



# How did the crash happen?

Buying on Margin  
(buying stock with only 10% down)

Over speculation in Stocks

Over inflation of the Stock Market

Black Thursday – Panic selling

No Faith in Stock Market

No Capital

No Faith in Government

The FIRST with the LATEST Full United Press leased wire

**Santa Ana Register**

People's Paper Orange County

MONDAY, OCTOBER 29, 1929

20 PAGES 3c Per Copy. 65c Per Month

## BILLIONS LOST AS STOCKS CRASH

### Pantages In Jail Awaits Sentence To State Prison

#### GUilty SAYS JURY AFTER MANY HOURS

Theater Man Declares He 'Got Raw Deal' and Did Not Even Have Chance

MISS PRINGLE GLAD

In Statement Says Not Sure Whether She Will Continue Her Stage Career

LOS ANGELES, Oct. 28.—(UP)—LI Dressed in the blue denim of the Los Angeles county jail, Alexander Pantages was "cleared" today and assigned No. 10251.

The theater manager had filed a \$500 bond for his conviction last night of an assault upon Catherine Pringle, 17-year-old dancer.

"I believe I got a raw deal," Pantages declared. "I didn't have chance with the jury from the start. It looks like a man is up all night in a room to get his bond if he is in a fix."

When Pantages was booked in the morning he was given \$100 in cash and a \$100 bond for his release. He was held in the county jail for the night.

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#### SENATE "FARM BLOC" STARTS BATTLE FOR HIGHER TARIFFS

WASHINGTON, Oct. 28.—(UP)—The senate "farm bloc" swung into action today in an effort to override the finance committee and lowest tariff protection on all vegetables and fish with the new high rates.

Consistent with an alliance of western Republicans and eastern Democrats would override all opposition, sponsors of the measure, sponsors of the measure, sponsors of the measure, sponsors of the measure.

#### STATE PLANS TO ROUND UP TAX DODGERS

SACRAMENTO, Oct. 28.—(UP)—Tax dodgers among California banks and corporations are to be rounded up in a determined campaign by the state, the United Press learned exclusively today.

With returns on the new four per cent income tax on banks and corporations nearly complete, a total of \$387,000 has been paid into the state treasury, according to an announcement by State Treasurer Tax Commissioner Raymond L. Wright.

#### Friend Brings Man To Jail On Rum Charge

HARRY CARTER, deputy sheriff, today was setting himself on the back and bringing of his personal property. A friend of a man Carter says, is a hantagier arrested the alleged hantagier and brought him to jail for the office.

"It's not often you hear of anything like that," Carter said. "We found a bill at the place of Santa Trujillo, and Trujillo was not at home, so I presented his friend to bring him to jail for me when he showed up, and by going, he did it."

Trujillo was booked at the jail for investigation, but this afternoon was to be taken to Justice Stewart's court on a charge of possession of a bill. The bill and equipment were found by Carter and M. E. Jenkins, deputy sheriff, Saturday night.

#### BINGHAM TAKES EXCEPTION TO SENATE LOBBY

WASHINGTON, Oct. 28.—(UP)—Charging the senate lobby investigation committee with unfair political tactics, Senator Bingham, Republican, Connecticut, today defended in the senate his employment of Charles L. Egan as the committee's secretary.

"I was selected by friends not to appear before the committee because I had been framed earlier as a friend of the administration," Bingham said.

Bingham criticized Chairman Duffell of the judiciary committee for his employment of Egan as a friend of the administration.

#### CHRISTIANITY MUST DESTROY WAR OR WAR WILL OVERTHROW CHURCH, SAYS PASTOR SCHROCK

WAR is a problem in arithmetic," said the Rev. Perry Frederick Schrock, in his sermon at the First Congregational church last night. His subject grew out of a moving picture which has been shown at his church for the past few weeks.

#### JURY BELIEVES HER STORY

Banking Support Unable to Prevent Break Accompanied by Wild Trading TICKERS FAR BEHIND

General Electric, U. S. Steel. Other Leading Issues Caught In Crash

NEW YORK, Oct. 28.—(UP)—Billions of dollars in value were lost today as the stock market plunged downward—headed by the earlier leader, United States Steel.

