

# The Great Depression

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FIRST-HAND ACCOUNTS, IMAGES, GRAPHS, STATISTICS

# What happened after the Crash?

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- ❖ By November 1929, the value of stocks had dropped more than \$30 billion.
- ❖ By 1932, about 85,000 businesses had closed and approximately 13 million workers were unemployed.
- ❖ Thousands had lost their homes because they couldn't pay back loans.
- ❖ Approximately 400,000 farmers lost their land/homes.
- ❖ About 6,000 banks (1 in 4) failed, wiping out the savings of 9 million customers.

# So What Is President Hoover Doing?

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- ❖ Not much...
  - ❖ Didn't believe the federal government's job was to help people out of their difficulties
    - ❖ Not a heartless man but felt that people should rely on charities for assistance
  - ❖ "Rugged individualism" and self-reliance
- ❖ And some things that just didn't do enough or were too late in coming...
  - ❖ Set up an agencies to lend money to businesses, banks, insurance companies, railroads, and state governments & set up an agency to help farmers/homeowners pay their mortgages
  - ❖ Started some public works projects
  - ❖ Increased tariffs (Smoot-Hawley Tariff Act of 1930)
    - ❖ Put taxes on imported goods to make foreign products more expensive to encourage people to buy cheaper products made at home
      - ❖ Ended up hurting foreign businesses and then other countries bought less from the U.S., hurting us

In 1932, Franklin Delano Roosevelt is elected president.

His approach to the Great Depression was very different than Hoover's approach.

He had a three-part plan:

- Relief
- Recovery
- Reform

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment. . . .

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

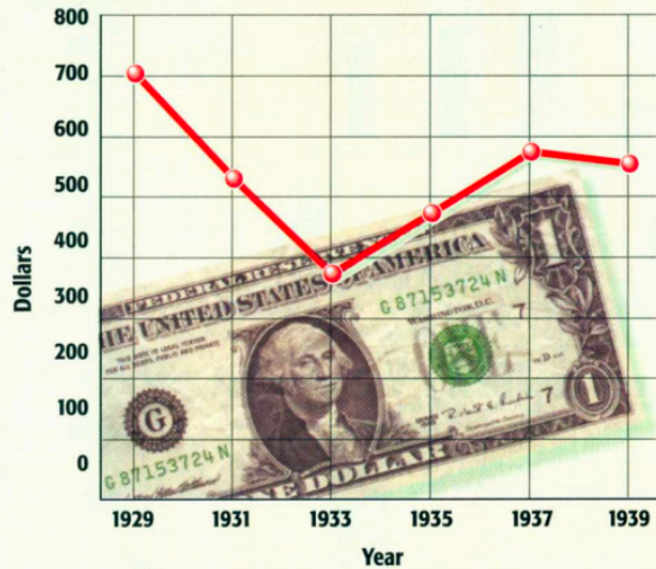
Source: Franklin D. Roosevelt inaugural address, March 1933

# Great Depression Document Investigation

Read through the first-hand accounts, examine the graphs and statistics, analyze the images, and make general observations.

Note the things that are most moving, tragic, surprising, and significant about the time period.

