



## **Chapter 23: The Great Depression & the New Deal (1929-1939)**

Causes of Great Depression (end of Ch. 22)

Great Depression Impact on Families

Herbert Hoover's Economic Policies

Reconstruction Finance Corporation

Bonus Army

FDR's Fireside Chats

Key "Alphabet Soup" New Deal Agencies to know: AAA, WPA, TVA, CCC, FDIC, NRA, Social Security, SEC

the Liberty League

Charles Coughlin & Huey Long

"Welfare State"

Wagner Act

"Court Packing" Controversy

Deficit Spending (*Keynesian Economics*)

Eleanor Roosevelt

African-Americans & the New Deal

Indian Reorganization Act

Dust Bowl Migrants

Federal Arts Project

Political Legacies of the New Deal

**Chapters 23 Multiple Choice Assessment on Thursday 3/5**

***The Great Depression: Crash Course US History #33***

# Causes of the Great Depression (Are Still Debates Today)

Only about 3-4% of Americans owned stocks in 1929, but about 25% of Americans were unemployed by 1932. Why???

## Key Contributing Background Factors During the 1920s Leading to a Prolonged “Great Depression” in the 1930s

**High Consumer Debts** - Spending by average Americans of the 1920’s artificially “pumped up” the economy (and inflated stock prices) because many purchases were made on over extended credit. Despite superficial business boom, most Americans do not have savings to “ride out” hard times.

**Lack of Regulation** – Government return to *Laissez Faire* approach following an end of Progressive influence allows stock market, banks & consumers to get “out of control”.

**Over Production** – Too much grown on American farms and made in US factories but not enough domestic buyers with “real” money to purchase them by the late 1920s.

**High Tariffs** – Conservative, isolationist 1920s leaders attempt to “protect” American businesses with high tariffs (taxes on foreign imports). In turn, European countries retaliated with high tariffs on US products and the possibility of selling surplus American goods overseas is reduced.

## DISCUSSION QUESTION: Who is most to blame for the Great Depression?

### Stock Market “Panic” in October, 1929 is a CATALYST for “Chain Reaction” of Event Summarized Below (but NOT cause of Great Depression)

*Panicked investors (many of whom bought stocks on credit) sell at low prices to recover some cash*



*Potential new investors lose confidence in the stock market (ex: Richer people who still have “real” money)*



*Less new stock investments*



*Less \$ for “publicly traded” bigger businesses (ex: Ford Automobile)*



*Big businesses produce & spend less*



*Smaller “Mom & Pop” businesses that depend on bigger businesses hurt (ex: Detroit area clothing store)*



*Big & small businesses cut wages and/or reduce employees (ex: Ford assembly line workers & Detroit clothing store clerks laid off)*



*Unemployed workers cannot pay back bank/consumer loans (ex: cars & homes of unemployed “repossessed”)*



*Banks (who invested depositors \$ in stocks) cannot pay depositors (ex: Retired people who are living off bank savings)*



*Many depositors “Run on Banks” leading to more banks failures (ex: thousands of banks close permanently)*



*Depositors at failed banks lose savings (No government bank insurance exists at the time)*



*Remaining banks nervous and extend less credit for new investment (ex: Hard to get construction loans...construction workers lose jobs)*



*Spiral Continue...Less New Spending = More Wage/Job Cuts = Deflation & Long Term Depressed Economy*

