

The Great Depression in Louisiana



As you read, look for:

- the causes of the Great Depression,
- how the Great Depression affected Louisiana, and
- vocabulary terms **Great Depression**, **Civilian Conservation Corps**, and **Works Progress Administration**.

Much of Huey Long's power came from people who were struggling economically. Long's political programs and his Share Our Wealth program were influenced by the economic crisis of the time.

The United States saw its economy shift from the boom of the Roaring Twenties to a depression that lasted ten years. The stock market crash of October 24, 1929, signaled that change.

During the **Great Depression**, unemployment reached the highest level the United States had ever measured. By 1937, a government study described the South as the nation's number one economic problem.

Living Through the Depression

Louisiana had just begun to see economic recovery and growth after the poverty that followed the Civil War. The Great Depression halted all economic growth and brought even more poverty.

Much of Louisiana's economy still depended on

cotton. But during the depression, farmers could not make a living selling their cotton crops. The price of cotton, 25 cents a pound in 1929, fell to 5 cents a pound in 1932.

Most residents of rural Louisiana were fairly self-sufficient, a fact that proved useful during the hardships of the depression. Farmers could at least feed their families by planting gardens. Those who lived in towns and cities had a much harder time. Planting a garden was not possible if you lived on a small lot in



town or in a city apartment. Some rural families took in their city relatives to keep them from starving. One resident of Assumption Parish recalled her depression years: "We did not know where our next meal was coming from and then someone would share from their gardens."

The New Deal in Louisiana

When Franklin D. Roosevelt was elected president in 1932, he took strong steps to help the economy. On March 9, 1933, he ordered a bank "holiday." Banks were closed and not allowed to reopen until they could prove they were sound (financially safe). Until they were approved to reopen, they could only pay out 5 percent of their total deposits in emergency funds. This prevented a "run" on the banks, which occurs when many depositors demand to withdraw their money at the same time. Banks do not keep cash on hand equal to all deposits because they loan depositors' money to others or invest it in interest-paying assets.

National banks had to be approved for reopening by the United States government. State banks had to get approval from the state committee on banking to reopen.

Above: As Franklin Roosevelt campaigned in 1932, he spread a feeling of optimism that times would get better.

Opposite page: Farmers and agricultural workers were already suffering in 1929. The Great Depression made their lives much more difficult. These children playing jacks near Pontchatoula worked as strawberry pickers.

Connecting with U.S. History

The Great Depression



The U.S. economy boomed in the 1920s. The economy expanded because new technology meant more and more goods could be produced. Automobiles rolled off new assembly lines, and Americans could buy them on credit. Buying on the installment plan made it easier for people to get what they wanted, and they often ignored their increasing debt.

Businesses produced more and more consumer goods. As business production increased, businesses' profits increased. But workers' incomes did not keep up with business profits. Most of the country's wealth belonged to only one-tenth of 1 percent of the population of the United States.

Above: Mounted police had to be called out to control the crowd on Wall Street on "Black Tuesday." Black Tuesday usually marks the point where the Roaring Twenties ended and the Great Depression started.

As business profits rose, the value of business stocks rose. More people wanted to invest in the stock market. They began buying stocks *on margin*. For example, if investors bought five shares of stock valued at \$10 each, they would pay only part of the \$50 cost and agree to pay the rest from the money they expected to make when they sold the stock after the price went higher.

The decline in international trade also affected the American economy. During World War I, the United States had loaned money to other nations. After the war, those nations began repaying the loans and, as a result, did not have the money to buy many American goods.

There were more goods produced than people and other nations could afford to buy. When people couldn't buy the consumer goods, manufacturers had to cut back. This overproduction, along with the uneven distribution of prosperity, buying on credit, stock speculation, and poor international trade all led to economic trouble.

The crash of the stock market on October 29, 1929, signaled the collapse of the economic boom. In October 1929, the values of stock prices dropped 30 percent. By 1933, stocks had lost 80 percent of their value. The crash was followed by the Great Depression, the longest and worst economic downturn in United States history.

U.S. banks were in trouble because they had made loans to people who could not repay them because of the crash. The banks also lost money because they too had invested in the stock market.

The depression hurt almost everyone. People who had been wealthy were now broke and hungry. At one point during the depression, the unemployment rate reached 25 percent.

Farm families were already going through a depression. Crop prices had dropped from their highs during World War I. With the depression, prices were so low that it cost more to produce a crop than the farmer could sell it for. A drought in the Plains states made the situation worse; farms literally blew away in the Dust Bowl region.