Banking support, which came in to protect the market in the concrete downturn long but weak, was unable to prevent today's break, which accompanied frenzied trading.

There were all hour being in the early part of the day. The greater use of great volume although not so great as that of the previous days that Thursday the curb and stock exchange sales almost reached 25,000,000 shares.

There were billions of stock in the market. The shortage of the stock market—such as the available share had been trading—were included in a 1929 record. The market today had suffered, however, with a 1929 record.

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#### Auto Plunges Into Engine As Rectors Return From Big Football Game

TULARE, Calif., Oct. 28.—(UP)—Two deaths in a Tulare bus and today because the auto

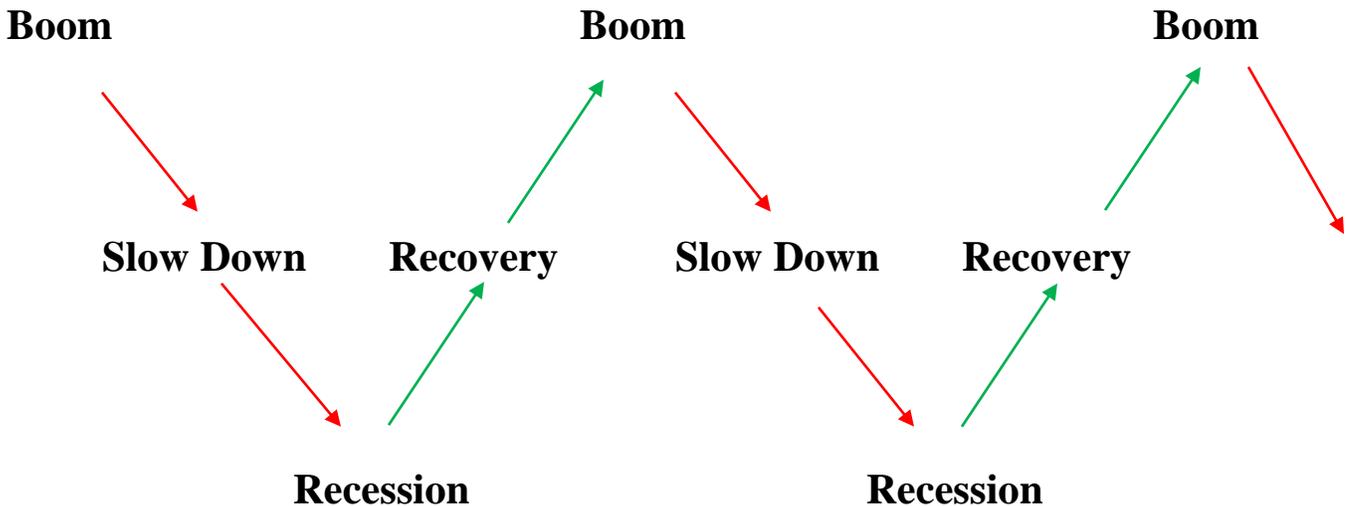
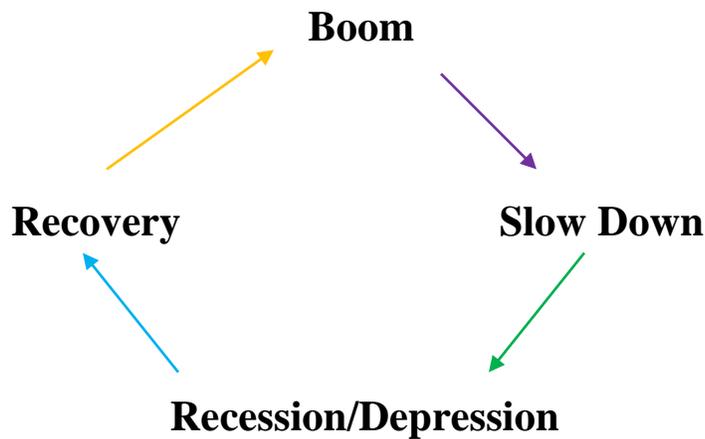
# Business/Economic Cycle

Economic trends that move through periods of prosperity (boom) and recession/depression. Most business/economic cycles last from 2-6 years.

