

CHAPTER
14

GUIDED READING *The Nation's Sick Economy*

Section 1

A. As you read this section, take notes to describe the serious problems in each area of the economy that helped cause the Great Depression.

1. Industry	2. Agriculture

3. Consumer spending	4. Distribution of wealth	5. Stock market

© McDougal Littell Inc. All rights reserved.

B. On the back of this paper, explain or define each of the following:

Alfred E. Smith

Dow Jones Industrial Average

Black Tuesday

Hawley-Smoot Tariff Act

CHAPTER
14

RETEACHING ACTIVITY *The Nation's Sick Economy*

Section 1

Analyzing

Complete the chart below by detailing how each entry adversely affected the nation's economy.

decline in the number of new homes built	
more Americans living on credit	
uneven distribution of wealth	
stock market crash of 1929	
widespread bank closings	
worldwide depression	
Hawley-Smoot Tariff	

CHAPTER
14

Section 1

PRIMARY SOURCE **The Stock Market Crash**

New York Times reporter Elliott V. Bell witnessed firsthand the panic and despair that ensued after the stock market crashed on October 24, 1929. As you read his account, think about the chain of events that followed the crash.

The market opened steady with prices little changed from the previous day, though some rather large blocks, of 20,000 to 25,000 shares, came out at the start. It sagged easily for the first half hour, and then around eleven o'clock the deluge broke.

It came with a speed and ferocity that left men dazed. The bottom simply fell out of the market. From all over the country a torrent of selling orders poured onto the floor of the Stock Exchange and there were no buying orders to meet it. Quotations of representative active issues, like Steel, Telephone, and Anaconda, began to fall two, three, five, and even ten points between sales. Less active stocks became unmarketable. Within a few moments the ticker service was hopelessly swamped and from then on no one knew what was really happening. By 1:30 the ticker tape was nearly two hours late; by 2:30 it was 147 minutes late. The last quotation was not printed on the tape until 7:08½ P.M., four hours, eight and one-half minutes after the close. In the meantime, Wall Street had lived through an incredible nightmare.

In the strange way that news of a disaster spreads, the word of the market collapse flashed through the city. By noon great crowds had gathered at the corner of Broad and Wall streets where the Stock Exchange on one corner faces Morgan's [the headquarters of J. P. Morgan] across the way. On the steps of the Sub-Treasury Building, opposite Morgan's, a crowd of press photographers and newsreel men took up their stand. Traffic was pushed from the streets of the financial district by the crush. . . .

The animal roar that rises from the floor of the Stock Exchange and which on active days is plainly audible in the Street outside, became louder, anguished, terrifying. The streets were crammed with a mixed crowd—agonized little speculators, walking aimlessly outdoors because they feared to face the ticker and the margin clerk; sold-out traders, morbidly impelled to visit the scene of their ruin; inquisitive individuals and tourists, seeking by gazing at the exteriors of the Exchange and the big banks to get a closer view of the national catastrophe; runners, frantically pushing their way through the throng of idle and curious in their effort to make deliveries of the unprecedented volume of securities which was being

traded on the floor of the Exchange.

The ticker, hopelessly swamped, fell hours behind the actual trading and became completely meaningless. Far into the night, and often all night long, the lights blazed in the windows of the tall office buildings where margin clerks and bookkeepers struggled with the desperate task of trying to clear one day's business before the next began. They fainted at their desks; the weary runners fell exhausted on the marble floors of banks and slept. But within a few months they were to have ample time to rest up. By then thousands of them had been fired.

Agonizing scenes were enacted in the customers' rooms of the various brokers. There traders who a few short days before had luxuriated in delusions of wealth saw all their hopes smashed in a collapse so devastating, so far beyond their wildest fears, as to seem unreal. Seeking to save a little from the wreckage, they would order their stocks sold "at the market," in many cases to discover that they had not merely lost everything but were, in addition, in debt to the broker. And then, ironic twist, as like as not the next few hours' wild churning of the market would lift prices to levels where they might have sold out and had a substantial cash balance left over. Every move was wrong, in those days. The market seemed like an insensate thing that was wreaking a wild and pitiless revenge upon those who had thought to master it.

from H. W. Baldwin and Shepard Stone, eds., We Saw It Happen (New York: 1938). Reprinted in Richard B. Morris and James Woodress, eds., Voices from America's Past, vol. 3, The Twentieth Century (New York: Dutton, 1962), 90–94.

