

THE 1929 CRISIS AND THE NEW DEAL IN THE USA

I/ The depression

A/ Causes

- Speculation: the purchase of an asset with the hope that it will become more valuable in the near future
- But rumors led to a chain reaction of massive stock selling
- **THURSDAY OCTOBER 24th BLACK THURSDAY**

B/ Results:

Unemployment, evictions, Hoovervilles, poverty, distress, Dust Bowl. Dorothea Lange's photo: migrant mother. Suicide of many stock-owners, bankruptcies, to go out of business / to go bankrupt. To be in dire straits. Homeless.

Supply/Demand, to be confident, to lose confidence in the future, to stay in business, to cut wages. To trust/ distrust, to get rid of, to take over from someone, the former president, to be a democrat, to be democratic, to be worth+ING

II/ ROOSEVELT'S NEW DEAL

"3Rs": relief, recovery and reform

A/ The Alphabet agencies:

To put money back in the economy, John Keynes, British economist, Keynesianism, to prime the pump, pump priming, demand, financial support, state intervention, liberalism, liberal capitalism, low state intervention, taxes, a taxpayer, to raise a tax, to reach an agreement, to reach a compromise, the needy, to be broke, to be in dire straits, to be left aside. To be used to+ING/ to use to do something. The New Deal was calling for State intervention: It's something Americans are not used to knowing.

B/ How do you put the USA back to work?

- 1) HARRY HOPKINS: for unskilled unemployed

THE CWA: road and airports and schools were built but some **BOONDOGGLES**: some were paid to sweep up leaves in parks or scare pigeons with balloons. Useless, inefficient, demagoguery, a demagogue. To criticize, a criticism.

THE WPA Later: roads and schools and airports, but still criticisms: artists paid to cheer people up or photographers to take photos of the depression (migrant mother)

- 2) HAROLD ICKES: skilled unemployed

THE PWA: 70% of USA Schools, 35% of USA Hospital, river dams (Tennessee Valley Authority in the Appalachians), Electrified the New York Washington railway

C- ROOSEVELT ALSO ENFORCED OTHER SPECIFIC PROGRAMS EXPLAINED IN HIS INAUGURAL ADDRESS

- 1) For farmers: AAA, foreclosure of small farms and financial support (subsidies: subventions)
- 2) The National Industrial Recovery Act (NIRA): " We do our part " stamp, minimum wage
- 3) For the needy: SSA, social security of widows, unemployment benefits, social support, to live off the state
- 4) For banks: Emergency Banking Act (EBA): to get control over
- 5) Social housing with the Housing act (to get rid of Hoovervilles), slums, low-class housing

In 1936, the Supreme Court ruled against Roosevelt and the New Deal was suspended. 7 out of 9 judges were Republican. Fortunately, in 1936, Roosevelt was re-elected and he could easily enforce his program

ARGUMENTS:

Pros: national unity, control of the banking system, efficient state intervention, use of natural resources, solidarity, creation of jobs- To weigh the pros and the cons

Cons: to get into debt= to be indebted, boondoggling, free business, assistance

