Science In Politics Essay, Research Paper

Thursday October 24 1929 is a Day that was later known as ?Black Thursday?. ?Black Thursday? was the day a small crash occurred at the New York stock exchange. However ?Black Thursday? Would turn out to be nothing compared to what awaited America and its economy on the following Tuesday. America was about to enter her darkest days the Great Depression.

Sena Peterson my great grandmother was just an eighteen-year-old young lady living on her fathers corn farm in Iowa. Far away from New York and the economic problems on Wall Street. Nevertheless, the depression and the falling prices of her farms product would soon affect her in drastic ways the depression would be a hard time for Americans.

Monday October 28, 1929. Was a very dark and gloomy day. Thousands of Black Birds landed on Wall Street. The thousand plus birds began to devour any thing they could find to eat. Nearly half of the birds never took flight again. Many of the birds died of exhaustion.

This was an ominous sign of the dark and desperate times ahead. America was about to enter its lowest and darkest point in its short history.

My great grandma lived on her farm in Iowa oblivious to the fact that her life would soon be changing in drastic ways. She had know idea of what was going on at Wall Street. She had no idea that she was going to have to move. Her family would soon have to start all over in a new place.

Tuesday October 29, 1929. This dark day would soon be remembered as ?Black Tuesday?. The day Americas economy would crumble. The day some investors lost everything even there will to live and jumped out the windows of high rise buildings. Many people believe that the stock market crash was the cause of the depression but that is not entirely true. Although the two events where closely related. By Americans attitude during the 1920?s also known as the jazz age. Americans emphasis on having the newest thing or being at the height of fashion was enough to keep the economy going for most of the 20?s but that would no last.

During the First World War my great grand mothers expanded to keep up with the demand the war created. To do this they got a loan from the bank to purchase the need supplies; machines and the land needed to expand. After the war ended the demand for corn drastically dropped. Consequently, the farm produced an excess product so the price dropped. My great grandfather now had problems paying the bill and making ends meat but he managed for a while. Nevertheless, the lack of money would soon take its toll.

The problem with the way America was heading was that income was distributed very unevenly and the portion going to the rich got larger and larger as the 20?s progressed. Corporations started to make bigger and bigger profits yet the profits were not passed on to the workers. In addition, in 1926, The Revenue act was passed and it cut taxes by 2/63 for those who made over 1 million dollars a year. Because of these trends in 1929, the top .1 percent of American families had a total income equal to the bottom 42 percent. That meant that the people who paid attention to the ads couldn?t afford the new products they wanted. This is when credit was invented. People liked the idea that they didn?t have to pay for the product but they still got to keep it and pay later. Credit only put of they day when consumers accumulated so much debt that they couldn?t buy new products.

My Great Great grandfather had tried his best to make ends meat but he couldn?t make a profit. He could no longer pay back his loan to the bank so they foreclosed on his farm. My great grandmother?s family now had no source of income and no where to live for them this was the lowest point of the depression and her life. However, this where about get a lot worse for the Peterson family.

Because people could no longer afford to buy things there was an over supply and no demand, so prices began to fall like a rock. So they economy became weak because nobody was making money. This is when stocks began to crash and eventually the whole market crashed.

Things began to look a lot worse for the Peterson?s my great grandmother?s father came down with tuberculoses. The whole Peterson family had to move to Colorado so he could get treatment. My great grandmother ended up working in a Levi?s factory to help pay medical bills as well as her mother. Her brothers worked in other various factories.

These events all lead up to the depression the stock market crash was the straw that broke the horses back. After the crash for the next three years things just got worse and worse. Americans attitudes changed from their happy party like attitudes to a defeat and despair. Stock prices continued to fall, by 1932 they where 20 percent what they where before the crash. With little demand many mills and plants closed. They plants that here still open in 1932 produced only half what they did in 1929. There was no end in sight America looked as if it where in a never-ending downward spiral.

The Peterson?s continued to work in factories to pay for the medical bills. Until her father died. She continued to work in the factory but some of here brothers joined the Navy. She worked in the factory until she got married in 1932 and she started to do housekeeping to make a living while her husband worked for a chemical company called Dow Chemicals.

From 1929 to 1932, unemployment went from 3.2 percent to 24.9 percent. This mean there where 15 million unemployed Americans. People who had a job where earning very little money.

My great grandmother husband worked for the chemical plant he didn?t make enough to support his family wick included there two suns and doughtier. Buster and Glen where the names of there sons. Buster was born in 1930, Glen was born in 1933, and their doughtier Janice was born in 1936.

Many other families where not as lucky. As people lost their money and their savings, they could no longer pay their loans and mortgages. Banks began to foreclose on them they lost everything there houses and all. These unemployed homeless people lived in shantytowns in houses made from old crates. These towns would soon be called Hoovervilles because Americans where bitter towards there president. The people of America where upset at President Hoover because he refused to give aid to the unemployed Americans.

The way my Great Grandmother was living was a sharp contrast to the way it was just a few years. Yet it was still a tuff time they could pay the bills and she didn?t have to do hard work in factories.

They way the government responded to the depression initially did not help to fix the problem. President Hoover insisted that prosperity would soon return to America. Hoover was convinced that all he needed to do was to restore people?s confidence so that companies would invest and start production again. He believed that this would create more jobs and give people incomes and restore the economy. Nevertheless, business owners saw no reason to increase production because there shelves where full of unsold items. By 1932, production was less that what it had been in 1929.

President Hoover also believed that a balanced budget was the key to restoring the economy. Hoover decided to cut government spending and increase taxes. All Hoover?s plan did was reduced demand to an all time low. Eventually Hoover provide emergency loans to banks and industrial companies. President Hoover also expanded public works and helped states offer relief. However, his efforts where too little, too late.

President Hoover was a self made man and as such he strongly believed in individualism and self-reliance. More and more Americans began to loose their jobs Hoover said that ?mutual self help through voluntary giving? was the way to meets peoples needs. Charities began to be overwhelmed at the number of people that needed help. To most people government assistance was the only way to help fix Americas economic problems. Hoover thought that giving government help would undermine recipient?s self-reliance and he refused to do it the entire time he was in office.

In 1932, there was an election and democrat Franklin Delano Roosevelt would run against the very unpopular and somewhat hatted President Hoover. Many people believed that Roosevelt would win by a landslide and he did in the fall of 1932. Roosevelt was a very confident person unlike Hoover. In his inauguration speech, he said, ?The only thing we have to fear is fear itself ?. Soon Americans spirits would be lifted.

Days after his inauguration Roosevelt called special sessions with congress where there where several emergency legislation was passed. These new legislation where called The New Deal

The basic idea of the new deal was to lower the supply of goods to the current depressed level. The New Deal also tried to increase demand by putting large amounts of money into the economy through the Public Works program. The Public Works program provided jobs and it built schools dams and roads.

The new deal was not a cure for the depression it acted like a painkiller lessening the burden on Americans and making condition bearable. Unemployment was reduced and framers could now sell their crops for a profit. However, the depression was not over.

The depression is thought to be over around the time the Second World War started. The demand the war created helped fix the economy companiese could sell their products there was now the demand was equal to the supply. The economy was fixed. America was once more a prospering country.