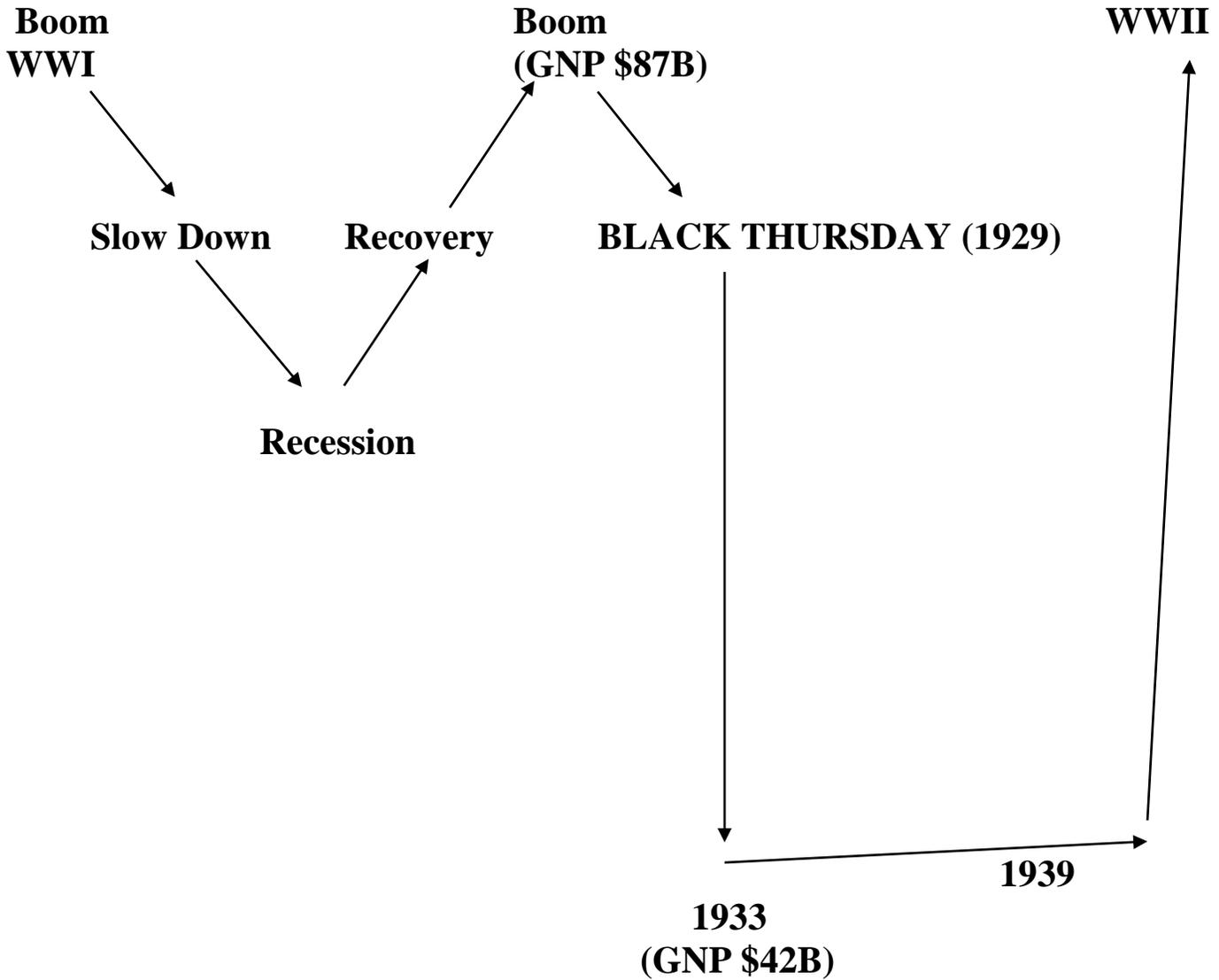
**Economic Boom** - A period in which business activity and wages increase and unemployment is low.

