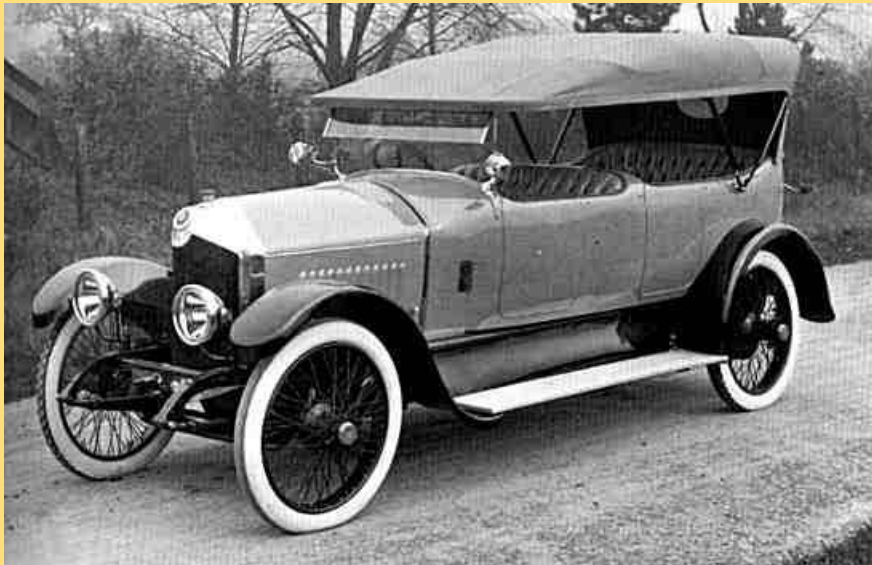


ROARING 20'S

Promised a “**Return to Normalcy**”
Back to business, family, and fun

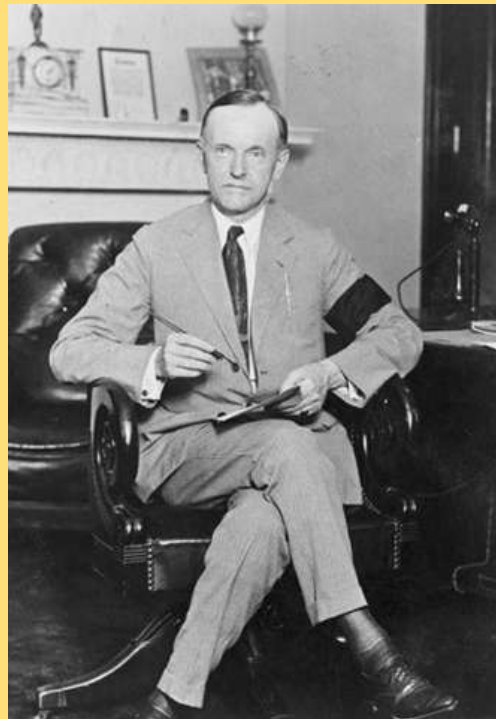


ROARING 20'S

President Calvin Coolidge

supported big business

Laissez - Faire economics



ROARING 20'S

President Calvin Coolidge



“ The chief business of the American people is business “

The U.S. became the world's leading economic power

ROARING 20'S

By the summer of 1929

- Peak Industrial production
- Stock prices soaring
- 1/3 families had radios
- 2/3 had cars



ROARING 20'S

“living beyond their means”

