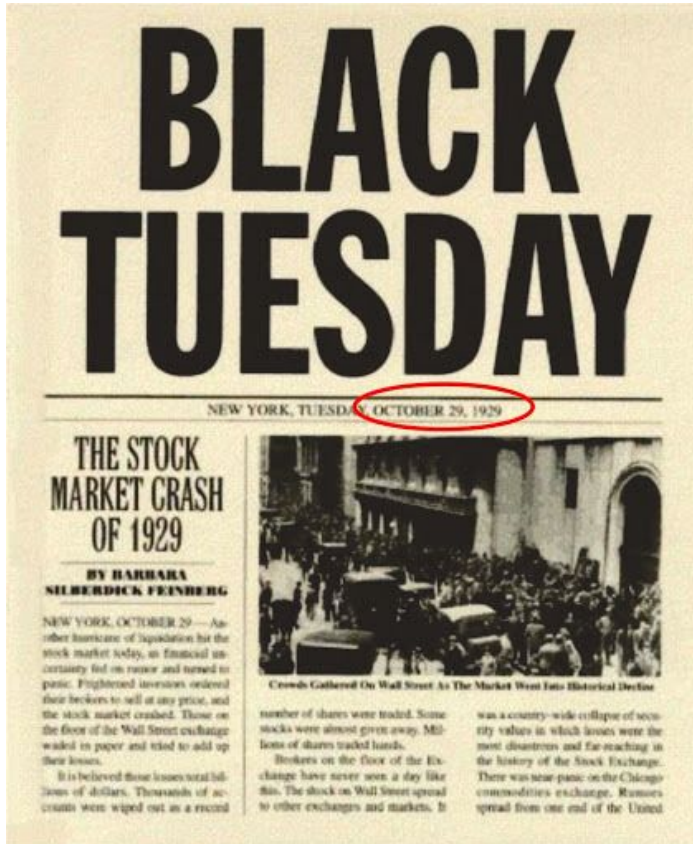


– THE STOCK MARKET CRASH



- **Black Tuesday** (1929) - over 16 million stocks sold in one day
- Stock market crashed - within 2 months, \$40 billion was lost
- Over 5000 banks collapsed in the first 3 years and people's savings were wiped out.

CAUSES:

- Speculation & buying on margin/credit
 - Overproduction & underconsumption
-

REACTIONS TO THE CRASH



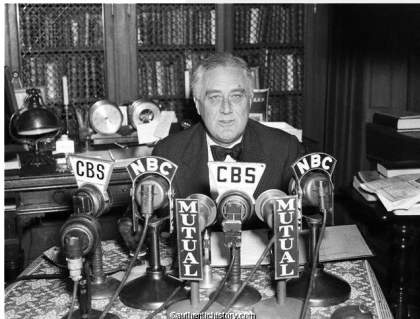
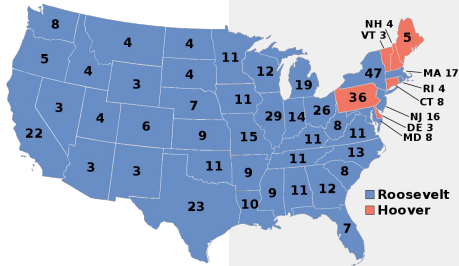
- Hoover stayed committed to laissez-faire policies but did take some action to remedy the depression:
 - **Hawley Smoot Tariff** - (proposed before crash but passed after) reduced flow of goods into US by imposing tariffs (taxes on foreign goods) → led to retaliatory tariffs & worsened the Depression.
 - **Reconstruction Finance Corporation** - gave loans to businesses, banks, and state and local governments, but no direct relief to the people (trickle down economics in action)
 - **Bonus Army** - WWI veterans marched on DC demanding their \$1,000 bonus pay before the 1945 due date
 - Brutally evicted with bayonets & tear gas → Hoovers popularity continued to plummet
 - **Hoovervilles** - shantytowns sprang up as people lost everything and blamed the president who had ironically promised in 1928: “A Chicken in Every Pot and a Car in Every Garage”
-



FINIS.

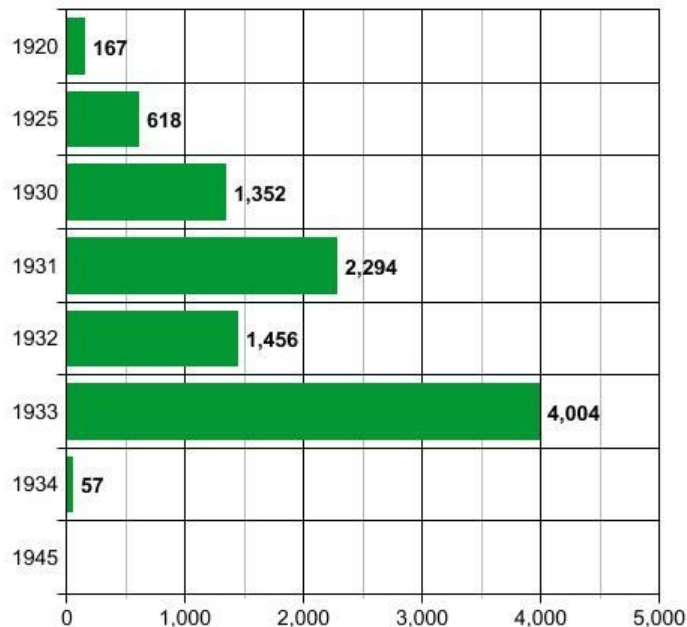
By Jerry Doyle.