**Economic Depression** – A period in which businesses activity slows, prices and wages fall and unemployment increases. A recession is a smaller version of a depression.

## NORMAL BUSINESS CYCLE

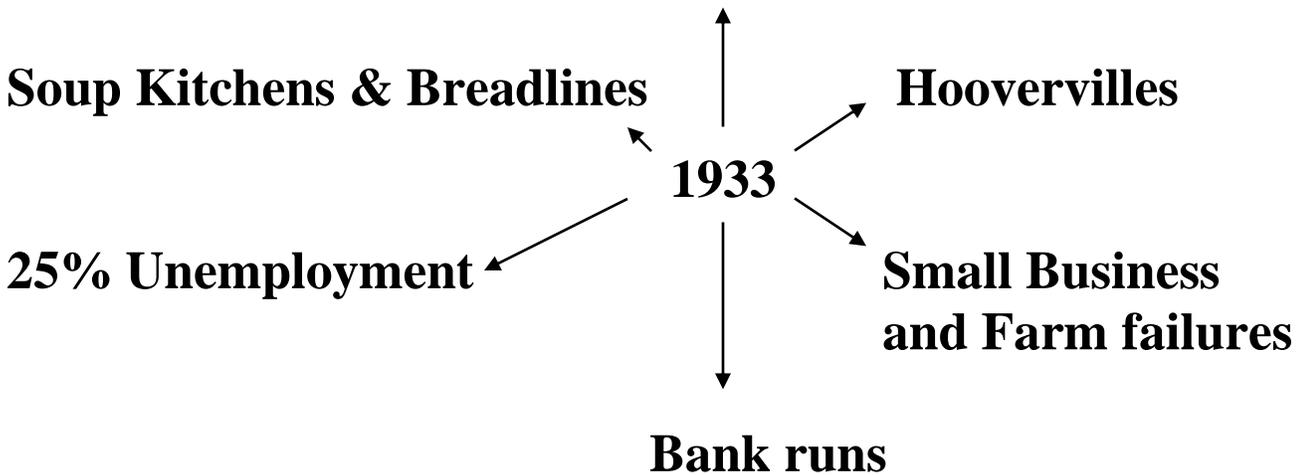


# THE GREAT DEPRESSION



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## No Faith in Government



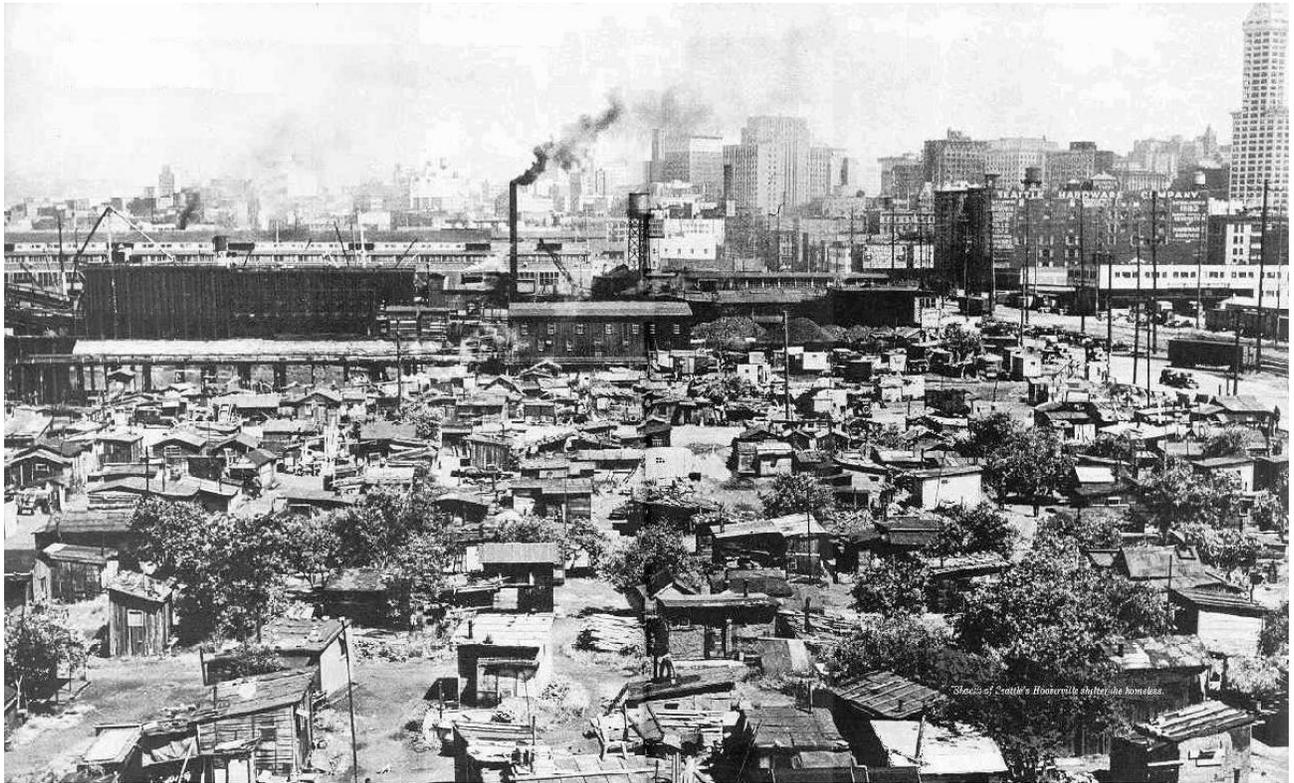
## Soup Kitchens & Breadlines



**Bank Runs – a panic when people try to take out all their money from the bank which forces it to close.**



**Hoovervilles - shanty towns built by homeless people during the Great Depression.**



**Middle class sells off everything!**



**Farm Failure – With the over production of the 1920's, farmers can't pay off their loans from World War I, so their equipment and property are seized and sold off.**



**High Unemployment (people without jobs)  
1933 – 25%**



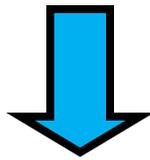
**The Great Depression was a world wide depression that affected most Americans. Europe was hit harder, Germany had 75% unemployment.**

## **PRESIDENT HOOVER'S PLAN**

### **“TRICKLE DOWN THEORY”**

**Lower Taxes and Tax breaks to large businesses  
Public Works Programs – large construction projects funded by the government  
Increased Tariffs (Hawley-Smoot)  
More self-reliance**

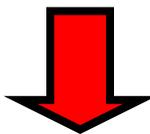
**Hoover's plan was a complete failure!**



**NO CONFIDENCE IN GOVERNMENT, BANKS OR THE STOCK MARKET!**

## **THE BONUS ARMY**

**- Due to the economic hardship brought on by the Great Depression, World War I veterans demanded their combat bonuses 10 years early.  
- Although ordered not to fire upon the protestors, the U.S. Army led by Douglas MacArthur, Dwight Eisenhower and George Patton burn down the protestors' camp.**



**Hoover is blamed and now is unelectable.**



1932-1933 is the all time low.