- Living on Credit
- Americans appeared prosperous but were in debt

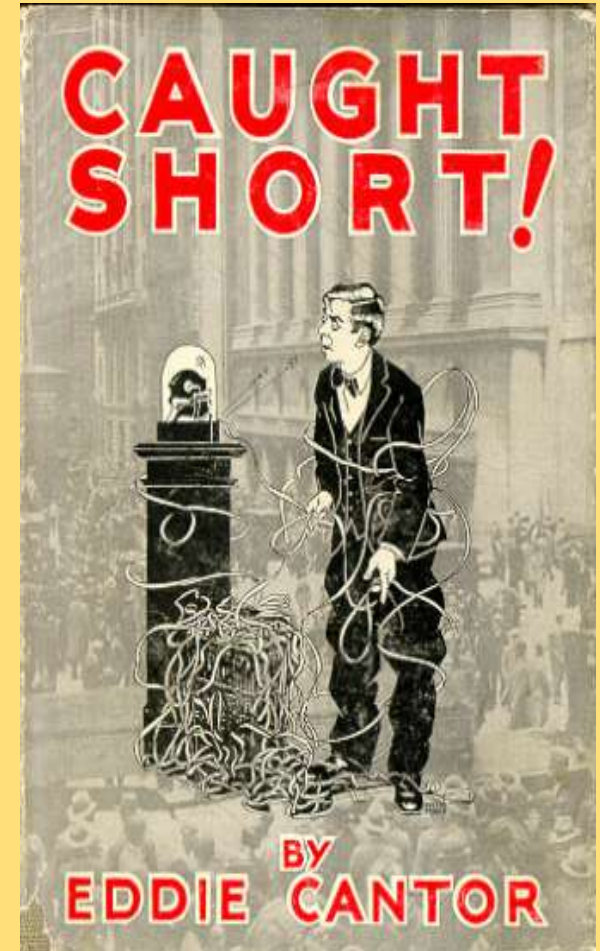


ROARING 20'S

Stock Market

Speculation

- Buying a stock on the chance of a quick profit



ROARING 20'S

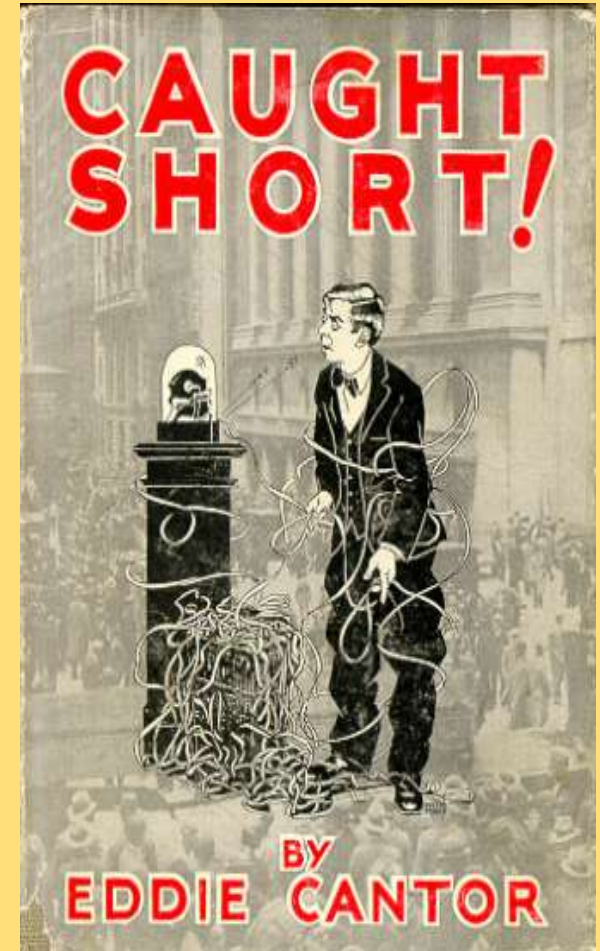
Stock Market

Speculation

- Buying a stock on the chance of a quick profit

Buying on Margin

- Borrowing money to help pay for the stock



The Great Depression

Black Tuesday

Oct. 29, 1929

Shareholders frantically tried to sell stocks before prices fell
Those who bought on margin were left with huge debts



The Smoot-Hawley Tariff

United States Tariff Act of 1930, was a piece of U.S. legislation raising import duties to protect American businesses and farmers

Many scholars have long agreed that the Smoot-Hawley tariff had disastrous economic effects, but most of them have felt that it could not have caused the stock market collapse of October 1929, since the tariff was not signed into law until the following June. Some argue, it was the **speculation** of the act that helped lead to the downturn. Still debated today.



