The Depression Approaches

* Stock market crash in 1929 was not the sole cause of the depression
  + Real estate speculation in some states brought on bank failures and foreclosures
  + Prolonged depression in agricultural sector
  + Unequal distribution of wealth limited purchasing power
  + Stock market was bloated by speculation on credit
* BY 1932
  + Around businesses had failed
  + Unemployment reached 25%
  + Those employed had wages cut
  + Thousands stood in bread lines in cities
  + Thousands took to the road in search of work
  + Shantytowns or “Hoovervilles” were built on city outskirts.
* The coming of a New Deal
  + FDR did not enter office with an exact blueprint of what the New Deal would be
  + His advisors were from the Progressive tradition
    - Frances Perkins, Secretary of Labor, was a veteran of Teddy Roosevelt’s 1912 campaign