- 25% unemployment
- repossession of goods
- middle class sells off everything

## ELECTION OF 1932

FDR wins the Election of 1932

- not Hoover
- optimist
- change
- new ideas

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

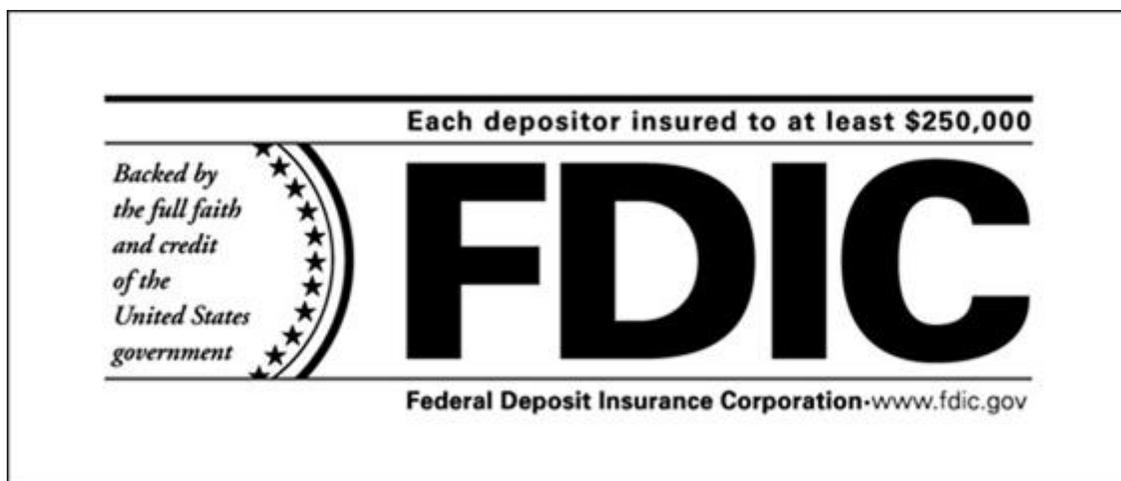
FDR’s 1<sup>st</sup> Inaugural Speech

## THE NEW DEAL

FDR’s plan for getting the nation out of the Great Depression through **Relief, Recovery and Reform**. FDR’s greatest concern was to reestablish hope and faith in the government and banking system and to help out farmers.

**BANK HOLIDAY** - all banks are closed for 1 week to stop bank runs.

**F.D.I.C.**- Federal Deposit Insurance Corporation - insured all bank accounts; if the bank closes, people will still get their money.



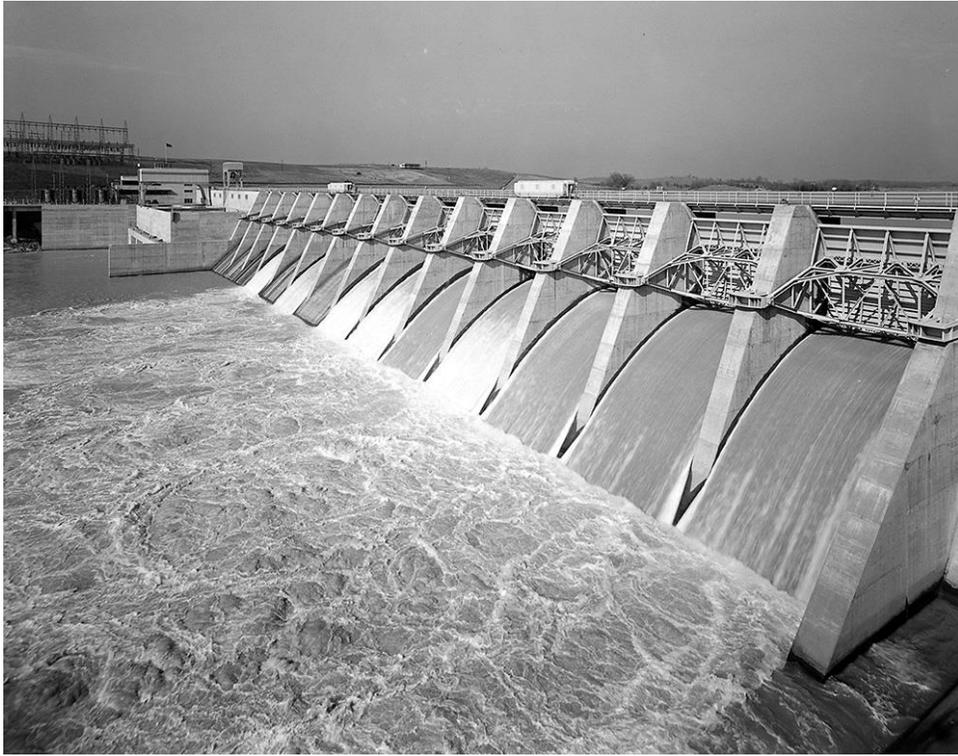
**W.P.A.- Works Progress Administration – Built Hospitals, schools, parks, and airports; employed artists, writers, and musicians.**