## DISCUSSION QUESTION: How could people who did not own stocks still be hurt by the Crash of 1929?

# **Great Depression Facts & Figures**

## **Which grabs your attention most...why?**

**13 million people (24 % of all workers) became unemployed by late 1932.**

**In 1932, 34 million Americans (28%) belonged to families with no regular full-time wage earner.**

**American industrial manufacturing fell by nearly 45% between the years 1929 and 1932.**

**The number of new houses built annually dropped by 80% between 1929 and 1932.**

**By 1933, one third of the banks in the US had failed wiping out almost 9 million savings accounts.**

**Between 1929 and 1933, the New York stock exchange lost 80% of its value.**

**Over one million families lost their farms between 1930 and 1934.**

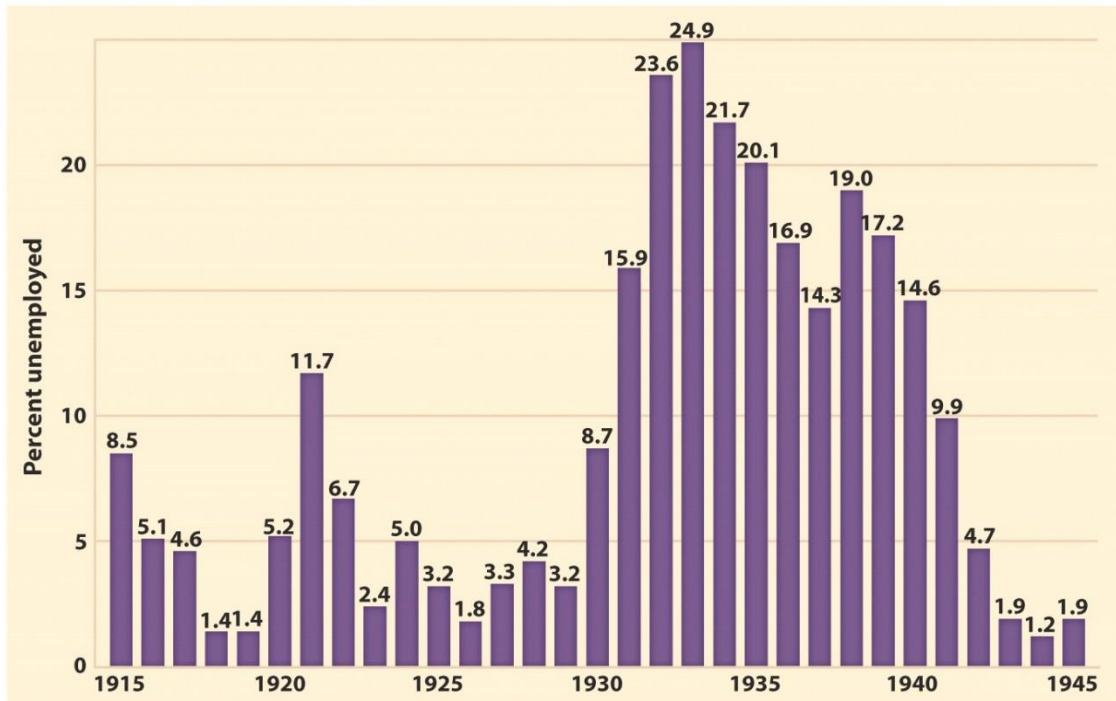
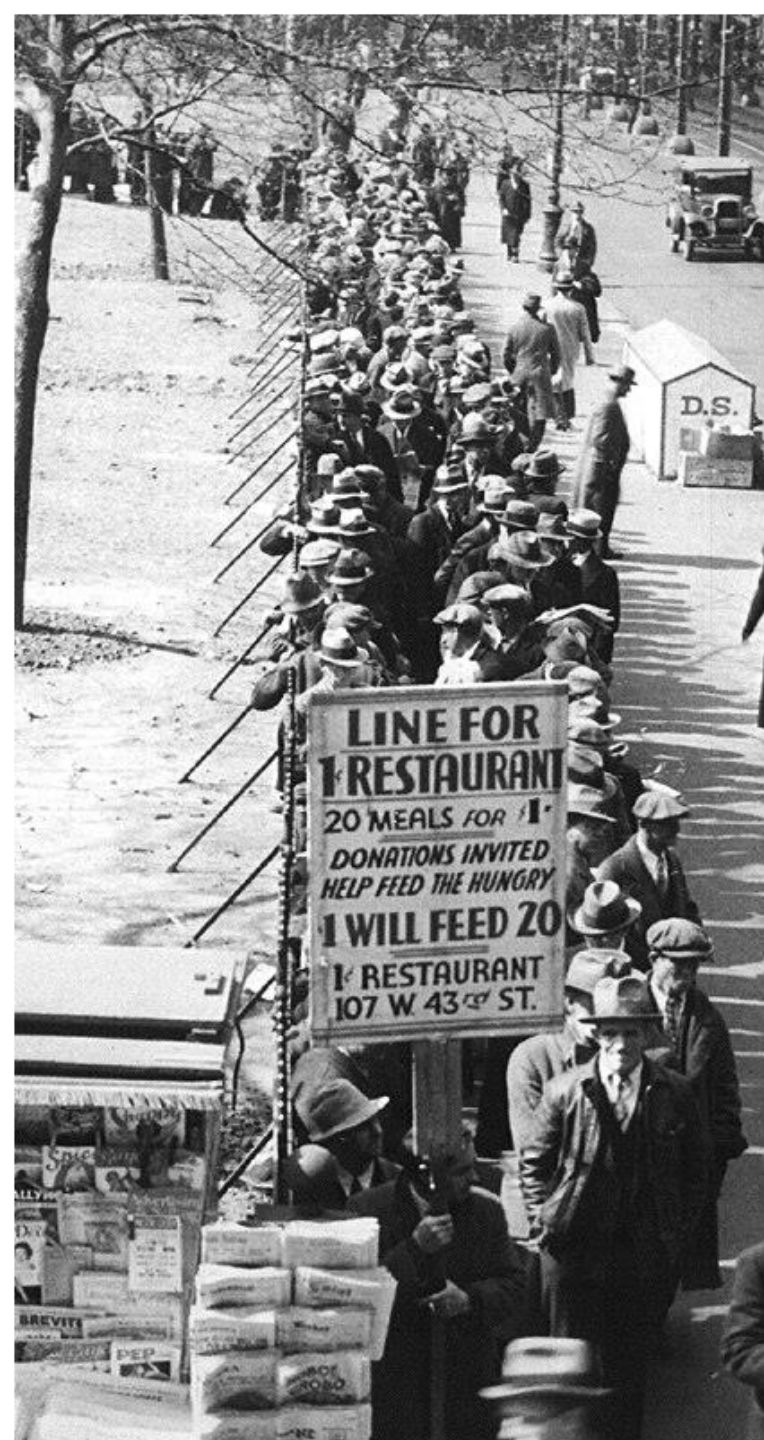
**Between 1929 and 1932 the income of the average American family was reduced by 40%.**

