



# **THE GREAT DEPRESSION**

1928 - 1932

## STANDARDS

**SSUSH17 The student will analyze the causes and consequences of the Great Depression.**

- a. Describe the causes, including overproduction, underconsumption, and stock market speculation that led to the stock market crash of 1929 and the Great Depression.
- b. Explain factors (include over-farming and climate) that led to the Dust Bowl and the resulting movement and migration west.
- c. Explain the social and political impact of widespread unemployment that resulted in developments such as Hoovervilles.



# THE CRASH OF 1929

What marked the end of the era of "Endless Prosperity," and what were the causes of the Great Depression?



"Amateur Night"  
 Day Mirror Register, (aws, November 24, 1929)



HERBERT HOOVER CAMPAIGN  
SPEECH OCTOBER 22, 1928

## Hoover's Optimism

“By adherence to the principles of decentralized self-government, ordered liberty, equal opportunity, and freedom to the individual, our American experiment in human welfare has yielded a degree of well-being unparalleled in all the world. **It has come nearer to the abolition of poverty, to the abolition of fear of want, than humanity has ever reached before.**”

HOW DID THE PROSPERITY OF THE  
1920'S GIVE WAY TO THE GREAT  
DEPRESSION?

- Herbert Hoover
- Republican from Iowa
- Elected President in 1928
- Americans wanted a continuation of Republican politics of the “Roaring 20s”
- Few could forecast the “bursting of the economic bubble.”



## AGRICULTURE TAKES A HIT



In response to high demand for food during WWI, farmers borrowed money to afford more capital (land, machinery, labor). After war, demand fell; farmers soon found themselves unable to repay their loans.

## INDUSTRY FLOURISHES IN THE '20S

Unlike farmers, industrial workers saw a huge increase in wages during the '20s.

Had disposable incomes; bought Model-T's, radios and other luxuries.

Many bought into the stock market, buying on margin, in hopes of becoming wealthy.

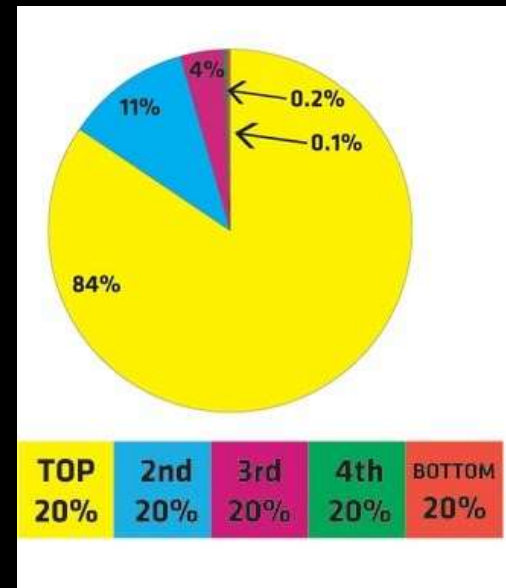
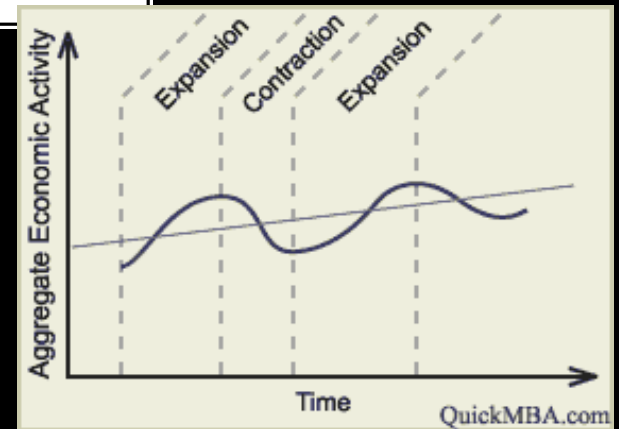


## UNEVEN DISTRIBUTION OF WEALTH

In the 1920's, the rich kept getting richer while the poor kept getting poorer.

More and more products were being produced, but after a time, too many people could not afford to buy them anymore.

