

NOTES: THE GREAT DEPRESSION BEGINS**SECTION 1: THE NATION'S SICK ECONOMY**

As the 1920s advanced, serious problems threatened the economy while

Important industries struggled, including:

- _____
- _____
- _____
- _____
- _____

FARMERS STRUGGLE

- No industry suffered as much as _____
- During _____ European demand for American crops soared
- _____
- Farmers increased production sending prices further downward

CONSUMER SPENDING DOWN

- By the late 1920s, American consumers _____
- _____, _____, and overbuying on credit were to blame
- Most people did not have the money to buy the flood of goods factories produced

GAP BETWEEN RICH & POOR

- _____
- The wealthiest 1% saw their income rise 75%
- The rest of the population saw an increase of only 9%
- More than 70% of American families _____

HOOVER _____

- _____
- Hoover emphasized years of prosperity under Republican administrations
- Hoover won an overwhelming victory

THE STOCK MARKET

- By 1929, many _____
- The Stock Market had become the most visible symbol of a prosperous American economy

- The _____ was the barometer of the Stock Market's worth
- The Dow is a measure based on the price of 30 large firms

STOCK PRICES RISE THROUGH THE 1920s

- _____
- The Dow reached a _____ of 381 points (300 points higher than 1924)
- By 1929, 4 million Americans owned stocks

SEEDS OF TROUBLE

- By the late 1920s, problems with the economy emerged
- Speculation: _____

- Margin: _____

THE 1929 CRASH

- In September the Stock Market had some unusual up & down movements
- On _____ . . .the worst was yet to come
- On _____, the bottom fell out
- 16.4 million shares were sold that day – prices plummeted
- People who had bought on margin (credit) were _____

THE GREAT DEPRESSION

- _____
- _____ in which the economy plummeted and unemployment skyrocketed
- The _____, but it hastened its arrival

FINANCIAL COLLAPSE

- After the crash, many Americans _____.
- Banks had invested in the Stock Market and lost money
- In 1929- _____
- By 1933 – _____ of the 25,000 banks nationwide had collapsed

GNP DROPS, UNEMPLOYMENT SOARS

- Between 1928-1932, the _____ – _____
_____ – fell nearly 50% from \$104 billion to \$59 billion
- 90,000 businesses went bankrupt
- Unemployment leaped from 3% in 1929 to 25% in 1933

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- The U.S. was not the only country gripped by the Great Depression
 - Much of Europe suffered throughout the 1920s
 - In _____, Congress passed the toughest tariff in U.S. history called the _____.
 - _____.
 - Other countries enacted their own tariffs and soon world trade fell 40%

CAUSES OF THE GREAT DEPRESSION

- _____
- _____
- _____
- _____
- _____

SECTION 2: HARDSHIPS DURING DEPRESSION

- The Great Depression brought _____
- Across the country, people lost their jobs, and their homes
- Some built makeshift shacks out of scrap material
- Before long _____

SOUP KITCHENS

- One of the common features of urban areas during the era were _____
- Soup kitchens and bread lines offered _____

CONDITIONS FOR MINORITIES

- _____
- _____
- Increased violence (24 lynchings in 1933 alone) marred the 1930s
- Many Mexicans were “encouraged” to return to their homeland

RURAL LIFE DURING THE DEPRESSION

- While the Depression was difficult for everyone, _____
- _____
- Thousands of farmers, however, lost their land
- Many turned to _____ and barely scraped out a living

THE DUST BOWL

- _____
- Wind scattered the topsoil, exposing sand and grit.
- The resulting _____ traveled hundreds of miles.
- _____ picked up millions of tons of dust from the Plains and carried it to the East Coast.

HARDEST HIT REGIONS

- _____ were the hardest hit regions during the Dust Bowl
- Many farmers migrated to California and other Pacific Coast states

HOBOS TRAVEL AMERICA

- _____
- 300,000 transients – or hoboes – hitched rides around the country on trains and slept under bridges (thousands were teenagers)
- Injuries and death _____; over 50,000 people were hurt or killed

EFFECTS OF DEPRESSION

- _____ more than 30% between 1928-1932
- _____ sharply in urban areas
- _____ as many people were admitted to state _____ as in normal times
- Many people showed great kindness to strangers
- Additionally, many people developed _____

SECTION 3: HOOVER STRUGGLES WITH THE DEPRESSION

- After the stock market crash, _____ tried to reassure Americans
- He said, “Any lack of confidence in the economic future . . . Is foolish”
- _____

HOOVER’S PHILOSOPHY

- _____
- He believed in “_____” – the idea that people succeed through their own efforts
- People should take care of themselves, not depend on governmental hand-outs
- He said people should “pull themselves up by their bootstraps”

HOOVER’S SUCCESSFUL DAM PROJECT

- Hoover successfully organized and authorized the construction of the _____

- The \$700 million project was the world's tallest dam (726 feet) and the second largest (1,244 feet long)
- The dam currently provides electricity, flood control and water for 7 western states

HOOVER TAKES ACTION: _____

- Hoover gradually softened his position on government intervention in the economy
- _____
- He also created the _____ that helped smaller banks
- His Federal Home Loan Bank Act and Reconstruction Finance Corp were two measures enacted to protect people's homes and businesses

BONUS ARMY

- A 1932 incident further damaged Hoover's image
- That spring about 15,000 World War I vets arrived in Washington to support a proposed bill
- The _____ would have authorized Congress to pay a bonus to WWI vets _____
- _____ --- The Army vets wanted it NOW

BONUS ARMY TURNED DOWN

- _____
- On June 17, 1932 the Senate _____

BONUS MARCHERS CLASH WITH SOLDIERS

- Hoover told the Bonus marchers to go home-- most did
- 2,000 refused to leave
- Hoover sent _____ and his aide Dwight _____.

AMERICANS SHOCKED AT TREATMENT OF WWI VETS

- MacArthur's 12th infantry gassed more than 1,000 marchers, including an 11-month old baby, who died
- Two vets were shot and scores injured
- _____