

INTRODUCTION

The Great Depression of 1929-1941 was among the most traumatic economic disasters in United States history. Stock prices plummeted, manufacturing declined by one-third, people had little money to invest, and most people stopped investing their money altogether. Families were uprooted and faith in the American dream was shaken. The country had experienced economic crises before, but never on such a scale.

PART I--THE CAUSES AND NATURE OF THE GREAT DEPRESSION

The prosperity of the 1920's came to an end with the stock market crash in October 1929. In the months after the crash, bankers, business people, and government officials, including President Herbert Hoover, tried a variety of remedies, but nothing stopped the continuing decline of the economy.

The documents in this part are about the causes and nature of the Great Depression.

The first three documents (Documents A-C) are about Black Thursday, the stock market crash of October 24, 1929.

Document A: *The New York Times, October 25, 1929*

THE MOST DISASTROUS DECLINE in the biggest and broadest stock market of history rocked the financial district yesterday. In the very midst of the collapse five of the country's most influential bankers hurried to the office of J. P. Morgan & Co., and after a brief conference gave out word that they believe the foundations of the market to be sound, that the market smash has been caused by technical rather than fundamental considerations, and that many sound stocks are selling too low.

The decline carried down with it speculators, big and little, in every part of the country, wiping out thousands of accounts. It is probable that if the stockholders of the country's foremost corporations had not been calmed by the attitude of leading bankers and the subsequent rally, the business of the country would have been seriously affected. Doubtless business will feel the effects of the drastic stock shake-out, and this is expected to hit the luxuries most severely.

Document B: *In 1929 Gordon Parks--later a world-famous photographer--was sixteen years old, living alone and attending high school in St. Paul, Minnesota. To support himself he worked part-time as a bellboy at an exclusive club. Here he describes the impact of the stock market crash on his life.*

By Thursday the entire world knew. "MARKET CRASHES--PANIC HITS NATION!" one headline blared. The newspapers were full of it, and I read everything I could get my hands on, gathering in the full meaning of such terms as Black Thursday, deflation, and depression. I couldn't imagine such financial disaster touching my small world; it surely concerned only the rich. But by the first week of November I too knew differently; along with millions of others across the nation, I was without a job. All that next week I searched for any kind of work that would prevent my leaving school. Again it was, "We're firing, not hiring." "Sorry, sonny, nothing doing here." Finally, on the seventh of November I went to school and cleaned out my locker, knowing it was impossible to stay on. A piercing chill was in the air as I walked back to the rooming house. The hawk had come. I could already feel his wings shadowing me.

October 1929, yeah. A frenzy. I must have gotten calls from a dozen and a half friends who were desperate. In each case, there was no sense in loaning them the money that they would give the broker. Tomorrow they'd be worse off than yesterday. Suicides, left and right, made a terrific impression on me, of course. People I knew.

One of my friends said to me, "If things keep on as they are, we'll all have to go begging." I asked, "Who from?"

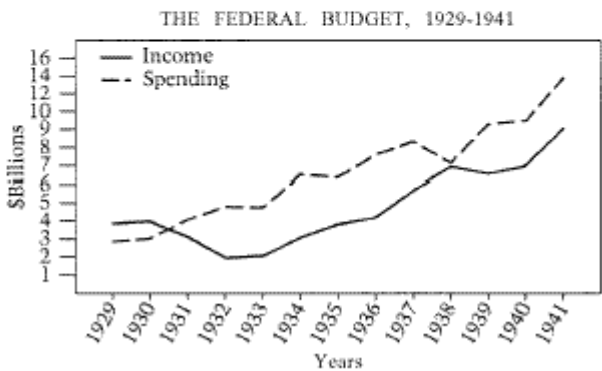
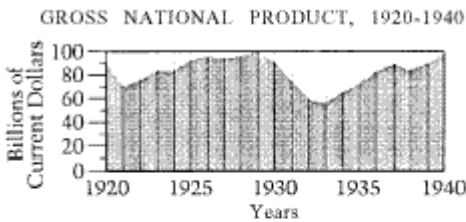
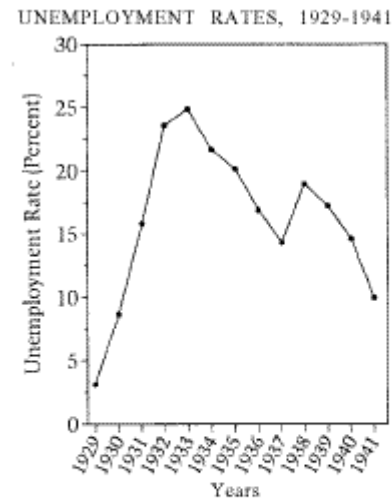
Many brokers did not lose money. They made fortunes on commissions while their customers went broke. The only brokers that got hurt badly were those that gambled on their own--or failed to sell out in time customers' accounts that were underwater. Of course, the brokerage business fell off badly, and practically all pulled in their belts, closed down offices, and threw people out of work.