This led to a problem of over-production and under-consumption (Too much being made, not enough being bought)







**"Amateur Night"**

*Des Moines Register, Iowa, November 24, 1928*

## THE STOCK MARKET CRASHES

# BLACK TUESDAY

NEW YORK, TUESDAY, OCTOBER 29, 1929

### THE STOCK MARKET CRASH OF 1929

BY BARBARA SILBERDICK FEINBERG

NEW YORK, OCTOBER 29—Another hurricane of liquidation hit the stock market today, as financial uncertainty fed on rumor and twisted to panic. Frightened investors ordered their brokers to sell at any price, and the stock market crashed. Those on the floor of the Wall Street exchange waded in paper and tried to ad lib their losses.

It is believed these losses total billions of dollars. Thousands of accounts were wiped out as a record



Crowds Gathered On Wall Street As The Market Went Into Historical Decline

number of shares were traded. Some stocks were almost given away. Millions of shares traded hands.

Brokers on the floor of the Exchange have never seen a day like this. The stock on Wall Street spread to other exchanges and markets. It

was a country-wide collapse of security values in which losses were the most disastrous and far-reaching in the history of the Stock Exchange. There was new panic on the Chicago commodities exchange. Rumors spread from one end of the United

Speculation – process of taking high risks investments in hopes of quick profits

Black Tuesday – October 29, 1929 – Stock Market crashes

Investors pull out millions of dollars in hopes of salvaging what money they had left

Marked the “beginning” of the Great Depression



**FLOW CHART  
SOME CAUSES OF THE GREAT  
DEPRESSION**

Boom in production



Buying on Margin and Investing in stock



Black Tuesday Market Crashes



Banks Fail



Reduced Consumption



Unemployment

## AFTERMATH OF THE CRASH

Banks failures, businesses close,  
unemployment reaches 25%

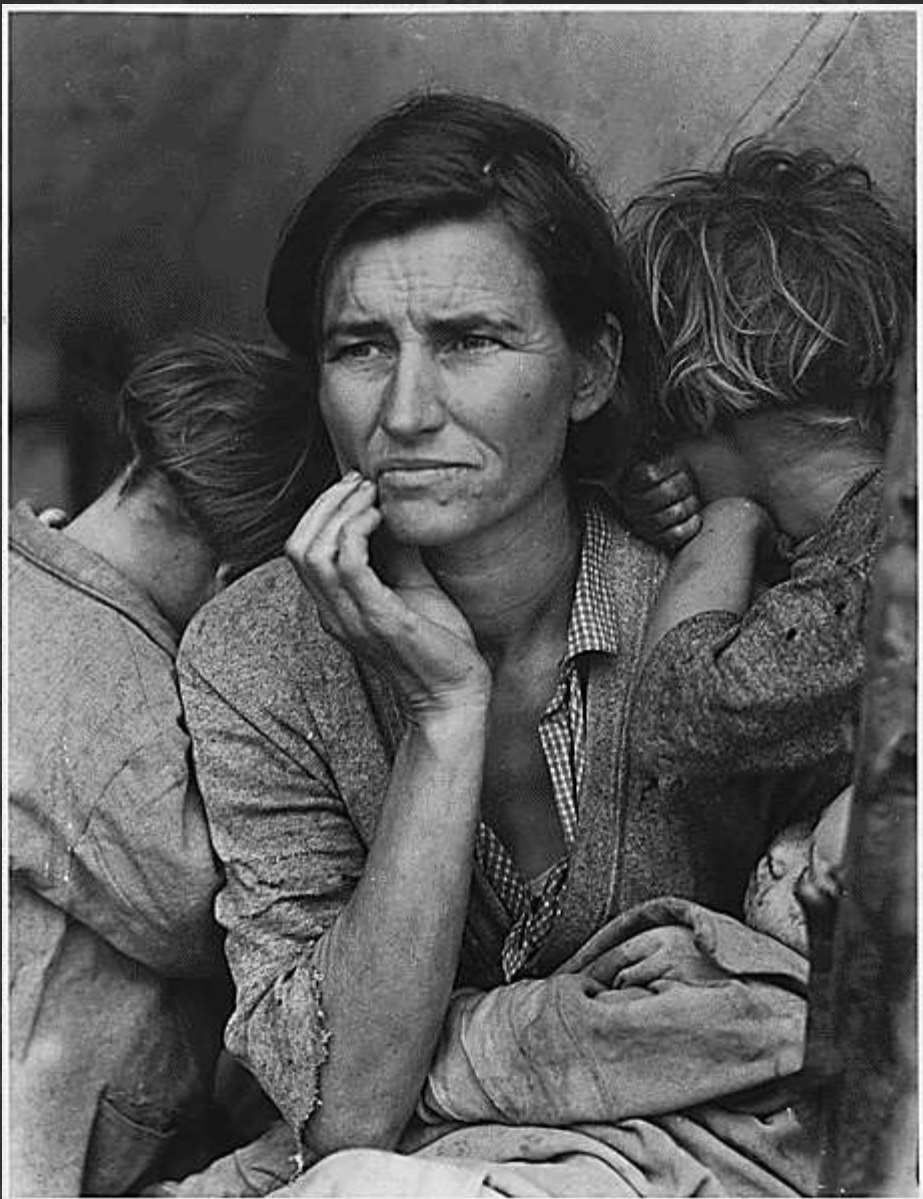
Families lose their homes and farms;  
lines for soup kitchens become  
common sights