**There were two million homeless people migrating around the country in 1933.**

**Over 60% of Americans were categorized as poor by the federal government in 1933.**

**In 1929, there were about 300,00 immigrants to the US, but in 1933 only 23,000 came to the U.S.**

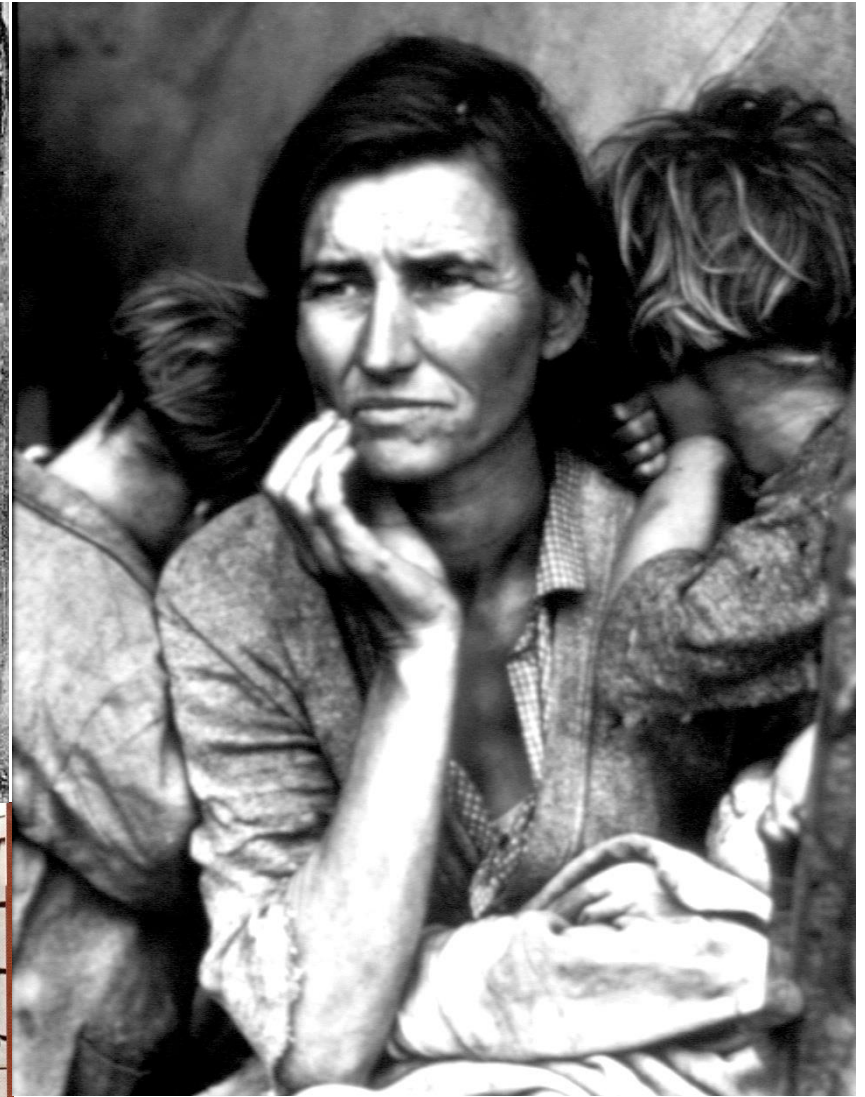
# Social Impacts of the Great Depression





Economic problems leads to nationwide psychological depression = hopelessness & despair