**CCC – Civilian Conservation Corps – Created jobs for young men**



**TVA** – Tennessee Valley Authority – Built dams to control flooding and provide cheap electricity.



**FIRESIDE CHATS**- FDR's numerous speeches over the radio



**S.S.A.- Social Security Act – Pensions for the old, unemployed or disabled.**



**Social Security still exists today and is considered FDR's greatest accomplishment.**

**FDR's NEW DEAL DOES NOT END THE GREAT DEPRESSION, BUT IT DOES RESTORE HOPE AND FAITH IN THE GOVERNMENT AND BANKS!**

## RESULTS OF THE NEW DEAL

- **Welfare State** – When the government takes responsibility for the social well-being of its citizens
- **Federal Deficit**- A shortage in federal funds due to the government spending more money than it collects in taxes.

What caused the Federal Deficit?

New Deal programs were expensive

More people receiving aid than paying taxes

- FDR appoints African-Americans to govt positions → African-American support for the Democratic Party
- FDR's pro labor legislation leads to labor union's support for the Democratic Party

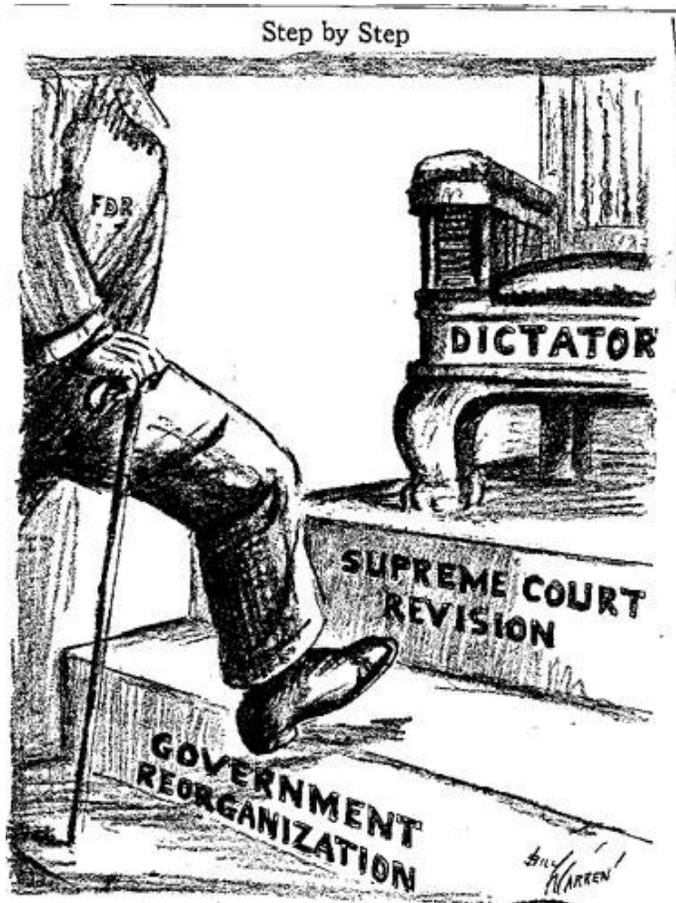
## CRITICISM OF THE NEW DEAL

**1) Gov't control of businesses destroyed free-enterprise**

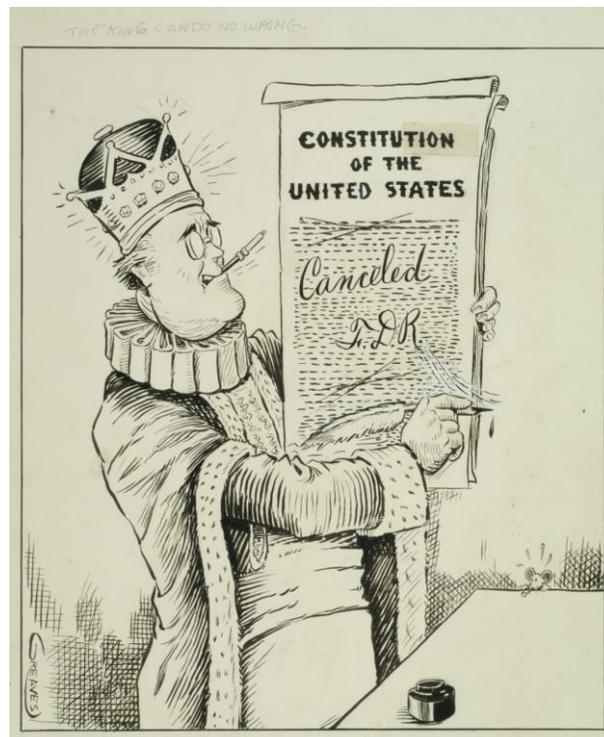




#### 4) Federal government becomes too powerful



#### 5) Many of the New Deal Programs were Unconstitutional



**6) Supreme Court Packing – When FDR attempted to increase the size of the Supreme Court, in order to prevent his New Deal Programs from being found unconstitutional.**



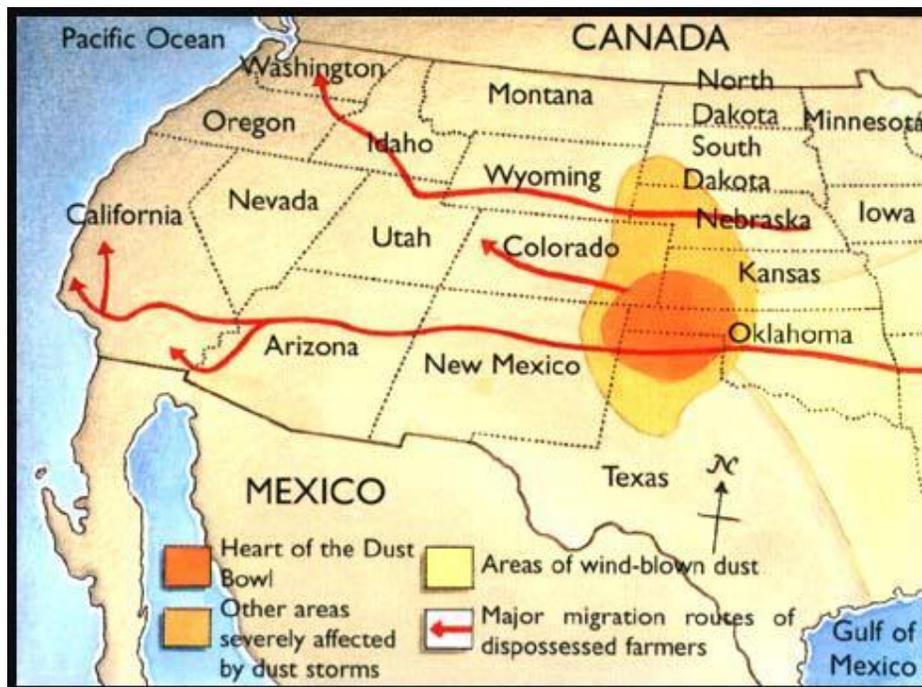
**Why were so many Americans against FDR's Court Plan?**

# THE DUSTBOWL

An ecological disaster on the Great Plains (mid-West) due to a decade long drought and over farming.



**RESULTS** – Environmental disaster that lasts the entire decade → mass migration from the Midwest to California



**To help prevent another Dust Bowl FDR uses the Agricultural Adjustment Act (AAA) which managed what farmers were growing and the CCC which planted millions of trees to keep the soil in place.**

**John Steinbeck's The Grapes of Wrath**