Hooverilles – makeshift  
shantytowns of tents and shacks  
built on public or vacant lots

Named after President Hoover;  
many blamed his “hands-off” gov’t  
policies for causing the economy to  
run amuck.













WANTED  
A DECENT  
JOB  
BY A DECENT MAN  
AGE 37 - FAMILY  
WAR VETERAN  
WIFE ON HOME  
COLLEGE GRAD  
NATIVE  
CHICAGOAN  
PURCHASING  
ACCOUNTING  
TRAFFIC  
MANAGEMENT  
U.S. STEEL CO.  
232 GREENLAND AVE

WANTED  
A DECENT  
JOB  
FAMILY MAN  
AGE 44  
BEST REFERRED  
GENERAL OF  
GENERAL EXP.  
3 yrs. FORD CO  
WVA SALARY  
244 So. Chicago Ave  
111. Chicago 212

**BROTHER, CAN YOU SPARE A  
DIME?**

Once I built a railroad, made it run  
Made it race against time

Once I built a railroad, now it's done  
Brother can you spare a dime?

Once I built a tower to the sun  
Brick and mortar and lime

Once I built a tower, now it's done  
Brother can you spare a dime?

HERBERT HOOVER CAMPAIGN  
SPEECH OCTOBER 22, 1928

Hoover gives Republicans credit for boom in the 1920s...

“When the Republican Party came into full power it went at once resolutely back to our fundamental conception of the state and the rights and responsibilities of the individual. Thereby it restored confidence and hope in the American people, it **freed and stimulated enterprise**; it restored the government to **its position as an umpire instead of a player in the economic game.**”

Hoover’s philosophy of “rugged individualism”

“...individual initiative and enterprise through which our people have grown to unparalleled greatness.”

# Hoover's Response

- Volunteerism: asks for help of businesses, industrial leaders, government, and wealthy to do take action to help end the depression
- Localism: had faith that local governments could provide relief and solve problems
- Believed direct aid from federal government was unconstitutional
- Philosophy of Rugged Individualism



# HAWLEY-SMOOT TARIFF

- Hoover signed into law to try to protect American businesses
- Increased tariff on imported goods
- Foreign governments passed protective tariffs of their own



## **IMPACT OF THE DEPRESSION IN OTHER PARTS OF THE WORLD**

In Europe,

- Debt from WWI
- reparation plans from WWI stopped being paid by Germany
- Imbalance of trade (Hawley-Smoot Tariff)
- American loans to Britain and France

# Hoover has to change course...

- Reconstruction Finance Corporation (RFC), passed 1932
- Construction of the Hoover Dam (originally Boulder Dam)
- Trickle-down economics