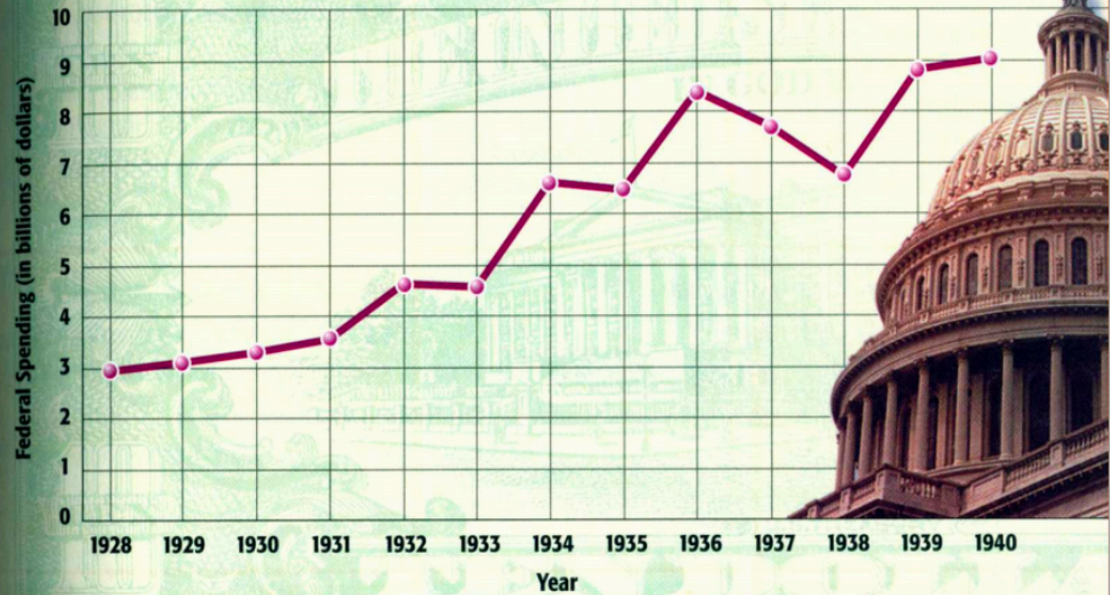
### Average Income per Person, 1929–1939



Source: *Datapedia of the United States, 1790–2000: America Year by Year*

“The Depression is over.”  
-President Herbert Hoover, 1930

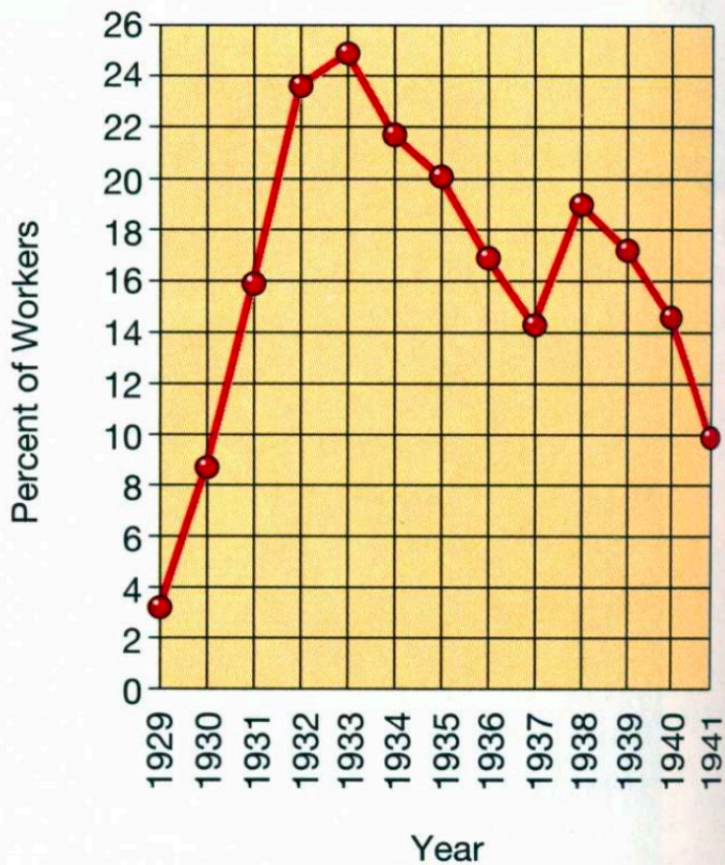
### Growth in Federal Spending, 1928–1940