Chart 7: When protectionism failed ...impact of 1930 Smoot-Hawley Tariff Act on US equities



The Great Depression

Black Tuesday

Oct. 29, 1929

Shareholders frantically tried to sell stocks before prices fell

Those who bought on margin were left with huge debts

By the summer of 1932:

Investments only worth 10%

The Great Depression

25% Unemployment

Many people depended on

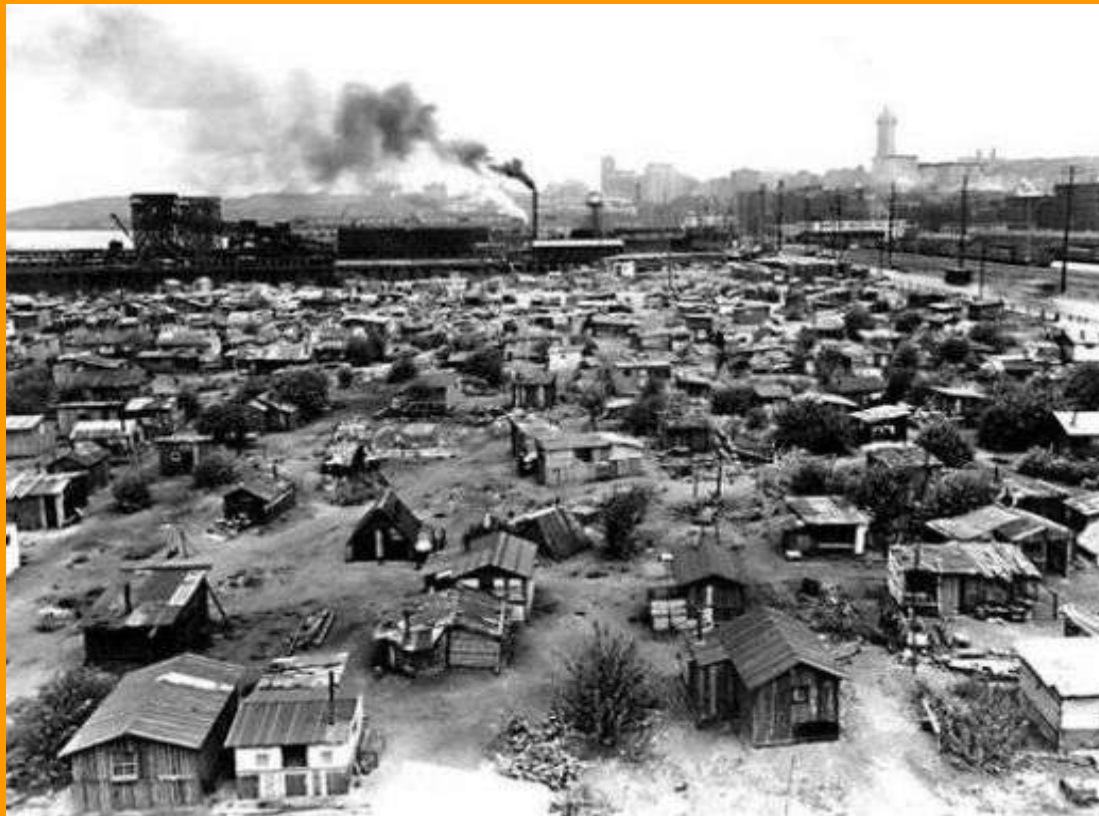
- soup kitchens
- breadlines



The Great Depression

Shantytowns – “Hoovervilles”