For one thing, the American economy had weakened significantly during the 1920's. The economic difficulties felt by farmers increasingly were shared by such distressed industries as coal, railroads, and textiles. As a result, by 1929, unsold inventories were stacking up, investments were shrinking, workers were being laid off, and consumers were buying fewer products.

Second, the American business system was unbalanced, with a few industries carrying the weight of the economy. Automobiles and housing construction, in particular, fueled the economic boom of the 1920's. Newer industries, such as chemicals, were still not fully developed. Thus when the market for houses and cars began to weaken, as it did in 1928, other industries were not able to take up the slack.

Third, poor distribution of purchasing power weakened the economy. Although the wages of most Americans increased in the 1920's, they grew at a much slower rate than the economy as a whole.

Fourth, an enormous amount of debt threatened the country's economic health. Farmers carried large mortgages on their land and were unable to keep up payments as their crop prices fell. Small banks, particularly the ones that had loaned money to farmers, were having serious problems as borrowers defaulted on their loans.



Oh, I remember having to move out of our house. My father had brought in a team of horses and wagon. We had always lived in that house, and we couldn't understand why we were moving out. When we got the other house, it was a worse house, a poor house. That must have been around 1934. I was about six years old.

-- Cesar Chavez

The oil boom come [to Oklahoma City] in '29. People come from every direction in there. A coupla years later, they was livin' in everything from pup tents, houses built out of cardboard boxes and old pieces of metal that they'd pick up-anything that they could find to put somethin' together to put a wall around 'em to protect 'em from the public.

-- Mary Owsley

PART II--FRANKLIN D. ROOSEVELT AND THE NEW DEAL

President Franklin D. Roosevelt's actions helped to restore people's confidence. In his first hundred days in office, he introduced numerous pieces of legislation designed to end the Depression. This package of legislation was known as the New Deal. Although most people supported Roosevelt's policies, many opposed both him and his New Deal.

The documents in this part are about the New Deal and people's reactions to it.

The next three documents (G-I) are about the New Deal and New Deal legislation.

Document G: *Excerpt from Franklin D. Roosevelt's First 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.

A host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return.

Our greatest primary task is to put people to work. This is not an unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, . . . accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

KEY NEW DEAL LEGISLATION, 1933-1938

Year	Act or Agency	Provisions
1933	Agricultural Adjustment Administration (AAA)	Granted farmers direct payments for reducing crop production; funds for payment provided by a processing tax, later declared unconstitutional.
1933	Tennessee Valley Authority (TVA)	Constructed dams and power projects and developed the economy of a nine-state area in the Tennessee River Valley.
1933	National Industrial Recovery Act (NIRA)	Sought to revive business through a series of fair-competition codes; created National Recovery Administration (NRA) to write, coordinate, and implement these codes; NIRA's Section 7a guaranteed labor's right to organize (act later declared unconstitutional).
1933	Public Works Administration (PWA)	Sought to increase employment and business activity through construction of roads, buildings, and other projects.
1933	Federal Emergency Relief Act (FERA)	Provided federal funds for state and local relief efforts.
1933	Civil Works Administration (CWA)	Provided federal jobs for the unemployed.
1933	Civilian Conservation Corps (CCC)	Employed young men in reforestation, road construction, and flood control projects.
1934	Federal Housing Administration (FHA)	Insured loans provided by banks for the building and repair of houses.
1935	Social Security Act	Created a system of social insurance that included unemployment compensation and old age survivors' insurance; paid for by a joint tax on employers and employees.
1935	Works Progress Administration	Employed more than eight million people to repair roads, build bridges, and work on other projects; also hired artists and writers.
1935	National Youth Administration (NYA)	Provided job training for unemployed youths and part-time jobs for students in need.
1938	Fair Labor Standards Act	Established a minimum wage of 40 cents an hour and a maximum workweek of 40 hours for businesses engaged in interstate commerce.