Source: *Historical Statistics of the United States*

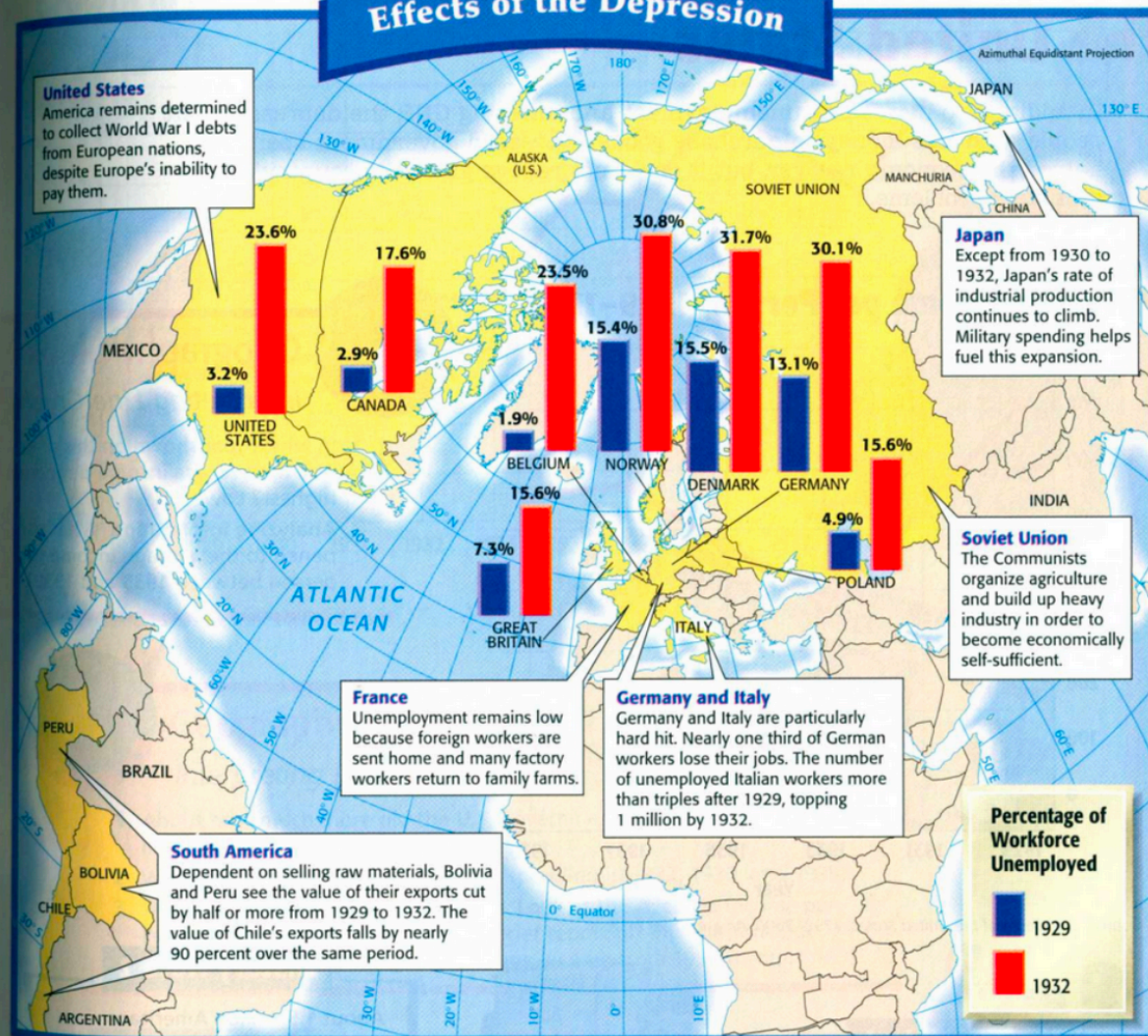
Under President Franklin D. Roosevelt’s New Deal programs, the federal government gradually spent more money each year to pull the country out of the depression. The unemployment rate did drop – from 25% in 1933 to some 14% in 1937 – but not as much as was necessary to pull the nation out of the depression. The economy was weakened again in 1937 and 1938, causing unemployment to rise and contributing to still higher federal spending.

