

WORLD'S HIGHEST STANDARD OF LIVING



There's no way
like the
American Way

The Great Depression

1929-1940

#1



Roaring 20's

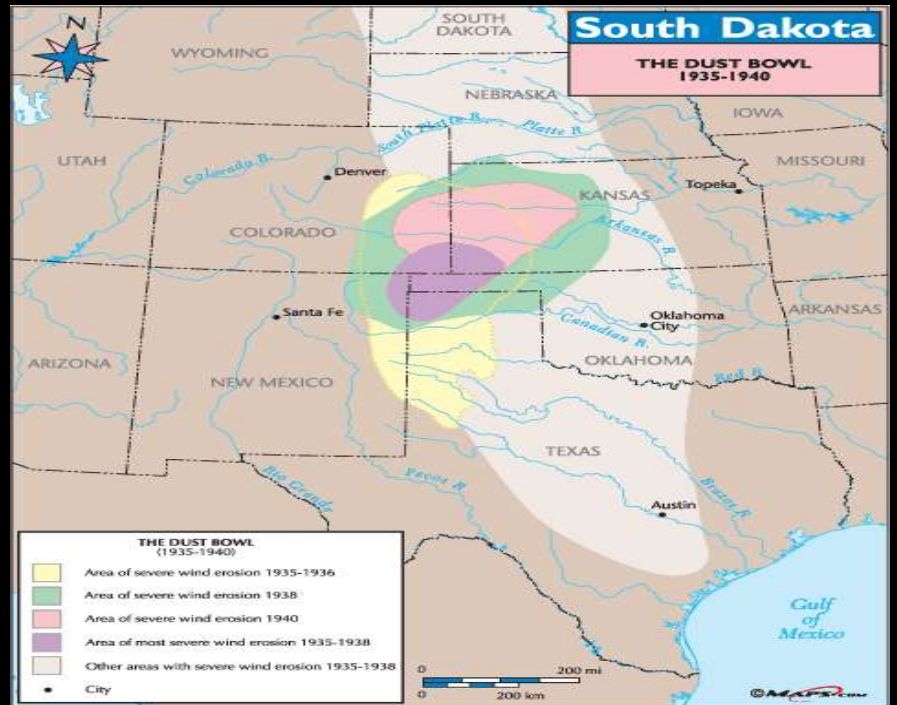
- Consumption went up
- National production went up
- The stock market went up
- Times were good in America
- Trouble on the horizon
- 1920's advancements threatened economic prosperity

Economic Troubles 1930's

- WWI-international demand, more crops and equipment. Increased harvests and bought more land to plow.
- After the war crop prices fell 40%, farmers were in debt.
- Industries struggled, farmers grew more crops than they could sell at a profit. Consumers became in debt.

Dust Bowl

- Overproduction of crops led to falling prices and the Dust Bowl
- Name given to Great Plains region.
- 150,000 square miles
- Little soil, no rain, and high winds
- Soil lacked strong roots and wind picked up topsoil and created black blizzards.
- Okies- packed up families headed west.
80,000 people migrated out of the central region.



Easy Credit

- Americans bought automobiles, appliances, radios, and other goods on credit.
- Installment plans, paid a small amount down and the rest over a period of months.
- People bought stocks on credit.
- Easy credit lead to debt.
- Americans starting buying less- rising prices, stagnant wages, unbalanced distribution of income, over buying on credit previous years. Living on credit.

Stock Market Crashes 1929

- Soaring stock prices. Too much money being poured into stock speculation.
- Investors gambling on money-making money they didn't have.
- September 1929- stocks began to fall. Prices peaked and prices fell.
- October 29- Black Tuesday the bottom fell out. More than 16 million shares were sold as the stock market collapsed.
- Stocks that once sold at \$400 a share fell to \$283.
- People raced to pull their money out of the stock market.
- Billions of dollars were lost.
- Whole fortunes were wiped out in hours.



- What role, if any, should the government play in providing assistance to individuals or businesses in times of need?