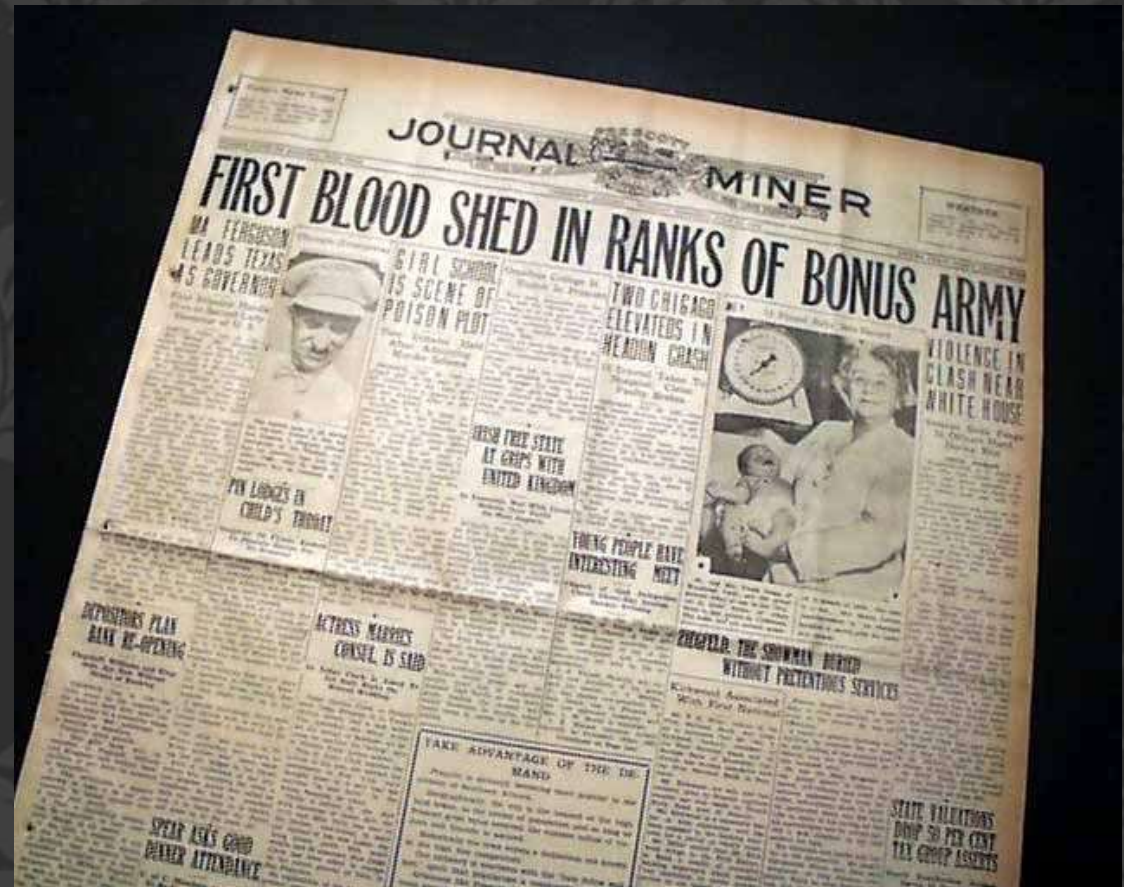
# Americans Protest





# Bonus Army marches on Washington D.C.

- Adjusted Compensation Act passed in 1924, promises bonus payment to veterans of WWI to be paid in 1945
- In 1931, many wanted bonus early as relief for hard times



- Hoover has Bonus Army protesters removed
- General MacArthur uses harsh tactics
- Tarnishes Hoover's reputation



Illustrating effectiveness of tear gas. Soldiers just arriving in an area covered with masks.



# The Dust Bowl



Warm-up:  
PBS American Experience  
The Crash of 1929

LINK TO:

<http://www.pbs.org/wgbh/americanexperience/films/crash/player/>

(52:14-53:18)