Research Options

1. Find out prices of several stocks, such as RCA or General Motors, after the October 1929 crash. Then look at the business section of today's newspaper to compare the 1929 prices with prices of the same stocks today.
2. On October 19, 1987, the stock market crashed again. Find out about Black Monday in 1987 and then discuss with classmates the similarities and differences between this crash and the crash of October 1929.

CHAPTER
14
Section 1

PRIMARY SOURCE **Political Cartoon**

This Pulitzer Prize-winning cartoon by John T. McCutcheon was published in the Chicago Tribune in 1931. Study the cartoon to find out who the "wise economist" is.



1931 Tribune Media Services, Inc. All Rights Reserved. Reprinted with permission.

Activity Options

1. How do you think the Great Depression changed people's lives? Write a diary entry from the point of view of the man in this cartoon. Share your entry with classmates.
2. Draw an original cartoon to illustrate the impact of financial collapse following the stock market crash. Use the characters in this cartoon or invent your own. Display your cartoon in class.

CHAPTER
14

AMERICAN LIVES **Gordon Parks**
Humane Artist

Section 1

"I hope always to feel the responsibility to communicate the plight of others less fortunate than myself. . . . In helping one another we can ultimately save ourselves. We must give up silent watching and put our commitments into practice."—Gordon Parks, *Moments Without Proper Names* (1975)

Gordon Parks is an artist who has pursued art wherever he finds it. He has taken photographs, written poetry, composed music, and made films. Through it all, he has tried to convey his understanding of the human condition.

Born in 1912 as the last of fifteen children on a Kansas farm, Parks left school as a teenager to work. He held many different jobs—from busing tables to playing the piano to writing songs. Though it was the Depression, some people still had wealth. Parks earned a decent living as a waiter serving meals in a private men's club and on a cross-country train that carried wealthy passengers. One day, he saw a magazine with striking photographs, and it aroused an interest in photography. That interest was confirmed some months later when he heard a newsreel cameraman describe his exciting life. Parks bought a used camera and began taking pictures.

Settling in Chicago, he earned a living taking fashion photographs and photo portraits of women in society. At the same time, he shot documentary pictures of African-American life in the city. These pictures earned him a fellowship that led him to Washington. After a 10-year-period working for the federal government and again taking fashion pictures, he landed a plum assignment for photographers. Beginning in 1948, he began a 20-year career taking pictures around the world for *Life* magazine.

Parks lived for some years in Paris and at other times in Rio de Janeiro. He began taking fashion photos in Paris but soon branched into other areas. He took photo portraits of famous people. Most important, perhaps, were his images of social significance. He spent some months in the slums of Rio de Janeiro, capturing the difficult life of the poor. One young boy he met was dying of asthma. Parks's pictures of him deeply touched *Life* readers. They gave thousands of dollars, which he used to bring the boy to the United States for medical care that saved his life. Another series of photos chronicled the progress of the civil rights movement. Parks

became the first African-American photojournalist.

Soon Parks was branching into other arts. He wrote a novel called *The Learning Tree*, which put in fictional terms the story of his childhood. He published four books of poetry and photographs. Later he wrote three volumes of memoirs.

He became the first African-American director of a major movie with a film version of *The Learning Tree* in 1969. He was also producer, screenwriter, and composer of the score for the film. Critics found the film visually stunning but too melodramatic. It did not attract a large audience—but his next movie, *Shaft* (1971), did. This classic detective story—featuring an African-American detective—was a great hit. Parks directed several other films. *Leadbelly* (1976) told the story of blues musician Huddie Ledbetter. *The Odyssey of Solomon Northrup* (1983) was a public-television drama about a free black sold into slavery. He also directed several documentaries for television, including one that won an award.