Named after President Hoover

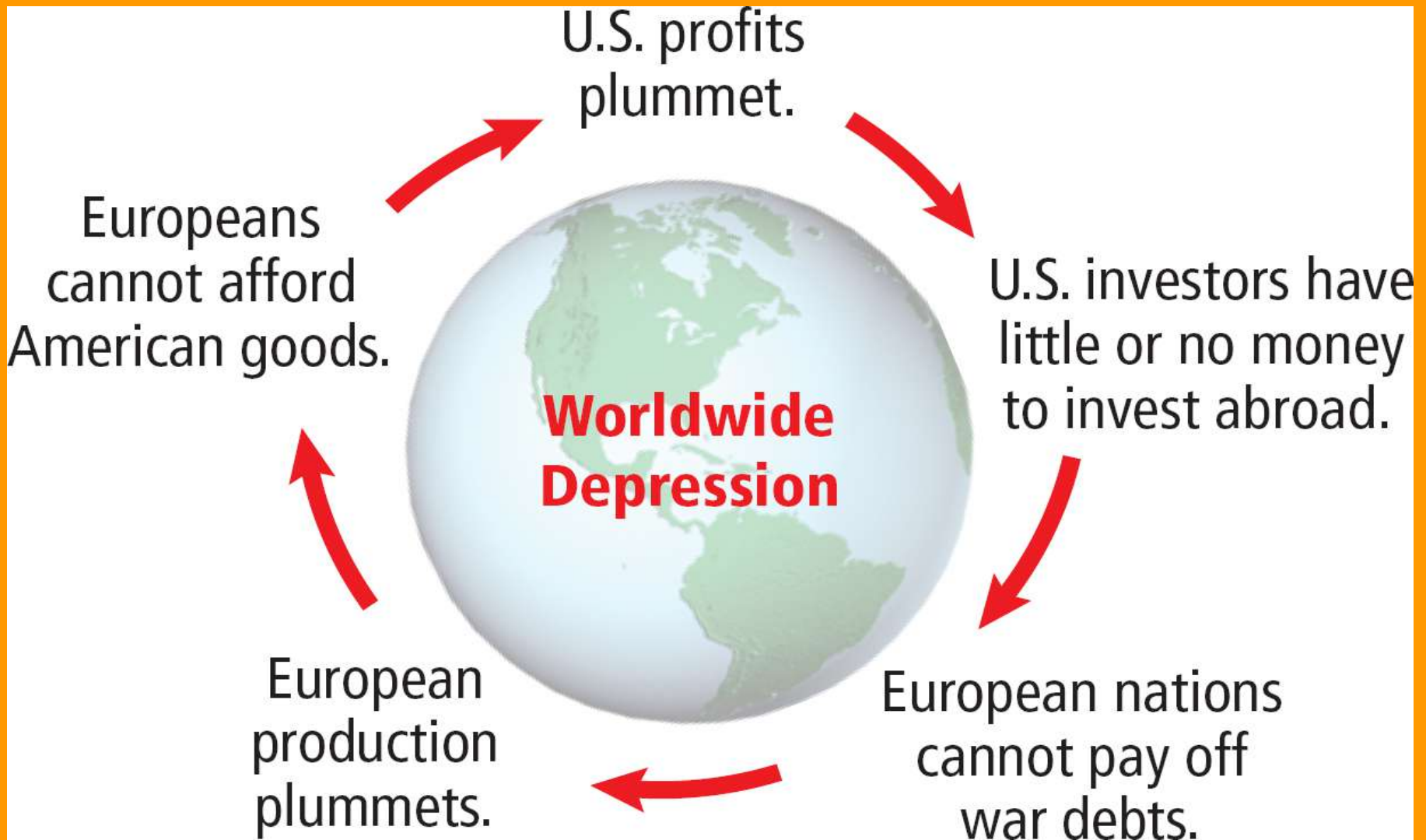


The Great Depression

**Banks foreclosed on Farms –
Many lost their farms**



The Great Depression



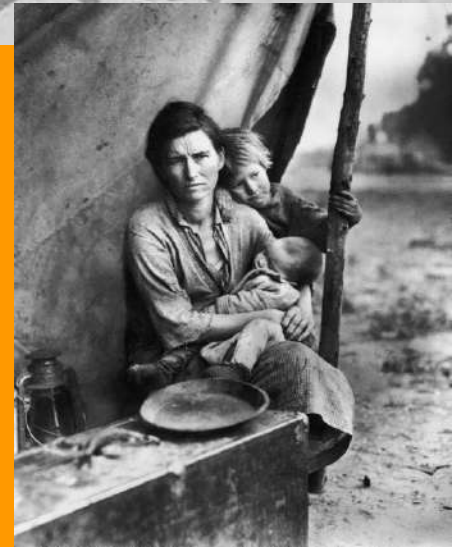
The Great Depression

IMPACT ON FAMILIES:

Women and children
suffered the most

Hobos

Men rode the rails in search
of work



Herbert Hoover

Federal Home Loan Bank Act

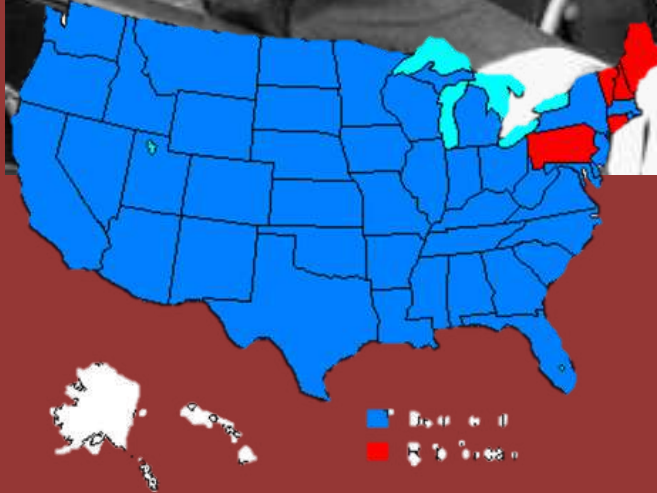
Aimed to prevent farmers and homeowners from losing their property

Reconstruction Finance Corporation

\$2 billion in emergency financing for banks, life insurance companies, railroads, etc. By bolstering these industries, money would “trickle-down” to average citizens

Franklin D. Roosevelt

FDR provided "Hope" for a nation



Franklin D. Roosevelt

Direct Relief

Deficit spending

- **spending of borrowed money to fund direct relief**

NEW DEAL

“The only thing we have to fear is fear itself...”

Civilian Conservation Corps (CCC)

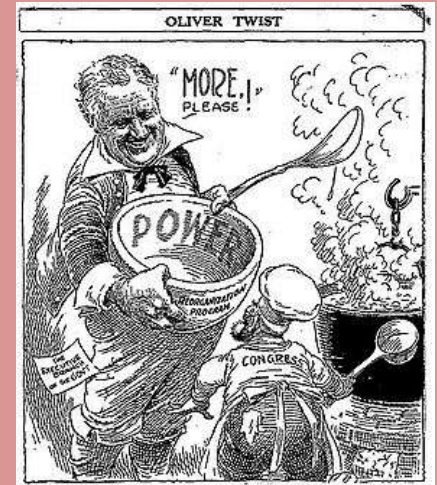
Put men to work building roads, parks, planting trees, helping control soil erosion

Agricultural Adjustment Act (AAA)

Sought to raise crop prices by lowering production by paying farmers to NOT plant as much



NEW DEAL



Federal Deposit Insurance Corporation (FDIC)

Federally ensured individual bank accounts

Securities and Exchange Commission (SEC)

Regulated the stock market

Limited "buying on margin"

Required corporations to honest about their financial status

NEW DEAL

Social Security Administration (SSA)

**Provides retirement income for all workers
once they reach the age of 65**

The Tennessee Valley Authority (TVA)

**Harnessed water power to generate
electricity for poor, rural areas**



NEW DEAL

“Conservatives”

Felt policies made the federal government too large and powerful
Believed that government discouraged free enterprise and individual initiative

“Liberals”

FDR didn't do enough to socialize the economy
Wanted elimination of social and economic inequalities