## The “Invisible Scar” of the Great Depression



15 Minute Video Profiling Some of  
the Social/Family Impacts of Great Depression

[\*The Century: America's Time  
Stormy Weather \(1929-1936\)\*](#)

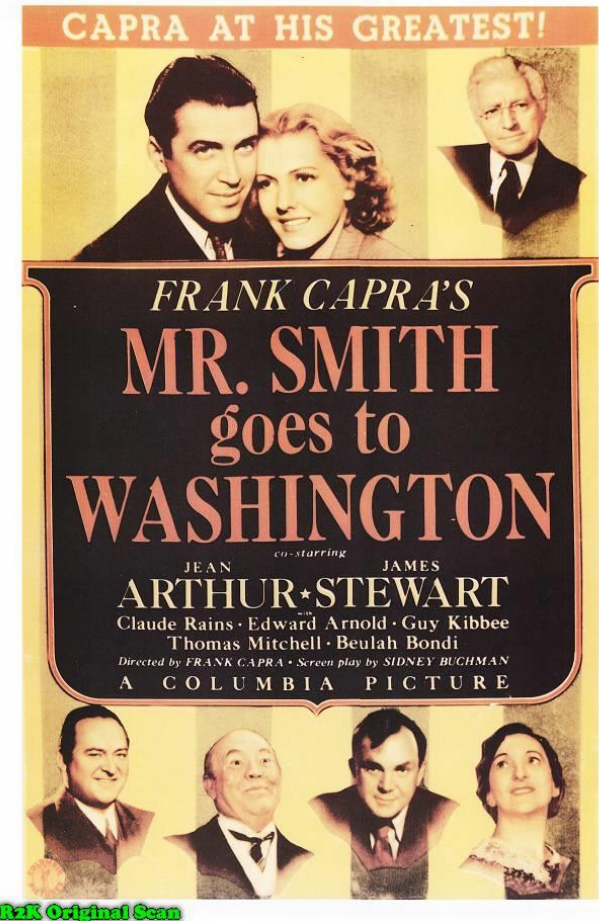
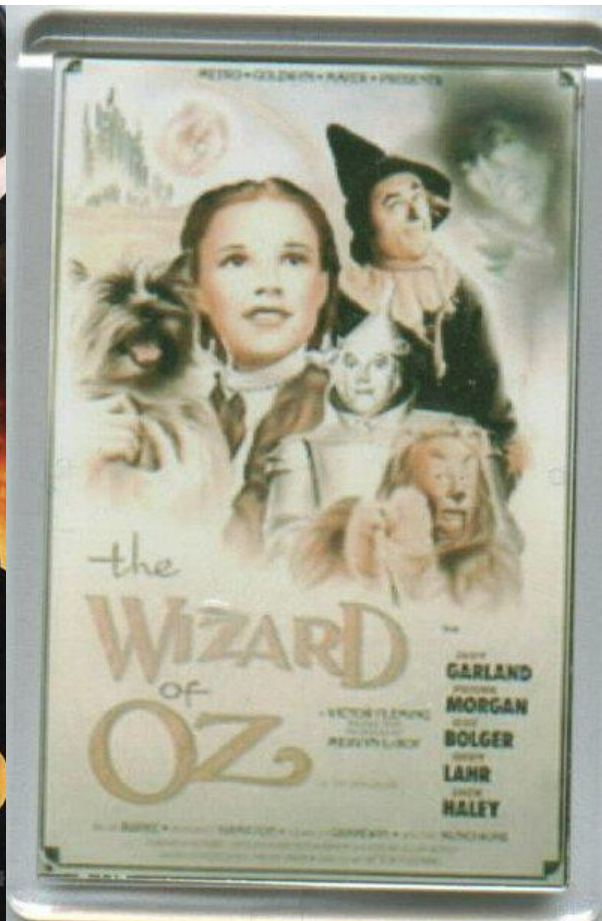


# *Escapist Entertainment*

becomes popular and movie attendance goes up  
in 1930's despite economic problems

