

# THE GREAT DEPRESSION

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Monday, January  
25, 2010  
Volume 1, Issue 1

## What Caused This?

While the country continues to point fingers and Hoover and the Stock Market Crash of 1929, one needs to realize that there were many factors that led up to the crash. To begin, as consumers we all began to think our pockets were deeper than they really were. We began to buy up products and create demand that could only last so long.

Once we realized that we could buy no more, and stopped being reliable consumers, factories were left with a large surplus. To clear this out the discounts and layoffs began. Now

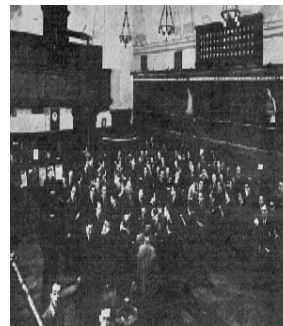
that people are not working as much, we are buying even less. This was not helping factories and would not lead to more jobs.

We also need to realize that our nation's farmers have been in a depression since The Great War. They had been growing crops to feed our men overseas. When the war ended they were left with a great surplus of crops and decreasing prices.

I previously mentioned buying on credit. Since this has not been monitored, we are now having to pay off our debt that we have accumulated and have

no money to pay it. We also decided to buy our stocks on credit and this was expected to be paid off when the market began crashing.

Our banks were no help to us after this crash and this is how our nation spiraled in to our Great Depression.



The Crash of 1929

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## What is the Federal Government Doing to Deal with this Depression?

With Hoover in office we all felt that no help was going to arrive. Now that we have elected Franklin Delano Roosevelt we are beginning to see that the government can be on the common man's side. He has begun to put in place

his New Deal, which he and the rest of us are hoping will begin to turn this nation around.

Some programs that have been put in place include the Agricultural Adjustment Act or AAA, The National Industrial Recovery Act, or NIRA,

the Civilian Conservation Corps, or CCC, The Works Progress Administration, or WPA, the Securities and Exchange Commission, or SEC to regulate the stock market, and Social Security.

As a nation we are instilling our faith and hope in Roosevelt and the many programs the Federal Government has created. Though it may not change overnight, we are hoping for change to come swiftly. Americans now know their government is trying to help them and are not doing anything anymore.

## Challenges FDR's New Deal is facing

There can never be reform without challenges. Some critics are saying that FDR is doing too much, and some say that he is doing too little. For example, Upton Sinclair in California believes that more money can be given to the out of work and disabled. Wouldn't this cause a greater deficit in our government? I believe it would. We also have Huey Long that believes we need to "Share our Wealth" and take more action against the wealthy.

Moving on from those that believe we can do more, lets now address

those that believe are doing too much. These people are saying that FDR is anti-business and moving toward a Socialist government. Yes, the government is regulating our businesses more, but if this was done in the past I believe that we would not be facing the Depression that we are now.

This really surprises me in the aspect that everyone was pushing Hoover to do something about the Depression and voted him out of office because there was no effort to combat our economic problems. I believe there will always be critics

but FDR is doing the best that he can for this country and is trying to look at all options and criticisms.



### SOME RESULTS OF THE CHALLENGES

Lets now look at what the judiciary and FDR has done to answer these critics. In response to Upton Sinclair, Social Security was put in place to aide those disabled, retired, and unemployed. They may not receive the amount he pushed for but they are getting something.

In response to too much regulation for businesses, the Supreme Court

has ruled the NIRA unconstitutional. They have decided that this is too regulatory of businesses and they are not able to run their businesses the way they need to be. FDR was still able to keep labor unions though. This way this people may still have a say in their work environment and pay.

Another act that has been declared unconstitutional is the AAA. This act paid farmers not to produce. This act was working well but it was enacting a special tax on the consumer of the product, to pay the farmers not to produce. For the two years that this was in place, prices were able to rise, but people should not have to be paying the farmers themselves.

**"I believe that there will always be critics but FDR is doing the best that he can for this country and his critics."**

## Results and Impacts of this New Deal

Some of the New Deal programs are really beginning to help around the country. We have young men leaving their homes and to help their families and beautify the nation in the CCC. Although, there is an age limit and marriage restriction, these men are making a difference for their family.

The government has finally created a way to regulate how banks spend our money. They are now required to insure our deposits with the program known as FDIC.

With Social Security people with disabilities, unemployed, and retired are now being given aide directly from the government.

There may be issues at times, but we know that it is there for us.

The SEC is now regulating our stock market. There will hopefully not be the buying on margin and speculation that led to the crash. Hopefully if there are beginning to be illegal issues these will be dealt with faster and not affect the entire market.

With the ability and legalization of unions, some of our skilled and unskilled workers now have the ability to fight for their rights. Their wages and lives can be helped

greatly by this.

Although, there are critics the government has done its best to help the nation through this crisis. As it has been called Socialism, I do not see it that way, when the nation's economy is in such shambles.

Yes, some of the programs were called unconstitutional, but the New Deal showed the nation that there are people out there that are willing to do anything to save the country. With the great contrast of Hoover and Roosevelt the nation now knows that they need to look at to hopefully achieve what they need.

## Eleanor Roosevelt Watch

The country continues to be inspired by our First Lady. She is the heart of the administration and makes the American people feel she believes in them.

We see this in the sympathy that she feels for the coal mining community of Scott's Creek, VA. She personally visited them and saw their strife.

When she returned to Washington, she felt so much sympathy that she immediately tried to put a plan into action. When she saw that there was a provision in the NIRA for Twenty Five Million dollars to be allotted to house workers and their families, the wheels began turning.

Eleanor uprooted fifty families and moved them to a town called Arthurdale. Here she presented them with fifty prefabricated homes for them to live.

Unfortunately they are still having trouble finding work and the government is not seeing the financials that they hoped for. These families will be in our hearts and prayers, for if it works out for them, more experiments like this may spring up all over the country.

We will continue to watch and report on what our First Lady continues to try to accomplish for the common man.

**"Oh, yes, the human values were most rewarding, even if the financial returns to the government were not satisfactory."-Eleanor Roosevelt**