**Next -*The Story of Us: Dust Bowl***



THE  
BEAUTIFUL  
SOUTH PLAINS  
OF

TEXAS

# Opportunity

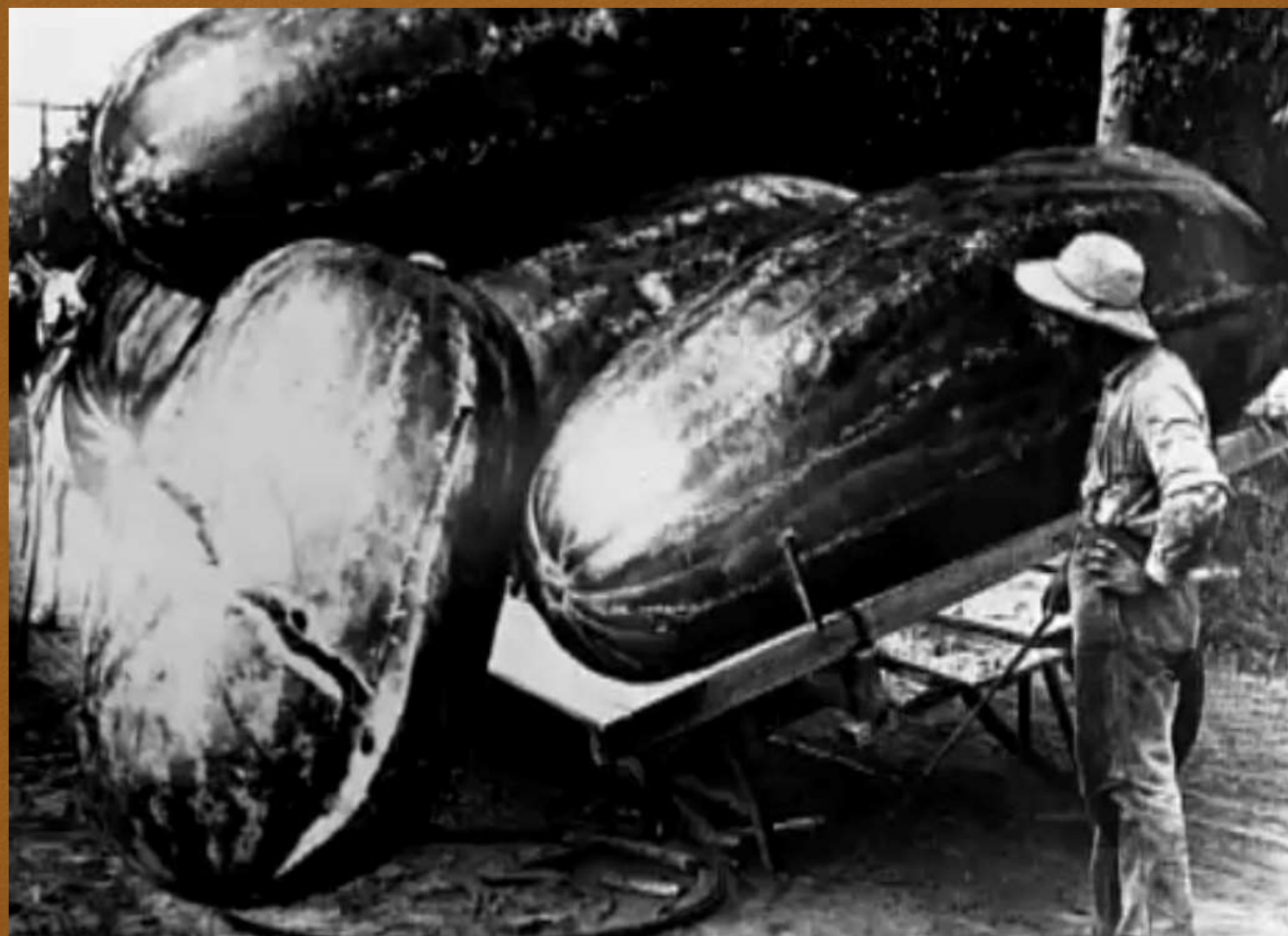
Points the patient toiler to the  
gateway of

**Health, Wealth and Happiness**

# Trouble for Farmers



- ❧ Falling farm prices made farmers unable to repay their debts for land and machinery.
- ❧ About 6000 banks went out of business because of the farmers could not repay the loans.













# Great Plains Become a Dust Bowl

---

❧ Dust Bowl – term used for the Great Plains during the 1930s when the region suffered from drought and dust storms.