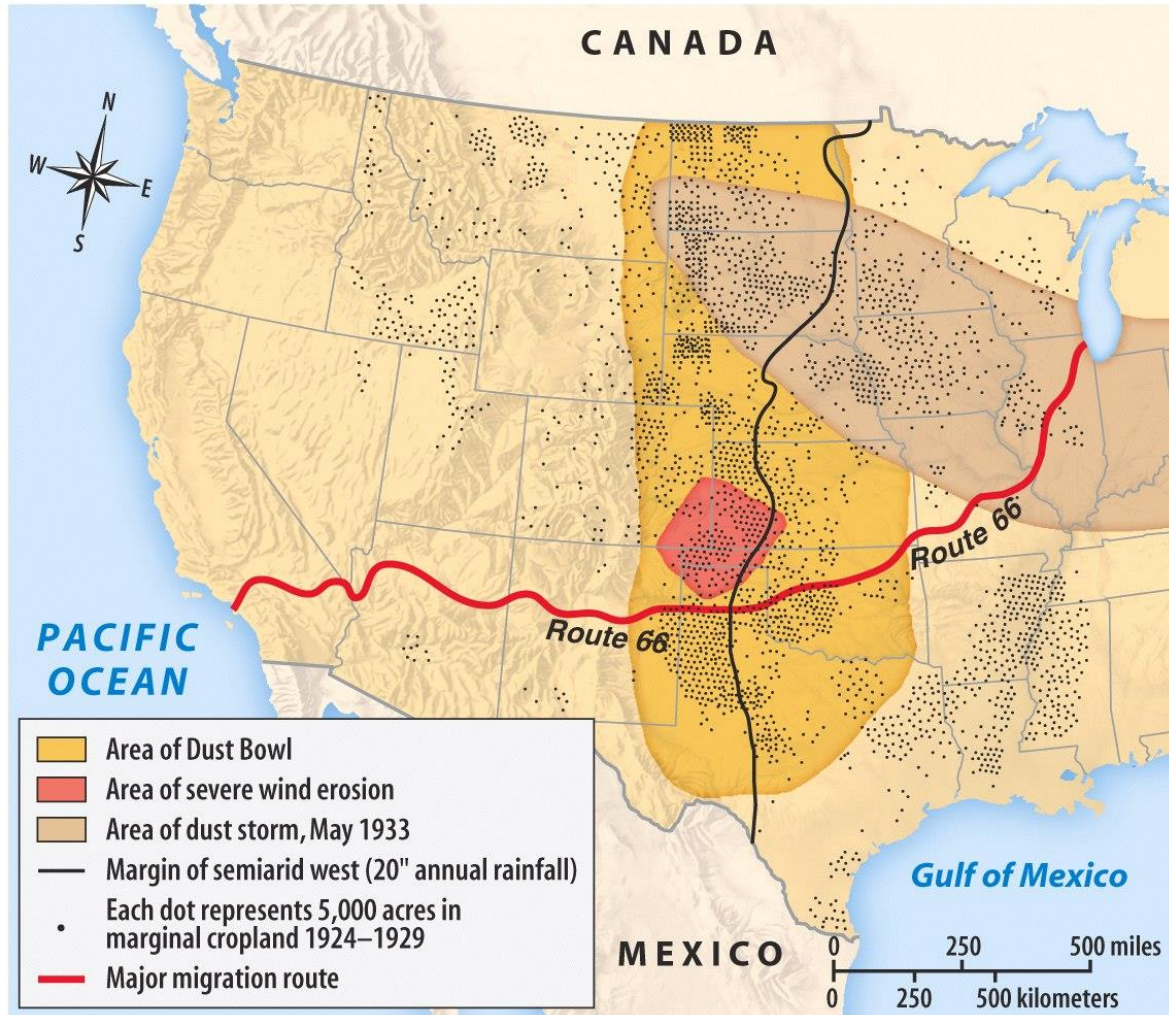
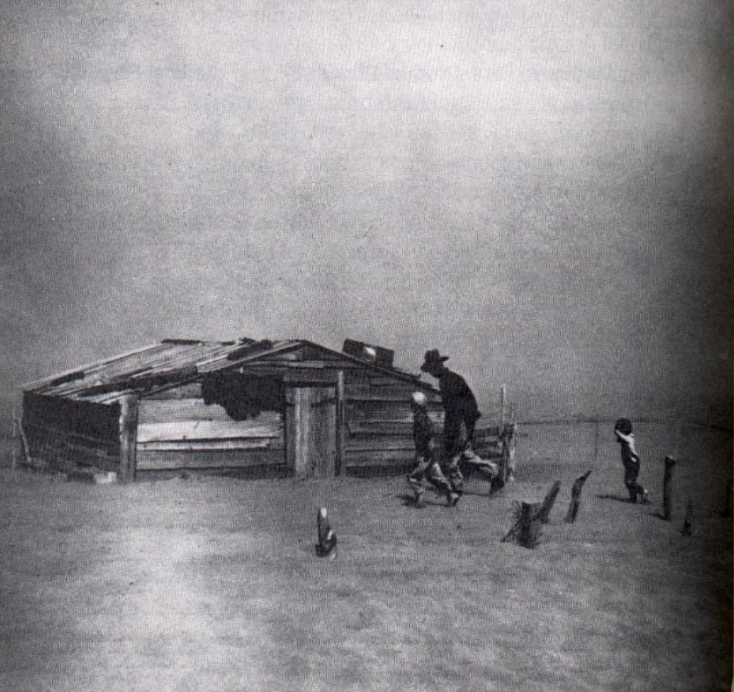
## WHY?

