03/30/2018

Recording started at 02:03 PM
Concentration of factors is key.
Combination of all 3 things is the perfect conditions for an economic crisis.
Provoked response of the “New Deal”
Dramatic restructuring of economic nature of government.
New Deal is about entitlement, in that it changes the earned rewards of the people.

No reporting requirement/mechanism for businesses. This put investors in a risk.
Very few people actually had stocks at that time.
Lack of regulation made investment a genuine risk.
Dramatic buildup in business inventories, and dramatic decrease of spending
Decline in consumer spending in 1929
Between 1927-1928, consumer spending was rising.
(02:19 PM notes)
Germany destroyed own economy to make reparations to allies useless.
Stock market crash begins on October 23 1929
October 24th: “Black Thursday”
October 29th: “Black Tuesday”
Values of stocks went up, it was perfect. When they went down, it provoked wide-spread panic.
No one was buying, only selling.
Banks begin calling margin loans.
(02:35 PM notes)
Hoover asked congress for money
(02:37 PM notes)
Underemployment was at 25%
Before, some people had beliefs that if you couldn't find employment it was your own fault. This changed after the Great Depression.
Fear that people who were given charity would never stop relying on charity.
Norris was elected senator of Nebraska in 1912, republican.
Electrification of Nebraska.