Dust Bowl



Dust Bowl

The Great Plains suffered depleted soil

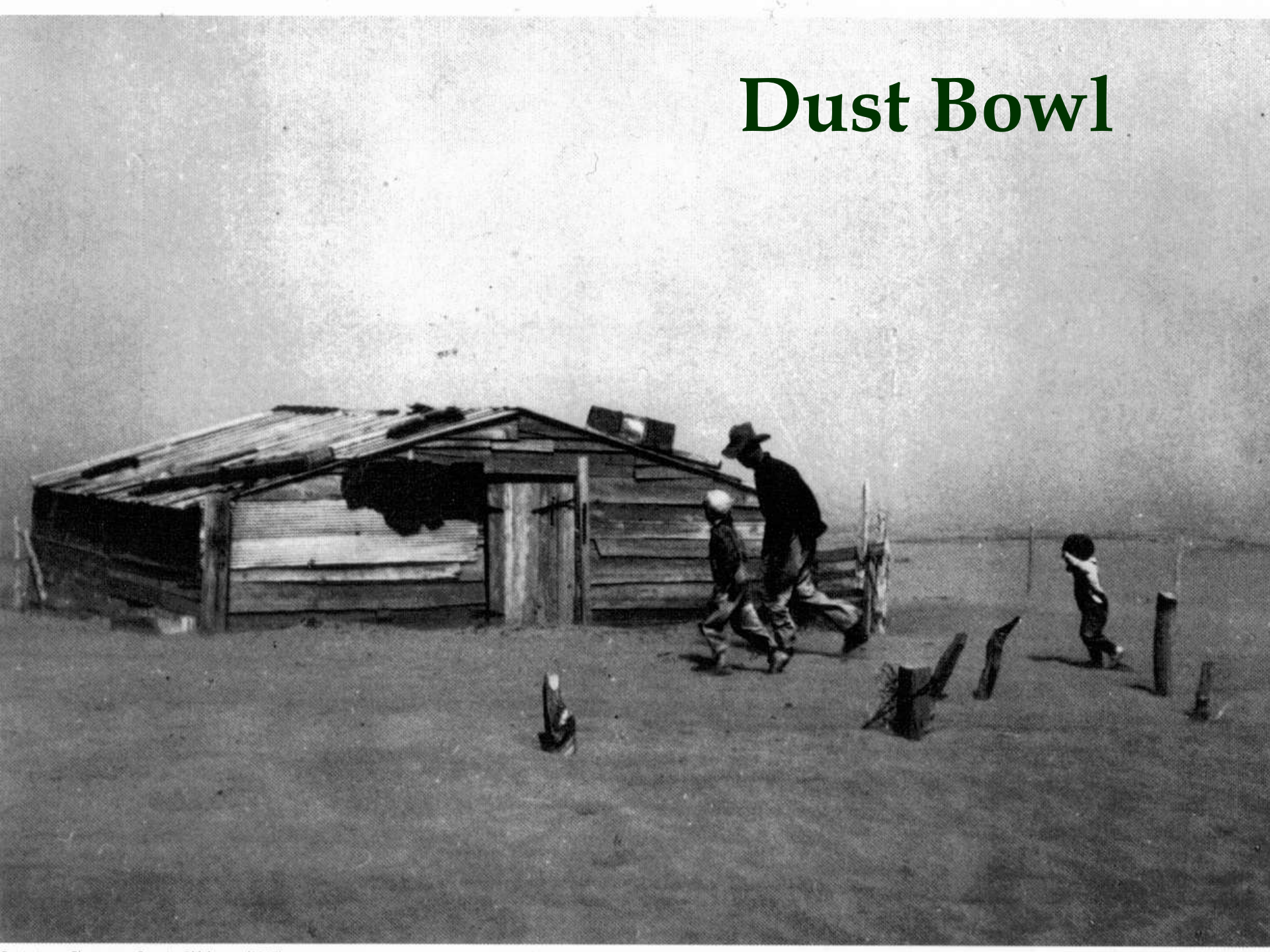
- **Drought**
- **Over-plowing**
- **Overproduction**