### What type of movies are most popular?





**Midwest *Dust Bowl* (yellow & red areas on map) hurts already weak farming sector and sparks an exodus out of hardest hit into areas westward (mostly California)**



# President Herbert Hoover & the Great Depression

Documentary Explaining Hoovers Great Depression Philosophy & Actions

[23:48 – 36:02 of PBS's \*Herbert Hoover\*](#)



You will be examining some documents that relate to President Herbert Hoover and his policies in the early years of the Great Depression

Consider & be ready to discuss the

- Context**
- Audience**
- Purpose**
- Point of View**





**#1**

**Context**

**Audience**

**Purpose**

**Point of View**

*NY World*  
April, 1930



# #2

**Context**

**Audience**

**Purpose**

**Point of View**

*... The resourcefulness of America when challenged has never failed. Success is not gained by leaning upon government to solve all the problems before us. That way leads to undermining of individual will and destruction of character. Victory over this depression and over our other difficulties will be won by the resolution of our people to fight their own battles in their own communities, by stimulating their ingenuity to solve their own problems, by taking new courage to be masters of their own destiny in the struggle of life. . . .*

*(President Herbert Hoover -- Address by radio – February, 1931)*



#3



**Context**  
**Audience**  
**Purpose**  
**Point of View**

*Chicago, Illinois*  
*September, 1930*

*This advertisement was  
financed by the  
Hoover administration  
during the early  
stages of the Great  
Depression.*

**Context**

**Audience**

**Purpose**

**Point of View**

When You

**BUY** an **AUTOMOBILE**  
You **GIVE**

**3 Months' Work**  
to Someone



Which  
Allows  
Him to  
**BUY**

**OTHER PRODUCTS**

**#4**

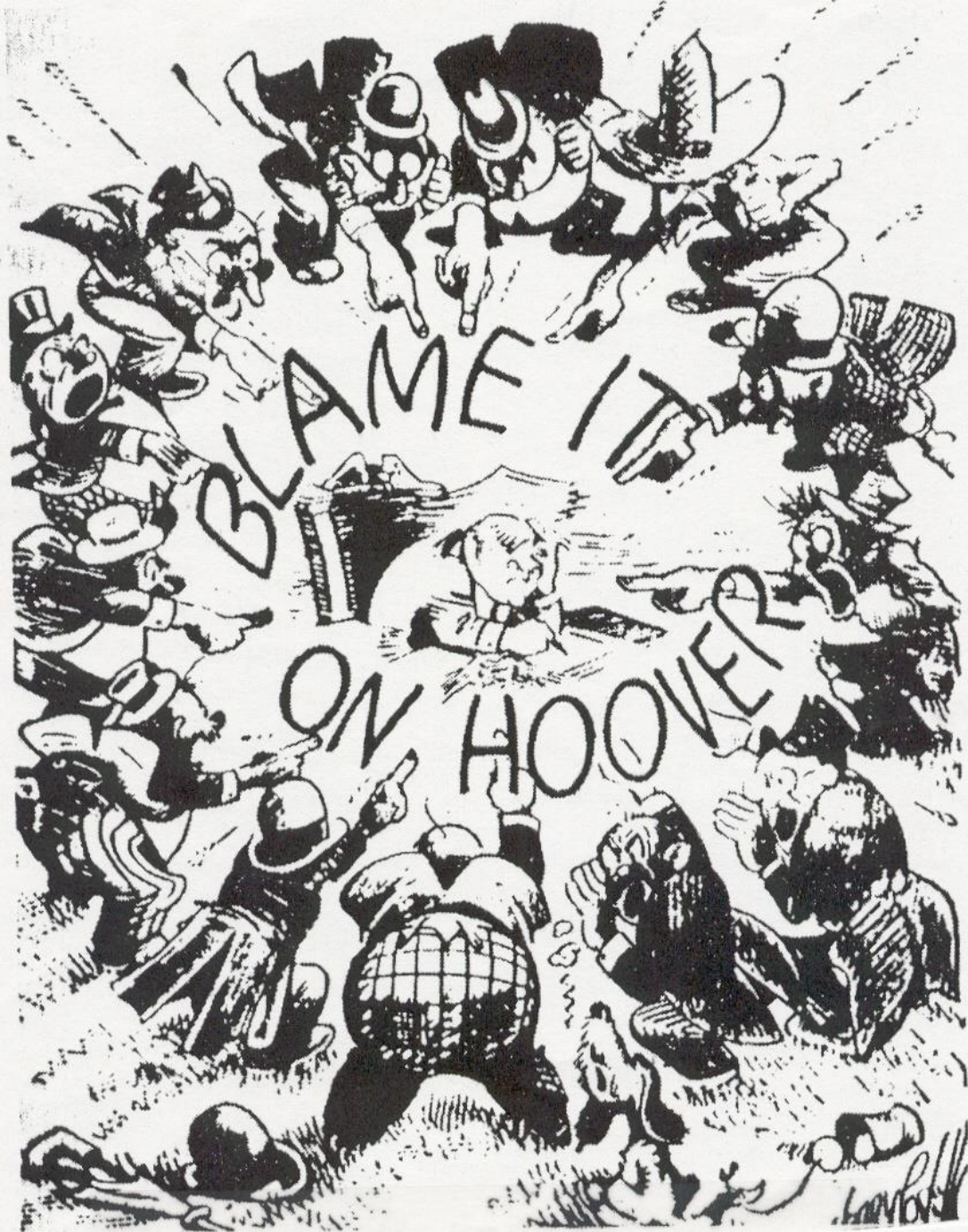
**BUY A CAR NOW—HELP BRING BACK PROSPERITY**