Parks has continued his range of artistic interest. He worked as editorial director of *Essence* magazine from 1970 to 1973. In 1989 he composed a ballet, *Martin*, which pays tribute to Dr. Martin Luther King, Jr. For accomplishments, such as this, Parks has received many awards and honors, including the National Medal of Arts in 1988. However, perhaps the highest compliment was paid to him in 1995 when the Library of Congress sought and acquired Parks's archives—thousands of photographs and around 15,000 manuscript pages of screenplays, novels, and poems.

Questions

1. How has Parks used his art to “communicate the plight of others”?
2. How would Parks's varied jobs help him in his career as a photographer?
3. In which arts did Parks achieve the greatest success?

CHAPTER
14

Section 1

AMERICAN LIVES **Alfred E. Smith**
The “Happy Warrior”

“I have taken an oath of office nineteen times. Each time I swore to defend and maintain the Constitution of the United States. . . . I have never known any conflict between my official duties and my religious beliefs.”—Alfred E. Smith, “Catholic and Patriot” (1927)

Alfred E. Smith (1873–1944) was born and raised in New York’s Lower East Side. His grandparents on one side had emigrated from Germany and Italy and on the other side from Ireland. He became identified with the rising power of urban immigrant voters.

Smith’s father died when Alfred was twelve, and two years later, he quit school and began working full time. In the late 1890s, he entered local politics, and by 1903 he had won a seat in the New York state assembly. Dominating New York City politics was the Tammany Hall machine, and Smith was part of that Democratic party organization. He avoided any hint of corruption, however, and became known as an honest lawmaker. While working to achieve Tammany goals, he also pushed for various reforms.

In 1913, fire destroyed the Triangle garment factory, killing 146 people—mostly working women and girls. Smith led the outcry for greater workplace safety. He chaired a commission that investigated factory conditions throughout the state. The investigation put him in touch with many social reformers. These allies helped him in his 1918 race for governor. Smith campaigned for government reform and changes in female and child labor laws. He won a narrow victory.

As governor, Smith steered an independent course. He appointed Republicans and independents to state office. He backed labor’s right to organize but used the state militia to end a violent strike. In the midst of widespread fear of radicals, he boldly criticized the New York assembly for expelling five members because they were socialists. He lost the governorship in 1920, although he won again in 1922, 1924, and 1926. In his later terms, he achieved many reform goals.

Smith tried to win the Democratic nomination for president in 1924. Franklin Delano Roosevelt nominated him, calling him the “Happy Warrior.” Smith was anything but happy as the convention unfolded. The Ku Klux Klan—powerful in the

party that year—opposed him loudly because he was a Roman Catholic. Finally Smith was forced to withdraw his candidacy.

Four years later, though, Smith easily won the nomination, but he entered the fall campaign with three problems. He was identified as a “wet”—someone against Prohibition—at a time when Prohibition still had wide support. He was Catholic, and no Catholic had ever run for president. And the country had prospered under eight years of Republican presidents.

Smith took the religious issue head-on. He gave a major speech in Oklahoma City urging tolerance of all religions. Some groups strongly opposed to him used harsh language. One critic linked Smith to a catalog of problems: “card playing, cocktail drinking, poodle dogs, divorces, novels, stuffy rooms, dancing, [and] evolution.” Some Klan members said that to vote for Smith was to “vote for the Pope.” Smith, however, pulled more votes than any previous Democratic candidate. He won two states and twelve large cities that had been solidly Republican. However, Smith lost by a wide margin.

Smith hoped to get a job working for Franklin Roosevelt, the new governor of New York. FDR did not name him to any post, however, and Smith entered business. Gradually he withdrew from politics. When he did enter political debates, he took more and more conservative positions. He harshly criticized Roosevelt in the early years of the New Deal. Not until World War II erupted did the two former allies become close again. Smith died in 1944.

Questions

1. How did Smith show independence throughout his career?
2. Why was Smith’s Catholicism a major issue?
3. What problems besides opposition toward Catholicism helped defeat Smith?