Depleted the soil

Dust Bowl Migration



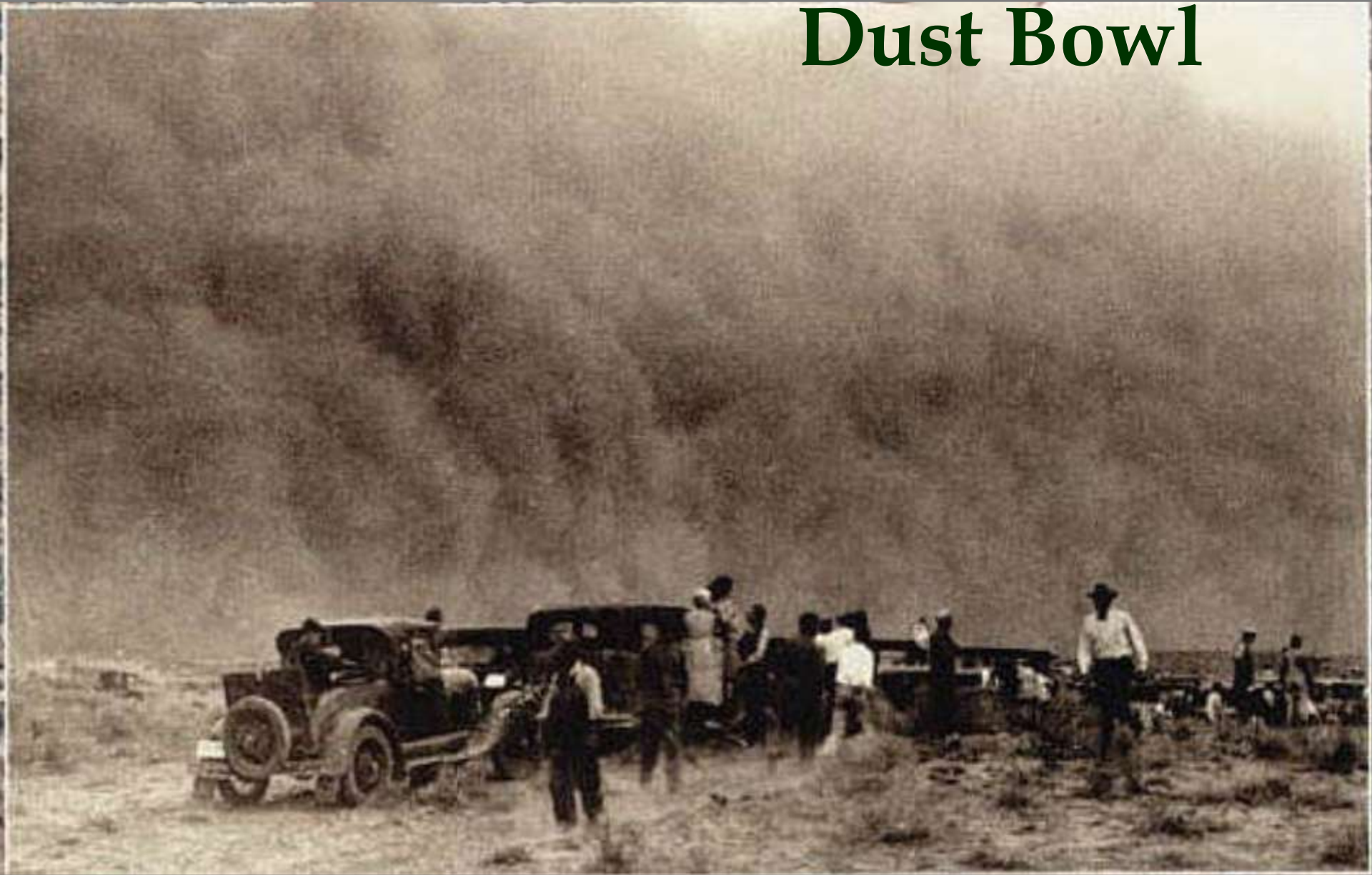
Dust Bowl



Dust Bowl



Dust Bowl



Dust Bowl



WA 5049-E

Dust Bowl



More Oklahomans reach Calif. via the cotton fields of Ariz.

Dust Bowl



The Great Depression

WORLD WIDE IMPACT:

Much of Europe suffered

Communists/Socialists blamed Capitalism

- Military Dictatorships
- Fascist Socialism
- Totalitarian Communism
- Welfare Capitalism