poster urged Americans to help the economy. "How'd they expect us to buy autos when we can't buy food?" a tinewith ake



**#5**

**Context**  
**Audience**  
**Purpose**  
**Point of View**





# #6

**Context**

**Audience**

**Purpose**

**Point of View**

*Headline & photograph  
both from early 1932*

## **President Signs Two Emergency Relief Measures**

**Legislation Providing 116  
Millions for Construction  
And 45 Millions for  
Drought Becomes Law**



**Construction of  
federally funded dam  
near Las Vegas, Nevada  
Employing about 5,000  
during construction**



# #7

Cartoon relating to Hoover Administration programs including the Reconstruction Finance Corporation (RFC)\*

Context

Audience

Purpose

Point of View

\* The **Reconstruction Finance Corporation (RFC)** was a government agency established late in the administration of Herbert Hoover in 1932. The agency gave \$2 billion in federal aid to state and local governments and made loans to banks, railroads, and other businesses to prevent them from bankruptcy. The agency did not distribute “direct relief” (cash payments) to citizens.





# #8

## Context Audience Purpose Point of View

Images on the right were taken in the summer of 1932 during the **Bonus Army** protests. The Bonus Army was the name given to a group of about 17,000 WWI veterans and their supporters who gathered in Washington DC as the Senate was debating a proposed bill which would have moved forward the date when WWI veterans could receive a federal bonus. The original law was passed during the 1920s and promised a \$1,000 bonus (about \$18,000 today) to veterans in 1945.

The protesters hoped that they could convince Congress to make the bonus payment immediately (many of the veterans were unemployed due to the Depression). The bill was defeated in Congress, but some of the Bonus Army stayed in a shanty town and continued to protest.

President Hoover eventually ordered federal troops to remove the protesters from their encampment and violence ensued. Hundreds of people were injured and two protesters were reported dead as a result of the confrontation.



