Bonus Army March

March, 1932



- [YouTube - Bonus Army marches on Washington, DC 1932](#)







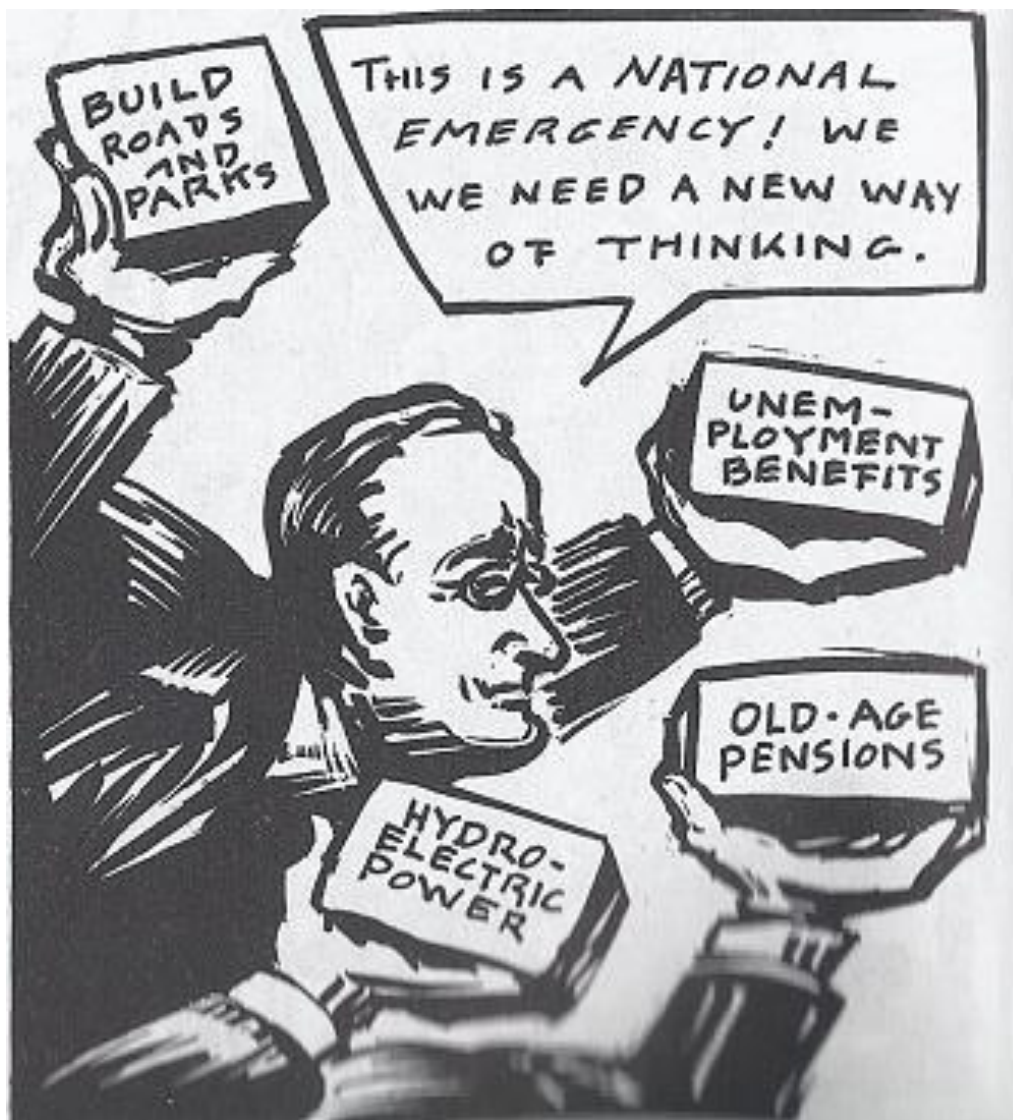


# March 4, 1933

- [President Franklin D. Roosevelt First Inaugural Address - YouTube](#)

# The New Deal





BUILD  
ROADS  
AND  
PARKS

THIS IS A NATIONAL  
EMERGENCY! WE  
WE NEED A NEW WAY  
OF THINKING.

UNEM-  
PLOYMENT  
BENEFITS

OLD-AGE  
PENSIONS

HYDRO-  
ELECTRIC  
POWER



# The New Deal

Relief, Recovery, Reform

**Fed Gov't  
run utility**  
-TVA



Goals of  
the New  
Deal

Relief to unemployed  
and Jobs programs

- PWA
- WPA
- CCC
- FERA
- Social Security

Aid to Farmers

- AAA

Regulation of Business –  
Banks, Industry

- Bank Holiday
- FDIC
- NRA
- SEC

Worker's  
Rights

- NRA
- Wagner Act  
(NLRB)
- Fair Labor  
Standards Act

# Advances for Labor

- Laws
  - Wagner Act – Right to Bargain Collectively
  - Fair Labor Standards Act – Minimum Wage, 8 hour day, no child labor
- CIO formed – John L. Lewis
- Flint Sit-down strike – organization of UAW



# Opposition



PLANNED ECONOMY OR PLANNED DESTRUCTION?