We have always known that heedless self-interest was bad morals; we know now that it is bad economics. Out of the collapse of a prosperity whose builders boasted their practicality has come the conviction that in the long run economic morality pays. We are beginning to wipe out the line that divides the practical from the ideal; and in so doing we are fashioning an instrument of unimagined power for the establishment of a morally better world.

Let us ask again. Have we reached the goal of our vision of that fourth day of March, 1933? Have we found our happy valley?

I see a great nation, upon a great continent, blessed with a great wealth of natural resources.

But here is the challenge to our democracy. In this nation I see tens of millions of its citizens--a substantial part of its whole population--who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.

I see one-third of a nation ill-housed, ill-clad, ill-nourished. We are determined to make every American citizen the subject of his country's interest and concern; and we will never regard any faithful, law-abiding group within our borders as superfluous.

The next three documents (Documents J-L) were produced by people who believed either that the New Deal had done too much or that it was not doing enough to end the Depression.

Document J: *Portion of a campaign song for Senator Huey Long of Louisiana, 1935*

Every Man a King

Why weep or slumber America
Land of brave and true
With castles and clothing and food for all
All belongs to you
Ev'ry man a King, ev'ry man a King
For you can be a millionaire
But there's something belonging to others
There's enough for all people to share

So it has been while millions have starved and gone naked and while babies have cried and died wanting milk; so it has been while people begged for meat and bread to eat. Mr. Roosevelt's administration has sailed merrily along, plowing under and destroying the things to eat and wear, with tear-dimmed eyes and hungry souls made to chant for this New Deal so that even their starvation dole is not taken away from them, and meanwhile the food and clothes craved by humanity for their bodies and souls go to destruction and ruin.



Courtesy Milwaukee Public Library

PART III--DEPRESSION ART AND WRITING

Writers and artists -- many of them supported by the Works Progress Administration (WPA) -- tried to express the mood of the people of the United States. They wrote not about the leaders, millionaires, and bankers, but about ordinary people, the everyday heroes struggling to survive. These people faced the breadlines, the unemployment lines, and the lines of migrants traveling across the desert in the battered jalopies. Artists and writers asked questions about how these experiences affected American people and values.

The documents in this part show art produced about the Great Depression.

Document M: *Part of a poem called "Let America Be America Again," by Langston Hughes*

**Let America be America again.
Let it be the dream it used to be.
Let it be the pioneer on the plain.
Seeking a home where he himself is free.**

(America never was America to me.)

**I am the young man, full of strength and hope,
Tangled in that ancient, endless chain
Of profit, power, gain, of grab the land!
Of grab the gold! Of grab the ways of satisfying need!
Of work the men! Of take the Pay!
Of owning everything for one's own greed!**

**O, let America be America again--
The land that has never been yet--
And yet must be--the land where every man is free.
The land that's mine--the poor man's, Indian's Negro's ME--
Who made America,
Whose sweat and blood, whose faith and pain,
Whose hand at the foundry, whose plow in the rain,
Must bring back our mighty dream again.**

**They used to tell me I was building a dream
With peace and glory ahead
Why should I be standing in line
Just waiting for bread?**

**Once I built a railroad, made it run,
Made it race against time.
Once I built a railroad,
Now it's done
Brother, can you spare a dime?**

In the evening a strange thing happened: the twenty families became one family, the children were the children of all. The loss of home became one loss, and the golden time in the West was one dream. And it might be that a sick child threw despair into the hearts of twenty families, of a hundred people; that a birth there in a tent kept a hundred people quiet and awestruck through the night and filled a hundred people with the birth-joy in the morning. A family which the night before has been lost and fearful might search for goods to find a present for a new baby.

Every night a world created, complete with furniture--friends made and enemies established; a world complete with braggarts and with cowards, with quiet men, with humble men, with kindly men. Every night relationships that made a world, established; and every morning the world torn down like a circus.