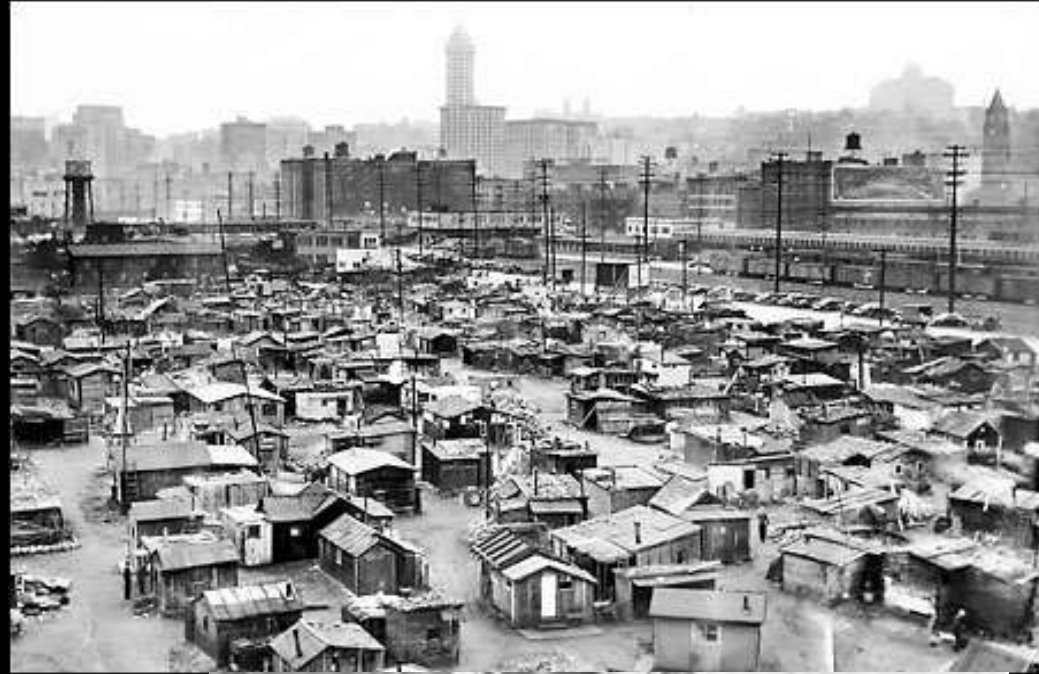
Great Depression 1929-1941

- Economy faltered and unemployment soared
- Banking system – depositors feared for their money so they withdrew it. In 3 yrs 1,700 banks went under.
- Business system – consumers stopped spending, reduced pay, layoffs. Closing of plants.
- Unemployment grew. 1 out of 4 unemployed. (higher for minorities) 25 percent of America was out of work.



President Hoover's Reaction

- President Hoover (1929-33) was reluctant to provide assistance
 - Believed in the Am. work ethic
 - Believed handouts weaken people.
- *Hoovervilles (Shantytowns)
 - shacks made out of orange crates, boxes, tents built on public lots or vacant lots.
Poverty.
- Soup kitchen and bread lines became popular.



Overall

- Inaction and ineffective intervention led to widespread despair, poverty, and added to a sense of skepticism that many held for the government
 - Bonus Army March on Washington- WWI veterans – wanted compensation for service. Hoover banned.
- Overall GD= debt foreign markets, farm crisis, easy credit, unequal distribution of income



Economic Decline 1930's and Today





Scottsboro

- Nothing typified the ineffectiveness of the gov't as the case of the Scottsboro Boys
- Alabama, 1931
- 9 black males accused of raping 2 white females on a railroad car



Agree or Disagree?

- The American system of justice consists of two tiers, or levels. The case of the *Jena 6* is but one example of how the law is applied differently in our country.
- Notwithstanding their subtle differences, the core issues of the cases of the *Scottsboro 9* and the *Jena 6* are essentially the same.

Franklin D. Roosevelt's
New Deal Ch.22

#2



1933-1945

- New Deal- federal gov active role in promoting a way out of the depression
- Goal -Relief for the needy, economic recovery and financial reform
- “Take a method, and try it. If it fails, try another. But above all, do something.” -FDR
- The Hundred Days March 9th – June 16, 1933
 - Passed numerous pieces of legislation that expanded the gov’t role in the economy (15)
 - Americans needed reasons for confidence and optimism, “The only thing we have to fear is fear itself.” – FDR

Helping the American People First 100 Days- Stimulate the Economy

- Provided a firm economic basis for recovery by reorganizing the banks
 - FDIC (Federal Deposit Insurance Corporation) = provided federal insurance for bank deposits
- Work programs Cash Payments
 - Civilian Conservation Corps (CCC)– men 18-25, roads, trees, state parks. \$30 a mo.
Provided 2 million jobs.



- Public Works Admin (PWA)- \$ for construction of schools, bridges, dams and community buildings.
- Agricultural Adjustment Act (AAA) – financial aid paying farmers not to plant part of their land. Reduce supply and boost prices.

