Time Capsule 1933

The Year in Review: The Great Depression continues to affect the U.S. across all sectors of the economy and population.

One major area of concern is the banking industry. Since 1929, about 9,000 banks have failed, almost 1,500 in 1932 alone. Those 9,000 banks held the savings of 27 million families.

After the stock market crash of 1929, people lost faith in banks. Some didn't understand that when they made a $25 deposit, the money didn't sit in the building; it was given to other people in the form of loans.

When worried people tried to withdraw their money from their banks, the institutions often did not have the paper money or gold coins on hand, especially for a large number of payments.

In Detroit, Michigan, two large banks close and the governor declares a statewide bank holiday, closing all banks. By March 2, 21 states have declared bank holidays and closed their banks.

Internationally, a similar series of events is occurring as millions of dollars in gold are withdrawn from U.S. banks by overseas investors. On March 3 alone, $110 million in gold is paid out to foreign banks.

Franklin Delano Roosevelt, a distant cousin of President Theodore Roosevelt, becomes President on March 4. He tells the country, "The only thing we have to fear is fear itself."

On Monday, March 6, he declares a 4-day national bank holiday so banking institutions across the country can get their books in order and federal officials can determine if the banks are solvent enough

to remain in business; some never reopen.

In his first 100 days in office, FDR shepherds sweeping legislation through Congress to combat the effects of the Depression.

On March 12, he holds his first “fireside chat” via radio to calm the nation and explain his actions.

Elements of FDR’s New Deal include the initiation of:
The Civilian Conservation Corps to provide work and vocational training to unemployed, single young men while conserving and developing our natural resources

* The Federal Deposit Insurance Corporation to promote confidence in banks by insuring deposits

* The National Recovery Act to encourage industrial recovery and combat widespread unemployment. It uses a blue eagle emblem to identify firms voluntarily participating in codes of fair competition and fair practice

* The Tennessee Valley Authority to develop the Tennessee River basin to address basic problems, such as flooding, a deficient economy, land erosion and job migration out of the area

* Several actions that take the U.S. off the gold standard, void contractual language calling for payments in gold and make private ownership of gold a crime.

The month before he is inaugurated, Roosevelt narrowly escapes an assassination attempt in Miami by a mentally ill bricklayer, Giuseppe Zangara. Although Roosevelt is unhurt, five others, including Chicago mayor Anton Cermak, are wounded. Cermak is shot as he is touring with Roosevelt and dies 3 weeks later.

Another landmark event occurs in the U.S. when the 18th Amendment, prohibiting the manufacture, sale and transportation of liquor, is repealed. Some called it the Noble Experiment in 1919, when the amendment was ratified, but beer, wine and liquor remained easy to obtain if you knew who to ask.

The public's thirst during Prohibition made law enforcement difficult and allowed the growth of many criminal enterprises, including Al Capone's gang in Chicago.

In Germany, Adolf Hitler becomes chancellor. A fire destroys part of the building housing the Reichstag, the lower house of Germany's parliament, and Hitler blames Communists for the blaze. The German president proclaims a state of emergency and suspends the freedoms of speech and assembly.

Elections give Hitler's party a slim majority. The Reichstag gives Hitler dictatorial powers.

Germany and Japan withdraw from the League of Nations, the predecessor organization to the United Nations.

Names in the News: Edwin H. Armstrong patents frequency modulation, or FM, radio, which proves to have a much clearer sound and is free of static, compared with radio stations on the AM dial.

As electrical appliances and transmission lines spread across the U.S., accidents occur, especially with the linemen who touch the lines. Electrical distributor Consolidated Edison sponsors grants to find a solution.

Electrical engineer William Kouwenhoven and neurologist O.R. Langworthy, both of Johns Hopkins University, publish a paper showing that an electrical shock can reverse an inefficient

heartbeat, such as that caused by an electrical shock. The result is the heart defibrillator.

Music: We're in the Money and Shadow Waltz are two of the popular songs from the movie Gold Diggers of 1933, the latter song becoming a No. 1 hit for Bing Crosby.

From the film 42nd Street come the title song and You're Getting to Be a Habit with Me.

Eddy Duchin and His Orchestra serve up the chart-toppers Let's Fall in Love and Did You Ever See a Dream Walking?, and Jimmy Durante first sings Inka Dinka Doo, his theme song.

Radio: The husband-and-wife team of George Burns and Gracie Allen skyrockets in popularity when Gracie mentions on Guy Lombardo's show that her brother is missing. This begins a long run of surprise appearances by Gracie on other shows that has listeners wondering where she'll turn up next.

Jack Benny becomes a radio sensation by playing a 39-year-old miser who owns an old Maxwell automobile and keeps money in his basement vault.

Notable premieres include The Breakfast Club hosted by Don McNeill; The Lone Ranger; Jack Armstrong, The All-American Boy; Ma Perkins; and The Jimmy Durante Show.

Movies: Busby Berkeley's extravagant choreography in Gold Diggers of 1933 and 42nd Street revolutionizes the film musical and helps take people's minds off the Depression. Ginger Rogers, Dick Powell and Ruby Keeler appear in both films.

Smash hit King Kong, starring Bruce Cabot and Fay Wray, helps

smaller filmmaker RKO, which lost $10 million the previous year, reverse its fortunes.

Mae West, a big box-office draw, teams up with Cary Grant in the hit movies She Done Him Wrong and I'm No Angel. The first film is based on a Broadway hit written by West, Diamond Lil, and boosts Grant's already burgeoning popularity. It is one of six films released this year in which Grant appears.

Other popular stars include Jean Harlow in Dinner at Eight and Bombshell; Katharine Hepburn in Little Women and Morning Glory; and the Marx Brothers in Duck Soup.

Other films include Cavalcade with Diana Wynyard and Clive Brook; The Private Life of Henry VIII with Charles Laughton; State Fair with Janet Gaynor and Will Rogers; and Queen Christina with Greta Garbo.

Sports: Major-league baseball's first All-Star Game is played at Chi-cago's Comiskey Park. The American League wins, 4-2. Base-ball's New York Giants win the World Series.

The first NFL championship game is also played in Chicago, with that city's Bears defeating football's New York Giants, 23-21, at Wrigley Field.

Auto racing struggles to survive the Depression, and the Indianapolis 500 has a particularly troubled year. During qualifying rounds and the featured race, five men are killed and another is seriously injured.

USC wins the Rose Bowl for the third time in 4 years.