# Unemployment, 1929–1941



Source: *Historical Statistics of the United States*

# Effects of the Depression

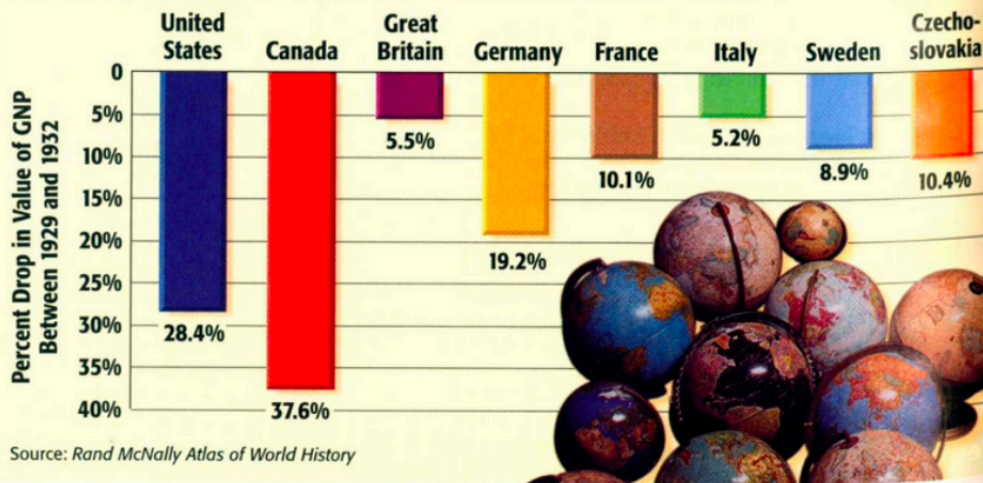


# A World in Crisis

In many countries the gross national product (GNP) fell dramatically during the depression. GNP is the total value of all goods and services produced by a country in one year. To make matters worse, unemployment rates soared.



## Decline in Gross National Product, 1929–1932



<b>Labor Force, Employment, and Unemployment in the United States, 1929–1941</b> (Millions of Persons)				
Year	Labor Force	Employed	Unemployment	
			Number	Percent of Labor Force
1929	49,180	47,630	1,550	3.2
1930	49,820	45,480	4,340	8.7
1931	50,420	42,400	8,020	15.9
1932	51,000	38,940	12,060	23.6
1933	51,590	38,760	12,830	24.9
1934	52,230	40,890	11,340	21.7
1935	52,870	42,260	10,610	20.1
1936	53,440	44,410	9,030	16.9
1937	54,000	46,300	7,700	14.3
1938	54,610	44,220	10,390	19.0
1939	55,230	45,750	9,480	17.2
1940	55,640	47,520	8,120	14.6
1941	55,910	50,350	5,560	9.9

Source: U.S. Bureau of the Census, 1960



# In Desperate Need of Help

Mr. and Mrs. Roosevelt

Wash, D.C.

Excerpt from *Down and Out in the Great Depression: Letters from the "Forgotten Man"*

Dear Mr. President: I'm a boy of 12 years. I want to tell you about my family. My father hasn't worked for 5 months. He went plenty times to relief, he filled out application. They won't give us anything. I don't know why. Please you do something. We haven't paid 4 months rent. Everyday the landlord rings the door bell, we don't open the door for him. We are afraid that will be put out, been put out before, and don't want to happen again. We haven't paid the gas bill, and the electric bill, haven't paid grocery for 3 months. My brother goes to Lane Tech. High School. he's eighteen years old, hasn't gone to school for 2 weeks because he got no carfare. I have a sister she's twenty years, she can't find work. My father he staying home. All the time he's crying because he can't find work. I told him why you are crying daddy, and daddy said why shouldn't I cry when there is nothing in the house. I feel sorry for him. That night I couldn't sleep. The next morning I wrote this letter to you. in my room. Were American citizens and were born in Chicago, Ill. and I don't know why they don't help us Please answer right away because we need it. will starve Thank you. God bless you.