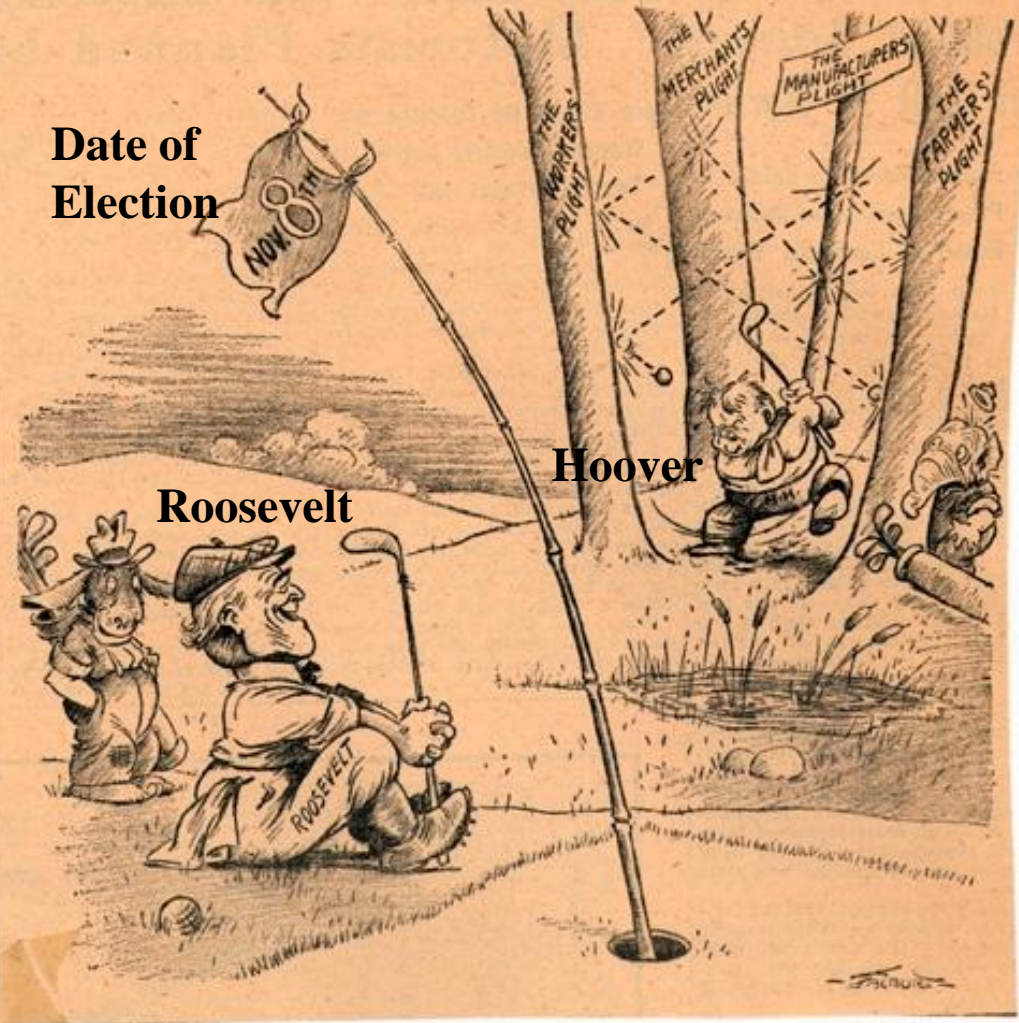
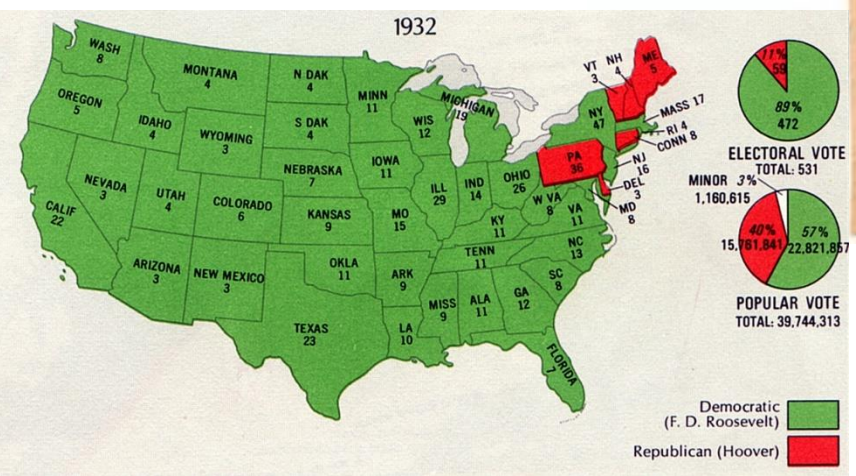
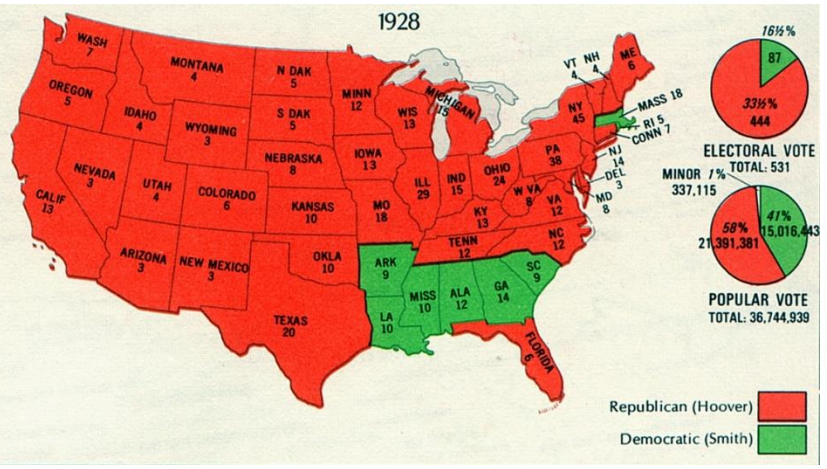


# #9

Context  
Audience  
Purpose  
Point of View

—And No Putts Conceded!

—By Talburt



Roosevelt

Hoover