Communication with the public

- Fireside Chats- live radio talks with the public about social issues clear and simple language

Eleanor Roosevelt

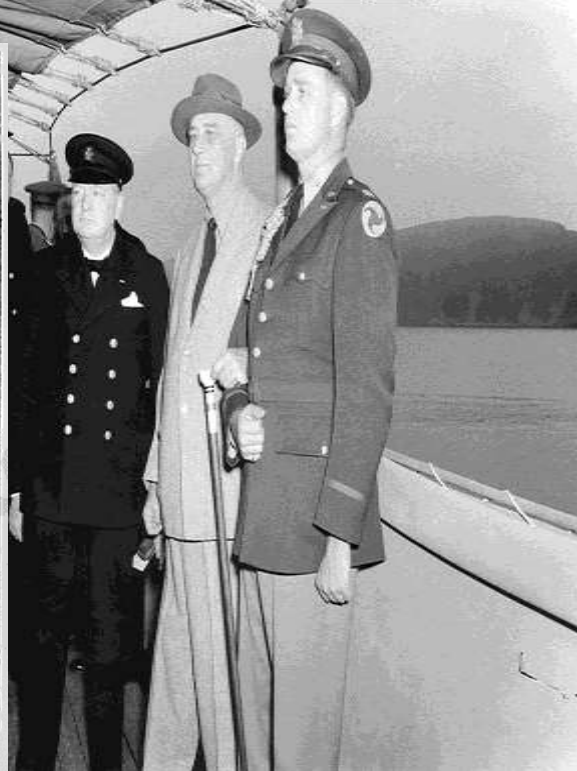
- Changed the role of the first lady
- Deeply involved in public affairs
- Traveled the United States helping with social welfare programs
- Interacted with the people in need
- Served in the United Nations focusing on human rights and women's issues

WELL BEHAVED
WOMEN RARELY
MAKE HISTORY
-ELEANOR ROOSEVELT



<http://pinterest.com/calliope/hear-me-roor/>

Photo # NH 67201 Churchill and Roosevelt on board USS Augusta, August 1941



Criticisms of the New Deal

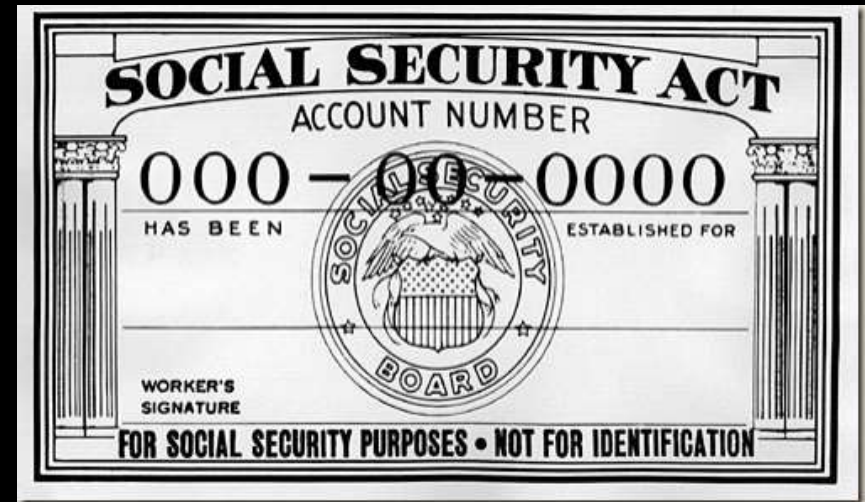
- Was FDR overstepping his boundaries?
 - Many critics felt that the New Deal interfered with the workings of a free-market economy
 - Too much \$ was being spent on direct relief

Second New Deal -2nd Hundred Days # 3

- The economy had improved during the FDR's first two years in office but gains were not as high as expected.
- New Deal was popular so FDR
launched a second burst of
activity, often called the Second
New Deal.

Social Security Act

- The Social Security Act (1935)- pension system and unemployment insurance, payments to workers injured on the job, the poor, and other people with disabilities.
 - Retirement plan funded by employer and employee
 - Senior citizens depend on ss for retirement
 - Excluded farmers, self-employed
 - Created the framework for a welfare system



Work Progress Administration

- 1935 WPA- built highways, harbors, put youth professional and artists to work.
- Employed professionals write city guides, paint murals on public buildings and schools. Revived American culture.
- Spent \$11 billion to give jobs to more than 8 million workers. Gave people a sense of hope.