[Anonymous] Chicago, Ill.

# In Desperate Need of Help

High Point N C

Excerpt from *Down and Out in the Great Depression: Letters from the "Forgotten Man"*

December 15, 1935

Mr. Roosevelte I am In nead Bad Please help me I have 7 children and is Sick all the time one of my children is Sick and has Ben for a lone time and I have No under clothes for none of the famiely we cant harly hide I Self with top cloths I ned Milk and my Boy need milk Please give my childrens and my Self Some under cloths or we will freze to Deth this cold wethr we can not Make it pay Rent get Something to Eat and get wood and coal no one work But my husBan he make \$6.75 per week no way I can get any under cloths for the famely please help me I have not a teeth in My head wen I Eat I nely Dieys no way to get any please help me please.

[Anonymous]

"In towns along the way, the travelers asked for odd jobs and handouts. More often than not, the local sheriff chased them out of town." —*America in the 1930s*

# In Desperate Need of Help

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- ❖ “Please do not think this does not cause a great feeling of shame to me to have to ask for old clothing. I am so badly in need of a summer coat and under things and dresses... Please send me anything you may have on hand... which you don't care to wear yourself.” –Iowa woman's letter to First Lady Eleanor Roosevelt, 1936
- ❖ “We lost everything. It was the time I would collect four, five hundred dollars a week. After that, I couldn't collect fifteen, ten dollars a week. I was going around trying to collect enough money to keep my family going. Very few people could pay you. Maybe a dollar if they would feel sorry for you or what. We tried to struggle along living day by day. Then I couldn't pay the rent. I had a little car, but I couldn't pay no license for it. I left it parked against the court. I sold it for \$15 in order to buy some food for the family. I had three little children... I didn't have a nickel in my pocket. Finally people started to talk me into going into the relief. They had open soup kitchens. Al Capone, he had open soup kitchens somewhere downtown, where people were standing in line. And you had to go two blocks, stand there, around the corner, to get a bowl of soup... I didn't want to go on relief. Believe me, when I was forced to go to the office of the relief, the tears were running out of my eyes. I couldn't bear myself to take money from anybody for nothing. If it wasn't for those kids... many a time it came to my mind to go commit suicide.” -Ben Isaacs, clothing salesman, from *Hard Times: An Oral History of the Great Depression* (Studs Turkel)

## “today is my sister’s turn to eat”

- **During the Great Depression children were found in New York City fighting over garbage cans set outside an expensive restaurant.**

- **A little girl who could not work in school was asked by her teacher what was wrong. The girl said she was hungry. The teacher told her to go home to get something to eat. “I can’t,” the little girl replied. “Today is my sister’s turn to eat.”**



A quote from a letter written by a New Jersey resident to President Hoover in 1930: “Our children have School-less days and Shoe-less days and the land full of plenty and Banks bursting with money. Why does Every Thing have Exceptional Value. Except the Human being – why are we reduced to poverty and starving and anxiety and Sorrow... Why not End the Depression have you not a Heart?”

# The Bonus Army

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- ❖ Bonus Bill → In 1924, WWI veterans were promised a bonus of \$1,000 to be paid out in 1945
- ❖ The money was kept in a fund for payout in the designated year
- ❖ In 1932, 20,000+ veterans marched to DC to demand their bonus money immediately
- ❖ For 2 months, the Bonus Army (as the vets were called) camped in a tent city along the Potomac River
- ❖ When the veterans realized they weren't going to be paid immediately, many left but thousands remained, vowing to stay until 1945
- ❖ Local police tried to get them to leave, and fights took place, leaving four dead (2 police officers and 2 veterans)
- ❖ Hoover ordered General Douglas MacArthur to clear out the veterans, which he did with cavalry, tanks, machine guns, and tear gas
- ❖ The tent city was burned down
- ❖ People were appalled at the treatment of the veterans





*In the Crowd.* A painting by Mabel Dwight in 1931 showing 6 people from the Depression-era standing in a crowd with very forlorn looks.