After 147-Years—Shall It Come to This?



# Opposition

- Right (eg. Liberty League)
  - New Deal was socialistic
  - Deficit Spending contributed to national debt
  - Critical of expansion of fed power, presidential power

# FDR and The Supreme Court



# FDR's Court Packing Proposal

- For every judge over 70 that didn't retire, President could add an additional justice
- Rejected by Congress



# Court Strikes Down New Deal Laws

- Schechter v. U.S. (Sick Chicken Case) – NIRA declared unconstitutional
- Butler v. U.S. – AAA declared unconstitutional

QUALIFYING TEST FOR SUPREME COURT JOBS



THE HANDS OF DICTATORSHIP!



LOS ANGELES (CAL.) TIMES

# Opposition

- Left – (socialists/progressive Democrats)
  - not going far enough
  - Supported more nationalization
  - More progressive taxation
- Right (eg. Liberty League)
  - New Deal was socialistic
  - Deficit Spending contributed to national debt
  - Critical of expansion of fed power, presidential power

So now we know...

**"CHANGE" =**

**MORE** Debt

**MORE** Taxes

**MORE** Welfare

**MORE** Regulation

**MORE** Government

**MORE** Wasteful spending

**MORE CORRUPTION**

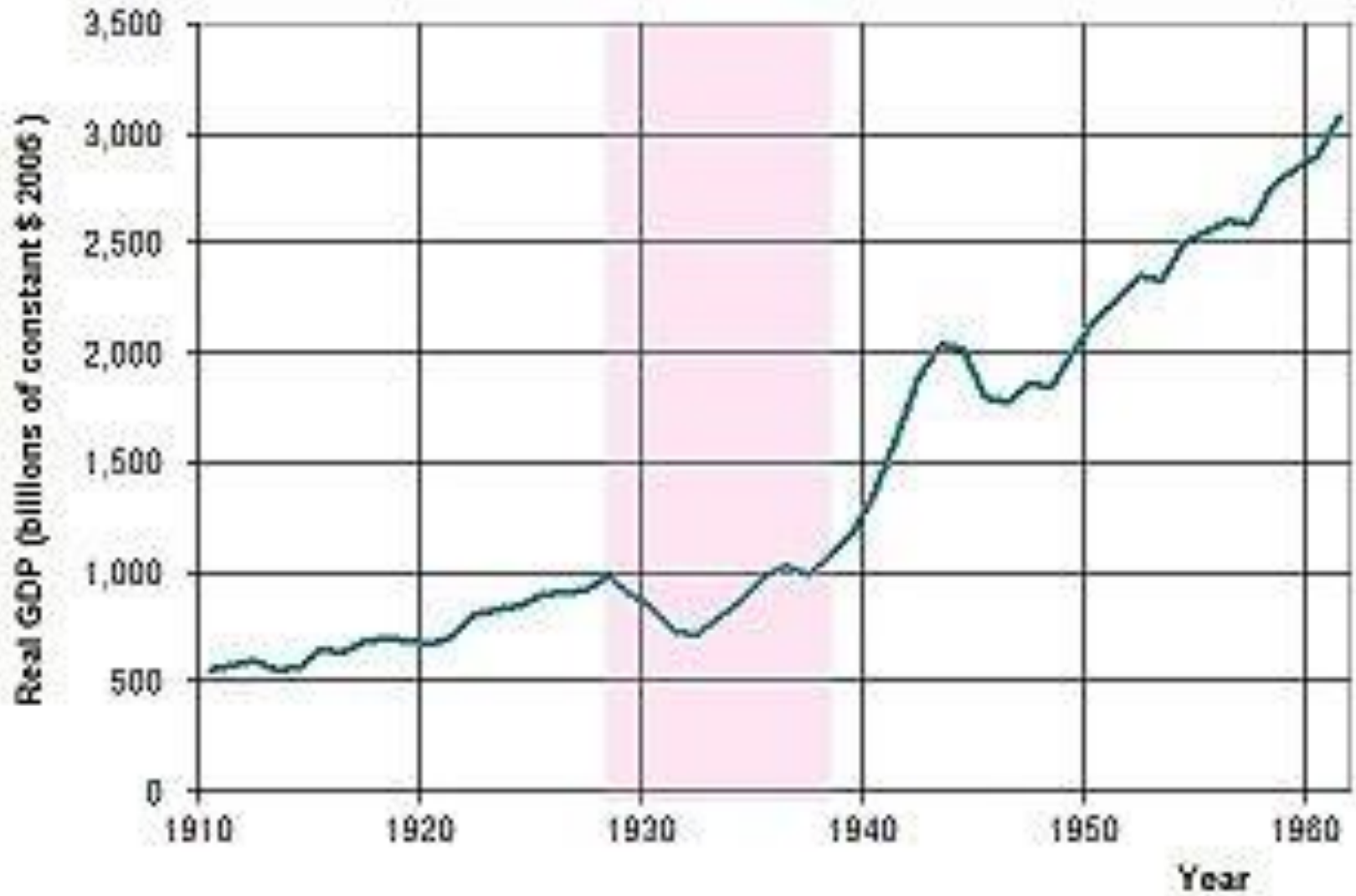
*Thanks* Mr. President



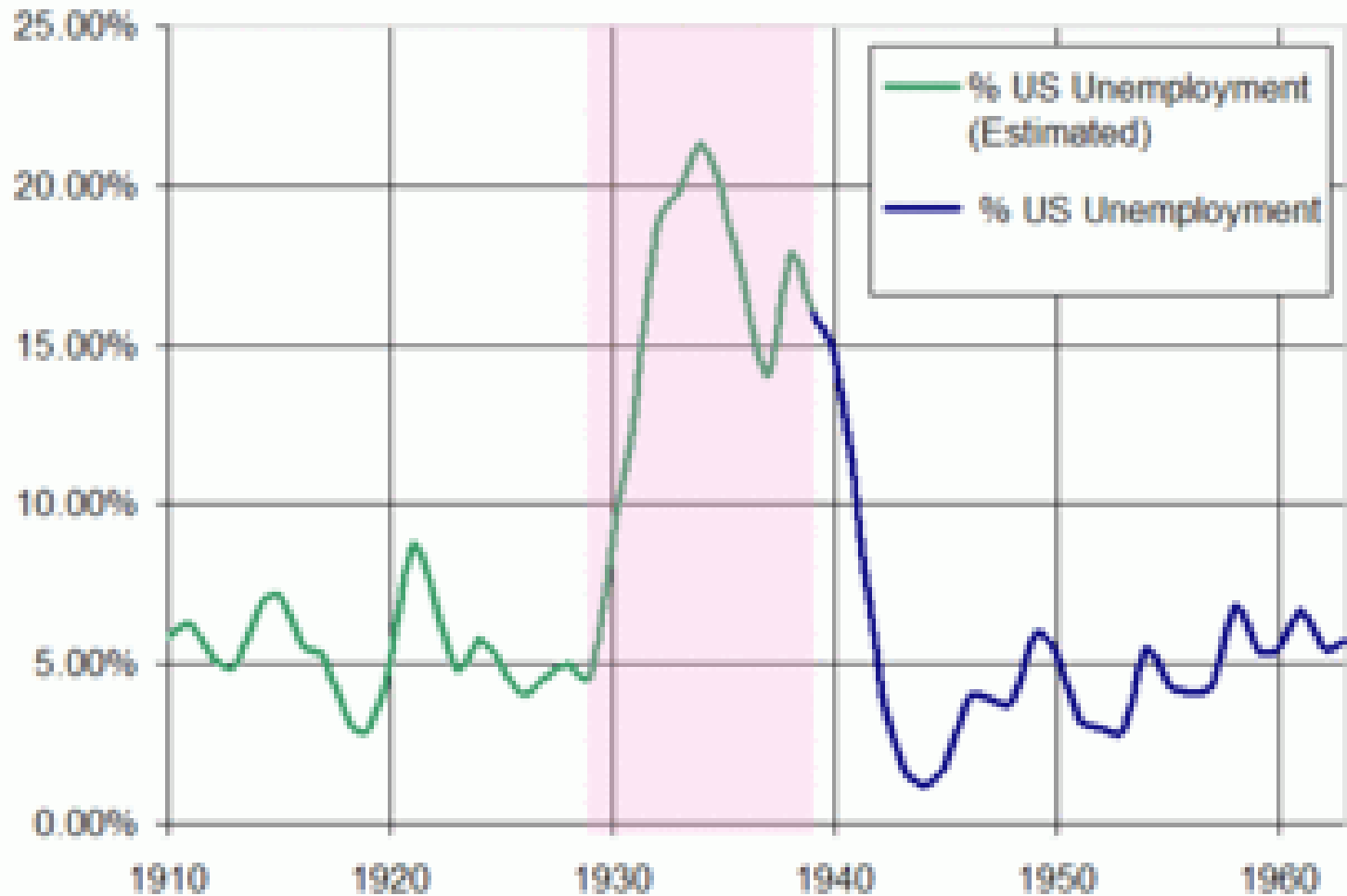


Results?

# GDP



# Unemployment



# Results of New Deal

- **Economic**

- Improvement but still depression level – 15% unemployment
- Deficits, National Debt
- Embrace of Keynesian Economic Theory

- **Political**

- Huge Expansion of:
  - Federal Power
  - Presidential power
- New Deal Coalition –
  - Democrats had support of South, Racial/Ethnic Minorities, Organized Labor, Northern Intellectuals, urban political machines and farmers
- Changed view of government – responsibility to respond to economic crisis, address poverty, etc.; beginning of social safety net
- Maintained faith in democracy?

# Relief – end suffering

- Civilian Conservation Corps

[YouTube - Civilian Conservation Corps - 75th anniversary](#)

- WPA

[YouTube - Works Progress Administration Federal Art Project](#)