ROOSEVELT TAKES THE HELM



- **Election 1932** - important shift in black voting from Republican to Democrat
- Inaugural Address - denounced money changers & assured nation "the only thing we have to fear is fear itself"
- **First Hundred Days**
 - **Glass-Steagall Act** created **FDIC** & ends epidemic of bank failures
 - Currency reform - all private gold holdings to be exchanged for paper money & US went off* **gold standard**
 - "Managed currency" would lead to inflation & allow repayment of debts
- **Fireside Chats** informal radio broadcasts united & assured the public -- key to solving banking crisis

Bank Failures



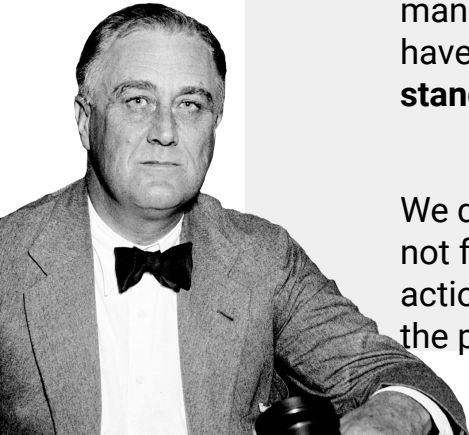
JUS' MINDIN' HIS BUSINESS AND GOIN' ALONG!

FDR'S INAUGURAL ADDRESS 1933



This great Nation will endure as it has endured, will revive and will prosper. So, 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 retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

Who does FDR blame for the Depression? Why?



Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. **Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.**

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action. They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.

THE NEW DEAL

Back to spirit of the Progressive Era

□ Relief

- **CCC** - most popular agency - employs 3 million men in reforestation , fire fighting, swamp drainage, etc.
- **FERA** - led by Harry L. Hopkins created CWA for temporary employment
- **TVA** - built dams to create hydroelectric power - seen as “radical” → publicly owned utility companies
- **WPA** - provided jobs building infrastructure & for artists

□ Recovery

- **AAA** - paid farmers to grow less to drive prices up
- **PWA** - Headed by Harold L. Ickes, it aimed at long-range recovery and spent \$4 billion on thousands of projects that included public buildings & highways

□ Reform

- **Social Security Act** - Old Age pensions & disability insurance
- **National Labor Relations Act (Wagner Act)** - allowed unions to strike and use collective bargaining
 - **CIO** formed for unskilled workers - 4 million members by 1940

CHEAT SHEET

Program	Initials	Dates	Goal
Civilian Conservation Corps	CCC	1933–1942	Controlled erosion; employed young men to plant trees, set up parks, build bridges
Tennessee Valley Authority	TVA	1933–	Built dams to provide electricity for seven Southern states
Federal Emergency Relief Administration	FERA	1933–1938	Offered direct relief to jobless workers
Agricultural Adjustment Administration	AAA	1933–1936	Paid farmers not to plant crops so that prices would rise
National Recovery Administration	NRA	1933–1935	Oversaw labor codes that protected wages, prices, and working conditions
Public Works Administration	PWA	1933–1939	Provided jobs through construction of courthouses, sewage plants, bridges, hospitals, and public housing
Federal Deposit Insurance Corporation	FDIC	1933–	Protected savings accounts in all federally approved banks
Securities and Exchange Commission	SEC	1934–	Regulated the stock exchange
Federal Housing Administration	FHA	1934–	Insured loans for mortgages
Rural Electrification Administration	REA	1935–	Offered loans to bring electricity to rural farming communities, including some in North Carolina
National Labor Relations Board	NLRB	1935–	Regulated and protected unions and investigated unfair labor practices
Works Progress Administration	WPA	1935–1942	Provided work for jobless writers, artists, and musicians; extended jobs to men and women through construction of hospitals, schools, and airports
Social Security Act	SSA	1935–	Set up pensions and unemployment insurance for workers; provided aid to the disabled



Political cartoon from 1934, FDR and the "alphabet soup" agencies.

What do the children represent?

What might the children be singing?

Do you think the artist supports or opposes Roosevelt's policies? Defend your answer.



Frances Perkins (Secretary of Labor) was the first female cabinet member

CONSTRUCTION OF THE GOLDEN GATE BRIDGE

THE GREAT DEPRESSION & LABOR UNIONS

- ❑ **National Labor Relations Act** (Wagner Act) created a powerful new National Labor Relations Board
- ❑ Under the encouragement of the Board, unskilled workers began to unionize

- ❑ 1935 - John L. Lewis founded the **Committee for Industrial Organization (CIO)** for unskilled workers within the ranks of the exclusive **AFL**
 - **CIO** used sit-down strikes refusing to leave the GM factory in 1936
 - Broke from the AFL in 1938 - by that time 4 million members

- ❑ 1938 - **Fair Labor Standards Act** - all companies engaged in interstate commerce subject to maximum hours and minimum wage restrictions
 - Excluded agricultural and domestic service jobs which predominantly hired blacks, Mexicans, and women

- ❑ **Labor Unions & workers overwhelmingly supported Democratic FDR while business owners were staunch Republicans**