Investors rushing to withdraw their savings (NYC 1931)



### A New York City Hooverville

- Hooverville = shacks where homeless lived
- Hoover blanket = newspapers homeless used to cover themselves
- Hoover flags = empty pockets turned inside out
- Hoover stew = name for the soup received in food lines
- Hoover cars = worn-out cars pulled by mules
- Hoover hogs = rabbits shot for food
- Hoover shoes = shoes with holes in the soles

**NEW YORKERS** stand in a breadline near the Brooklyn Bridge in the early 1930s. People across the country struggled to feed themselves and their families during the Great Depression.



Breadline in New York City



Unemployed men in a breadline at an Al Capone soup kitchen, Chicago, 1931



*Migrant Mother*, by Dorothea Lange, shows a 32 year old impoverished farmer and mother of 7 children in California, 1936.



Buried farm machinery on a deserted farm in South Dakota after the Dust Bowl.



"My parents migrated to New York from the Ukraine in 1916, and when I was a young girl we lived in the slums of the Lower East Side. During the 1920s we didn't know there was going to be a depression – we were just building ourselves up and struggling along. We lived in a poor place, but we were never desperate. My father started working in the flooring business, and as the building trade boomed he really started making money. This allowed us to move uptown to the Bronx, which to us was like living out in the country... My father was doing very well, and he got this marvelous order to do the floors in a building that could be called a skyscraper in those days. He went to the bank and borrowed a huge sum of money to buy the materials. And just as the work was about to begin, the market crashed. We weren't even paying attention to the stock market, so we didn't really know what was happening at the time. But almost overnight it was like a bomb had fallen... It was awful. It was like a domino effect: Everything that happened to one person gradually happened to other people who were connected with them, until everything just shut down. The people who had given my father the contract lost all their money, and since my father had borrowed all of that money, he was wiped out. Psychologically, he never recovered... For about five years I had been saving money in a piggy bank. If I even had a penny or two, I would put it in the piggy bank, and I loved to shake it and feel the weight. One day I came home and grabbed hold of my piggy bank, just to give it a shake, and discovered that there was nothing in it. The bank was empty!... My mother was standing in the doorway, looking at me, and she said, "Your father borrowed the money. He has to go out to look for work and needed the money to go downtown. When your father comes home don't say anything. It's bad for him." And he came home and I didn't say anything but my face was swollen with tears. And my father took me in his arms and he said, "I'm sorry. I had to have money. But it's a loan. I'll pay it back to you." He never did. But it was so embarrassing for me and so painful, even then in my childish years, to have to see my father in this terrible state... My father walked the streets every day and found something to do. My mother went to work, and even I worked... Then one day I came home from school and saw furniture on the sidewalk that looked familiar. We had been evicted. What hurt me the most about it was the look of pain on my mother's and father's faces."

–Clara Hancox

Weary, dejected farmers in Spotsylvania, Virginia, look on as their land is sold at public auction. Crop prices fell sharply, and farmers did not have enough income to keep up the payments on their heavily mortgaged farms. In 1933 a quarter of the farmland in Spotsylvania County was sold at auction, for as little as thirty cents an acre.



This restaurant window shows the low prices of the Depression. Many people could not afford to pay even these prices.

“Not everyone was unemployed, of course, but just having a job did not guarantee a full stomach in the 1930s. Many employers kept their businesses open during the Depression by cutting workers’ hours or wages. Rubber manufacturers cut the workweek from forty hours to thirty, resulting in a 25% pay cut for workers. Henry Ford, who once paid his factory workers between five and seven dollars a day, cut wages to four dollars per day in 1932 and speeded up his assembly lines.” *America in the 1930s*