Louisiana farm families could at least grow their own food and managed to survive. People who lived in cities suffered because they had no place to grow

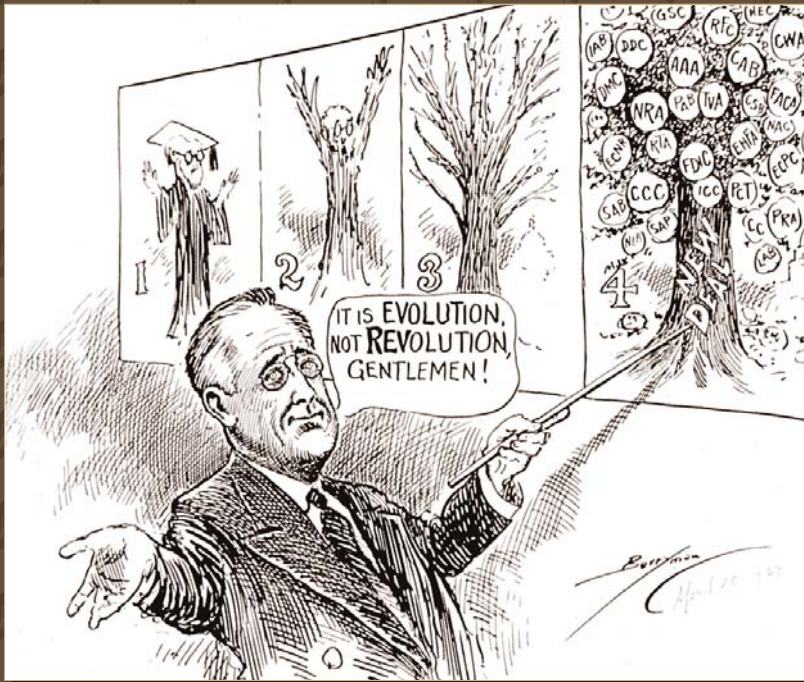


Above: Unemployment was very high during the Great Depression. Many of those who had lost their jobs were willing to do almost anything to earn some money.

a garden. If a family had relatives in the country, they sent their children to those relatives so they would not starve.

When Franklin D. Roosevelt became president in 1933, he encouraged the American people by saying, "The only thing we have to fear is fear itself." He said government must take action to end the depression. President Roosevelt's ideas led to the New Deal programs.

The Art of Politics



This 1934 political cartoon pokes fun at President Roosevelt and the many “alphabet” agencies created under the New Deal.

Lagniappe

Young men in the CCC were paid \$30 a month, of which \$25 had to be sent home to their families.

During the depression, President Roosevelt urged Congress to pass laws to bring economic recovery and relieve the suffering of the unemployed. One of the first New Deal programs was direct aid for the needy. Federal funds came to the state from the Federal Emergency Relief Administration. For the first time, Louisiana had a statewide program to help the poor—the Unemployment Relief Committee.

Before the widespread suffering of the Great Depression brought federal help for the poor, the state had depended on local governments to care for the needy. The Poor Laws of 1880 and 1916 directed police juries to provide for the poor. Some parishes even maintained a poor house. Now too many people needed help for the local governments to handle.

The federal government also helped by giving groceries to those in need. This was called the *commodity program*. The groceries (commodities) often included coffee, butter, short-

ening, beans, corn meal, flour, sugar, and rice. Farmers also benefited when their crops were bought to be used as commodities.

Another New Deal program was the **Civilian Conservation Corps (CCC)**. This program provided work for single young men between the ages of 18 and 25. They lived in special camps and did physical outdoor labor. In Louisiana, CCC workers did soil conservation work on farms and some road construction.

The CCC camps were located throughout the state. A photograph of the CCC camp in Pleasant Hill in DeSoto Parish shows us that the young men wore uniforms and lived in barracks. The buildings in the camp included a cafeteria and a library.

Another job program provided work for men with families. This was the **Works Progress Administration (WPA)**. The men, who were paid about \$7 a week, built schools, courthouses, parks, and other public buildings.

The new airbase outside Shreveport, Barksdale Field, was also improved by a government work program. The base had been established in 1933 when 20,886 Bossier Parish acres were purchased for \$1.5 million. During the 1930s, the WPA paid cotton planters and farmers to grade, plow, harrow, and plant Bermuda grass on 1,400 acres of the base’s land to make it flat and green.

