

THE GREAT DEPRESSION (1 9 2 9 - 1 9 3 9)

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What was the Great Depression?

The "Great Depression" was a severe, world-wide economic disintegration symbolized in the United States by the stock market crash on "Black Thursday", October 24, 1929. The causes of the Great Depression were many and varied, but the impact was visible across the country. By the time that FDR was inaugurated president on March 4, 1933, the banking system had collapsed, nearly 25% of the labor force was unemployed, and prices and productivity had fallen to 1/3 of their 1929 levels. Reduced prices and reduced output resulted in lower incomes in wages, rents, dividends, and profits throughout the economy. Factories were shut down, farms and homes were lost to foreclosure, mills and mines were abandoned, and people went hungry. The resulting lower incomes meant the further inability of the people to spend or to save their way out of the crisis, thus perpetuating the economic slowdown in a seemingly never-ending cycle.

Source: <http://www.fdrlibrary.marist.edu/facts.html#depression>

INTRODUCTION

Although the United States had experienced several depressions before the stock market crash on October 27, 1929, none had been as severe nor as long lasting before "Black Thursday" struck Wall Street. At first, economists and leaders thought this was a mild bump, perhaps merely a correction of the market, or in any case, no worse than the recession the nation suffered after World War I.



Farmers whose topsoil blew away joined the sod caravans of "Okies" on Route 66 to California, 1935

Numbers soon proved the optimists incorrect. The depression steadily worsened. By spring of 1933, when FDR took the oath of office, unemployment had risen from 8 to 15 million (roughly 1/3 of the non-farmer workforce) and the gross national product had decreased from \$103.8 billion to \$55.7 billion. Forty percent of the

farms in Mississippi were on the auction block on FDR's inauguration day. Although the depression was world wide, no other country except Germany reached so high a percentage of unemployed. The poor were hit the hardest. By 1932, Harlem had an unemployment rate of 50 percent and property owned or managed by blacks fell from 30 percent to 5 percent in 1935. Farmers in the Midwest were doubly hit by economic downturns and the Dust Bowl. Schools, with budgets shrinking, shortened both the school day and the school year.

The breadth and depth of the crisis made it the Great Depres-



sion.

No one knew how best to respond to the crisis. President Hoover believed the dole would do more harm than good and that local governments and private charities should provide relief to the unemployed and homeless. By 1931, some states began to offer aid to local com-

munities. FDR, then governor of New York, worked with Harry Hopkins and Frances Perkins to begin a direct work relief program. This helped only a very few. By 1932, only 1/4 of unemployed families received any relief. In 1932, only 1.5 percent of all government funds were spent on relief and averaged about \$1.67 per citizen. Cities, which had to bear the brunt of the relief efforts, teetered on the edge of bankruptcy. By 1932, Cook County (Chicago) was firing firemen, police, and teachers (who had not been paid in 8 months). Breadlines and Hoovervilles (homeless encampments) appeared across the nation.

Those hurt the most were more stunned than angry. Many sank into despair and shame after they could not find jobs. The suicide rates increased from 14 to 17 per 100,000. Protest that did occur was local, not national: "farm holidays," neighbors of foreclosed farmers refusing to bid on farms at auction, neighbors moving evicted tenants' furniture back in, and local hunger marches.

Resistance to protest often turned violent. In 1932, four members of the Dearborn hunger march were shot and killed when

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1,000 soldiers accompanied by tanks and machine guns evicted veterans living in the Bonus Army camp in Washington, D.C.



Dorothea Lange / Franklin D. Roosevelt Library

FDR, after assuming the presidency, promoted a wide variety of federally funded programs aimed at restoring the American economy, helping relieve the suffering of the unemployed, and reforming the system so that such a severe crisis could never happen again. However, while the New Deal did help restore the GNP to its 1929 level and did introduce basic banking and welfare reforms, FDR refused to run up the deficits that ending the depression re-

quired. Only when the federal government imposed rationing, recruited 6 million defense workers (including women and African Americans), drafted 6 million soldiers, and ran massive deficits to fight World War II did the Great Depression finally end.

Sources:

Leuchtenburg, William E. Franklin D. Roosevelt and the New Deal, 1932-1940. New York: Harper Torchbooks, 1963, passim.

McElvaine, Robert S. The Great Depression: America, 1929-1941. New York: Times Books, 1993, passim.

For more information on the Great Depression, visit the following web sites:

America from the Great Depression to World War II : Photographs from the Farm Security Administration and the Office of War Information. Link <http://memory.loc.gov/ammem/fsowhome.html>

The Great Depression : An overview prepared by the archivists of the FDR Presidential Library. Link <http://www.fdrlibrary.marist.edu/facts.html#depression>

The New Deal Network : An award winning web site of documents, photographs, lesson plans, and listserves relating to the Great Depression and the New Deal. Link <http://newdeal.feri.org/>

We Made Do: Recalling the Great Depression. An on-going project of Mooresville High School students containing oral histories, period photographs and e-mailed contributions of viewers who have taken time to share their memories. Link <http://www.neh.gov/news/humanities/2000-01/newdealnetwork.html>

The 1930s : An extensive overview of the decade by Gilder Lehrman historyonline. http://www.digitalhistory.uh.edu/historyonline/annot_links_list.cfm

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The Eleanor Roosevelt Papers."The Great Depression." Teaching Eleanor Roosevelt, ed. by Allida Black, June Hopkins, et. al. (Hyde Park, New York: Eleanor Roosevelt National Historic Site, 2003). <http://www.nps.gov/archive/elro/glossary/great-depression.htm> [Accessed April 28, 2010].

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