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Bernard Jennings History 202 Professor Rowan 3/19/13 Analytical paper #3

The Great Depression During the 1920's, America was experiencing great economic growth. It was the worst depression due to the fact that at the time of the Great Depression the government involvement in the economy was higher than it had ever been. The great crash also known as "black Tuesday" began in February 1928, stock prices began a steady rise that continued, with only a few temporary lapses, for a year and a half (Brinkley, 660). This was the most devastating stock market crash in the history of the United States; this crash started the beginning of the 10 year great depression that affected all western industrialized countries. Trading mushrooms from 2 or 3 million shares a day to 5 million and at times, to as many as 10 or 12 million. On October 21 and again on October 23 there were alarming declines in stock prices in both cases followed by temporary recoveries. J. P Morgan and company and other big bankers, do conspicuously bought up stocks to resort public confidence. During the great depression unemployment had risen from 8 to 15 million and the gross national product had decreased from \$130. 8 billion to \$55. 7 billion. Even though the depression was world —wide no other country except Germany reached such a high percent of unemployment. The poor were the most affected. Property owned or managed by blacks fell from 30% to 5% in the 1930's. Farmers in the west were doubly hit by economic downturns and the dust bowl. The dust bowl began to experience a steady decline in rainfall and accompanying increase in heat (Brinkley, 663). The drought continued for a decade, turning what had once been fertile farm regions into deserts. In Nebraska, Iowa, and other affected states, summer temperatures were

averaging over 100 degrees (Brinkley, 664). As a result, many farmers like many farmers, like many urban unemployed, left their homes in search of work. In the south in particular many dispossessed farmers black and white wandered from town to town hoping to find jobs or handouts. Most of Roosevelt's success was a result of his ebullient personality. In his inaugural address, he assured the American people that " the only thing we have to fear is fear itself " and he promised to take drastic, even warlike, actions against the emergency. He projected an infectious optimism that helped alleviate the growing despair (Brinkley, 684). Roosevelt held frequent informal press conferences and won the respect and the friendship of most reporters. Roosevelt sent congress the emergency banking act, a generally conservative bill designed primarily to protect the larger banks from being dragged down by the weakness of smaller ones. Whatever else the new law accomplished, it helped dispel the panic. Three quarters of the banks in the Federal Reserve System reopened within the next three days, and \$1 billion in hoarded currency flowed back into them within a month. Roosevelt also moved his first days in office to put to rest one of the divisive issues of the 1920's. He supported and then signed a bill to legalize the manufacture and sale of beer with a 3.2% alcohol content and interim measure pending the repeal of prohibition (Brinkley, 684) Roosevelt's administration passed the National Industrial Recovery Act (NIRA), which created the National Recovery Administration (NRA). Both the NIRA and NRA were meant to be between businesses and raise prices and worker's purchasing power by giving unions more bargaining power. The NRA also wanted to set minimum wages, maximum hours, abolish child labor, and set minimum prices at

which product could be sold. Industrial production had increased by 55% by the time the NRA ended. The NRA was declared unconstitutional by the Supreme Court in 1935 on the basis that it violated the separation of powers required by the Constitution. (Brinkley, 691) The "blanket code" of the NRA set the minimum wage at between 20 and 45 cents per hour, a maximum workweek of 35 to 45 hours, and abolished child labor (Brinkley, 685). The Second New Deal the legislation that Roosevelt and Congress passed between 1935 and 1938 was very different from the First New Deal in many ways. Roosevelt changed his policy making in part because of complaints from critics and in part because, by 1935, it was clear that more Americans still needed federal relief assistance. Roosevelt aimed approximately half the Second New Deal programs and policies at long-term reform. The Fair Labor Standards Act of 1938 set limits on maximum hours per week, set minimum wages, limited the environment that children under 18 could work, and abolished the employment of children under 16. The most important program of the Second New Deal was the Social Security Act. It provided a permanent system of universal retirement pensions, unemployment insurance and welfare benefits. The Second New Deal was way more controversial and more liberal than the First New Deal. Until the New Deal, blacks had shown their traditional loyalty to the party of Abraham Lincoln by voting overwhelmingly Republican. Most New Deal programs discriminated against blacks. The NRA, for example, not only offered whites the first crack at jobs, but authorized separate and lower pay scales for blacks. Since 40% of all black workers made their living as sharecroppers and tenant farmers, the (AAA) reduction hit blacks very hard. White landlords could make more

money by leaving land rather than putting land back into production. The president himself appointed a number of black officials to significant second-level positions in his administration. Roosevelt appointees such as Robert weaver, William Hastie, and Mary McLeod Bethune created an informal network of officeholders who became known as the " Black Cabinet.

"(Brinkley, 701). The new deal relief programs did not exclude blacks; and by 1935, perhaps a quarter of all African Americans were receiving some form of government assistance. Hoovervilles, so called by a colony of unemployed men, has sprung up in Chicago's front yard at the foot of Randolph Street near Grant Park, like one of the mushroom mining towns of bonanza days of the Far West (Fernlund, 230). With the rise in unemployment, thousands of people lost their homes and were forced to move into shantytowns, called " Hoovervilles. (Fernlund, 230)The unemployment rate in 1928, the year before the stock market crash, was 4. 2 percent the year after the crash, 1930, it more than doubled to 8. 7 percent. In 1932, it climbed steeply to 23. 6 percent, although in 1934 is eased a little to 21. 7 percent. By 1936, the rate had come down to 16. 9 percent but went back up to 19 percent in 1938(Brinkley, 230). The 1930's ended with some improvement, and in 1940, the unemployment rate declined to 14. 6 percent but it was not until the start of world war II that U. S unemployment was finally brought under control (Fernlund, 230). Seattle Shack is our comprehensive survey of housing conditions in the city of Seattle, we included a special study of shacks and at this time wish to submit to you for your information and possible action our finding and recommendations (Fernlund, 231). If shacks continued to remain or their number grow, it is quite possible in the light of

general conditions, that many families will seek to occupy them perfectly we wish to make the following recommendations, that none of the present occupants of shacks be forced to vacate at the present time, II that's as soon, however, as any shacks is no longer inhabited by its present occupants the proper departments of the city be authorized and directed to demolish it. III. That the proper departments of the city by authorized and directed to demolish immediately all presently vacant shacks. IV. That these departments be authorized and directed to prevent the building or any additional shacks in the city of Seattle. That notices of these intentions of the city be given to all occupants of shacks and public notices posted in concentrated and other shack areas. A total of 1687 shacks were found in the city (fernlund, 231). The states responsibility for fair working conditions is necessary to stress the regulation by law of these unhealthy conditions in the industry (Fernelund, 242). It is quite obvious that one cannot depend upon the worker in such way that they have to take care of things in the usual way (Fernelund, 242). Cut after cut has been accepted by workers in their wages, they have shared their work by accepting fewer days also until many of them have fallen far below what I would consider the normal and proper standard for healthful living of the future of our country is to be safe and the next generation is to grow up healthy and god citizens, it is absolutely necessary to protect the health of our workers now and at all times (Fernelund, 242). Limiting the number of working hours by law has a twofold result. it spreads the employment, thereby giving more people work, and it protects the health of the workers instead of keeping a few people working a great deal of hours and even asking them to share their work with others by working fewer days,

it limits all work to a reasonable number of hours and it makes it necessary to employ the number of people required to cover the work (Fernlund, 243). Refusing to allow people to be paid less than a living wage preserves to us our own market. (Fernlund, 243)