Figure 28 **New Deal Programs**

Program	Date	Purpose
Tennessee Valley Authority (TVA)	1933	Built dams on the Tennessee River to control flooding and generate electricity.
Public Works Administration (PWA)	1933	Put people to work building roads, buildings, and other public works projects.
Federal Deposit Insurance Corporation (FDIC)	1933	Insured individual savings accounts so that people did not lose their money if banks failed or closed their doors.
Federal Emergency Relief Administration (FERA)	1933	Provided federal funds for state and community relief efforts.
Civil Works Administration (CWA)	1933	Provided temporary federal jobs for the unemployed.
Civilian Conservation Corps (CCC)	1933	Provided jobs for young single men building forest trails and roads, planting trees to reforest the land and control flooding, and building parks.
Federal Housing Administration (FHA)	1934	Insured home loans for low-income families.
Securities and Exchange Commission (SEC)	1934	Regulated stocks and gave stock information.
Social Security Administration (SSA)	1935	Created a system for retirement and unemployment insurance.
Works Progress Administration (WPA)	1935	Employed out-of-work Americans to repair roads, and build or repair bridges. Also employed writers, musicians, and artists who painted murals, wrote guidebooks, and provided public performances.
National Youth Administration (NYA)	1935	Provided job training and part-time work for college students.



Above: The Civilian Conservation Corps put thousands of unemployed young men to work on conservation projects.

Life in the rural South was greatly affected by the Roosevelt plan that brought electricity to farms and other rural areas. The Rural Electrification Administration (REA) paid the cost of extending power lines, which the early electric companies said were too expensive to build and maintain. In addition, the Agricultural Adjustment Administration (AAA) paid farmers not to grow crops. With smaller harvests, crop prices were expected to rise.

The poverty of the depression years increased Louisiana's health problems.

Hunger brought more disease. Malnourished children risked diseases, such as pellagra, caused by a poor diet. Public health nurses worked to establish nutrition programs.

In 1937, Congress passed the National School Lunch Act to improve the diet of America's children. One of the new senators who supported this bill was Allen Ellender. He had been an ally of Huey Long in the Louisiana legislature.

Lagniappe

Barksdale Field was named for a World War I veteran, Lieutenant Eugene Hoy Barksdale of the Army Air Corps, who lost his life while flight testing an observation aircraft over McCook Field, in Dayton, Ohio, on August 11, 1926.



Lagniappe

President Roosevelt himself visited New Orleans in May 1937.

He served in the U.S. Senate from 1937 until 1972, when he died during his re-election campaign.

The morale of the people of Louisiana was boosted by a visit from First Lady Eleanor Roosevelt. When Mrs. Roosevelt came to Shreveport in March 1937, thousands of people stood on the

street to watch her pass. She gave two speeches: "A Typical Day at the White House" and "An Individual's Responsibility to His Community."

Above: This rare 1940 color photograph by Marion Post Wolcott shows Cajun children fishing in a bayou near Terrebonne, a Farm Security Administration project.

Check for Understanding ✓

1. Why did people who lived in rural Louisiana cope with the depression better than people in cities?
2. What was the purpose of the New Deal programs?
3. What are two New Deal programs that provided work in Louisiana?

Meeting Expectations

The Share Our Wealth Program

It is said that Huey Long's Share Our Wealth program forced President Roosevelt to expand his New Deal programs. The following principles and platform were part of a speech Long gave as a senator. The material is printed in the Congressional Record of February 5, 1934.

Principles and Platform

1. To limit poverty by providing that every deserving family shall share in the wealth of America for not less than one third of the average wealth, thereby to possess not less than \$5,000 free of debt.
2. To limit fortunes to such a few million dollars as will allow the balance of the American people to share in the wealth and profits of the land.
3. Old-age pensions of \$30 per month to persons over 60 years of age who do not earn as much as \$1,000 per year or who possess less than \$10,000 in cash or property, thereby to remove from the field of labor in times of unemployment those who have contributed their share to the public service.
4. To limit the hours of work to such an extent as to prevent overproduction and to give the workers of America

some share in the recreations, conveniences, and luxuries of life.

5. To balance agricultural production with what can be sold and consumed according to the laws of God, which have never failed.



Above: Huey Long was a passionate and colorful public speaker.

6. To care for the veterans of our wars.

7. Taxation to run the Government to be supported, first, by reducing big fortunes from the top, thereby to improve the country and provide employment in public works whenever agricultural surplus is such as to render unnecessary, in whole or in part, any particular crop.

1. What did Huey Long say every deserving family should have?
2. How did he plan to get money for the poor?
3. Who would get an old-age pension in this plan?
4. Principle 7 says taxes to run the government would first be imposed on "big fortunes." List three

ways the plan says this money will be used.

5. Who would be likely to support this plan and who would oppose it?
6. Why did this plan appeal to so many people at this time?