❧ Three major causes:

❧ 1. Over-farming (loss of topsoil)

❧ 2. Drought (Climate)

❧ 3. Severe wind storms























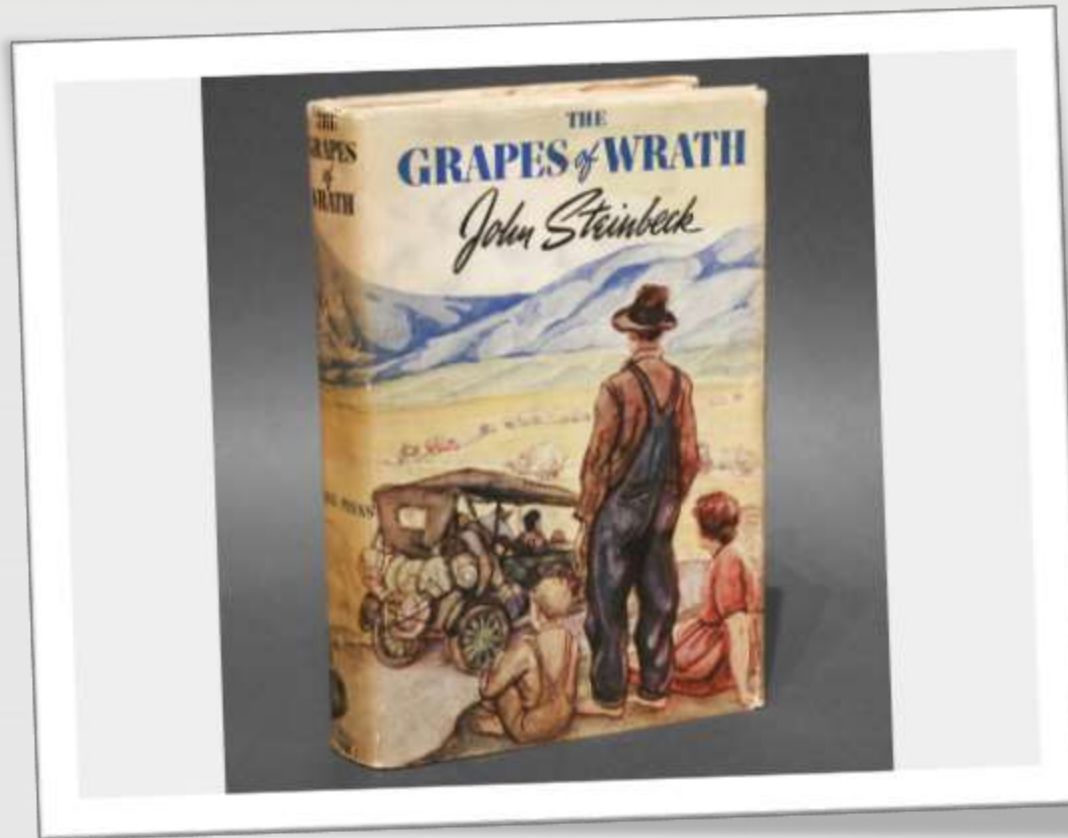












*The Grapes of Wrath* by Jon Steinbeck

MIGRANTS OF THE DUST BOWL

# Okies Move West

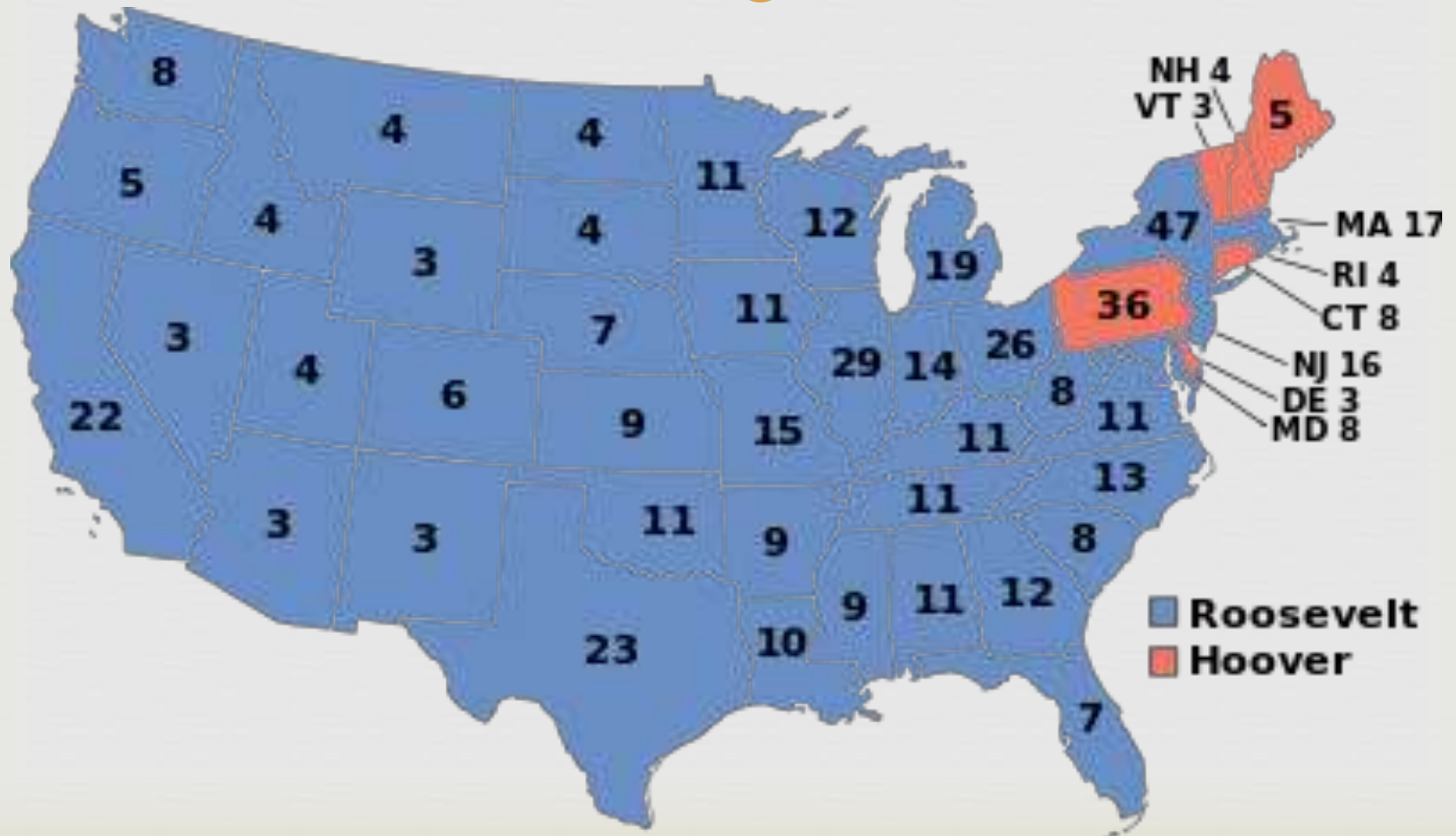


- ❧ Families devastated by the Dust Bowl relocated to the West Coast or large cities in hopes of finding work.
- ❧ John Steinbeck's "The Grapes of Wrath;" tells the story of the Joad family's journey from the Dust Bowl to California

# Excerpt from Ch. 17 of *The Grapes of Wrath*

☞ The cars of migrant people crawled out of the side roads onto the great cross-country highway, and they took the migrant way to the West. In the daylight they scuttled like bugs to the westward; and as the dark caught them, they clustered like bugs near to shelter and to water. And because they were lonely and perplexed, because they had all come from a place of sadness and worry and defeat, and because they were all going to a new mysterious place, they huddled together; they talked together; they shared their lives, their food, and the things they hoped for in the new country. Thus it might be that one family camped near a spring, and another camped for the spring and for company, and a third because two families had pioneered the place and found it good. And when the sun went down, perhaps twenty families and twenty cars were there.

# Election of 1932



# FDR Promises Change



- ❧ Franklin Delano Roosevelt – Democrat from NY
- ❧ Distant nephew of Teddy Roosevelt
- ❧ Elected President in 1932 after he defeated the unpopular President Hoover.
- ❧ Many blamed Hoover for worsening the Great Depression.
- ❧ FDR's policies would usher in a new era of government and economic reform, collectively known as "The New Deal"

