

1928 - 1932

THE GREAT DEPRESSION

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.

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.

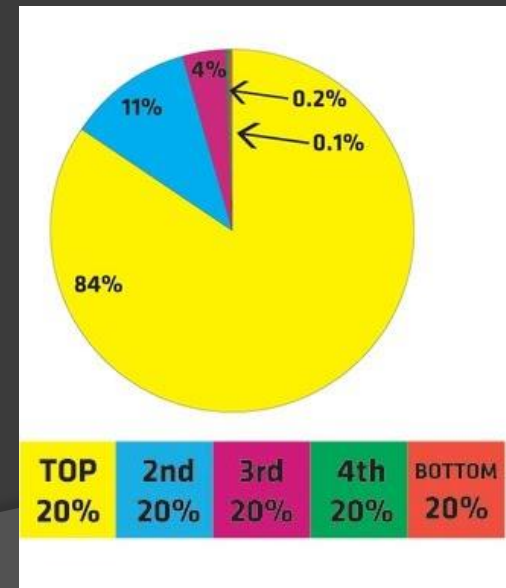
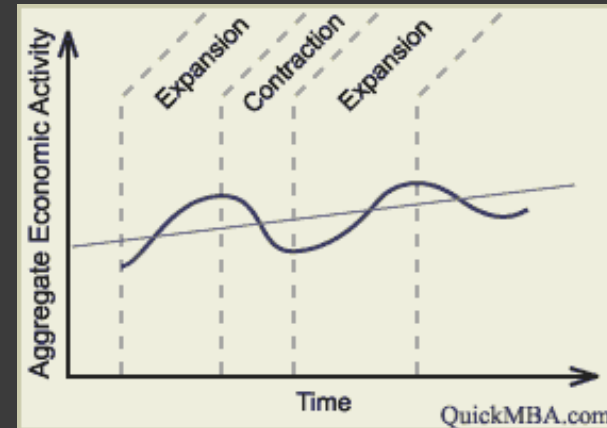
Industry Flourishes in the '20s

- ⦿ 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)



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 speculation hit the stock market today, as financial uncertainty fed on rumor and turned 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 adlib their losses.

It is believed those 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 near-panic on the Chicago commodities exchange. Rumors spread from one end of the United

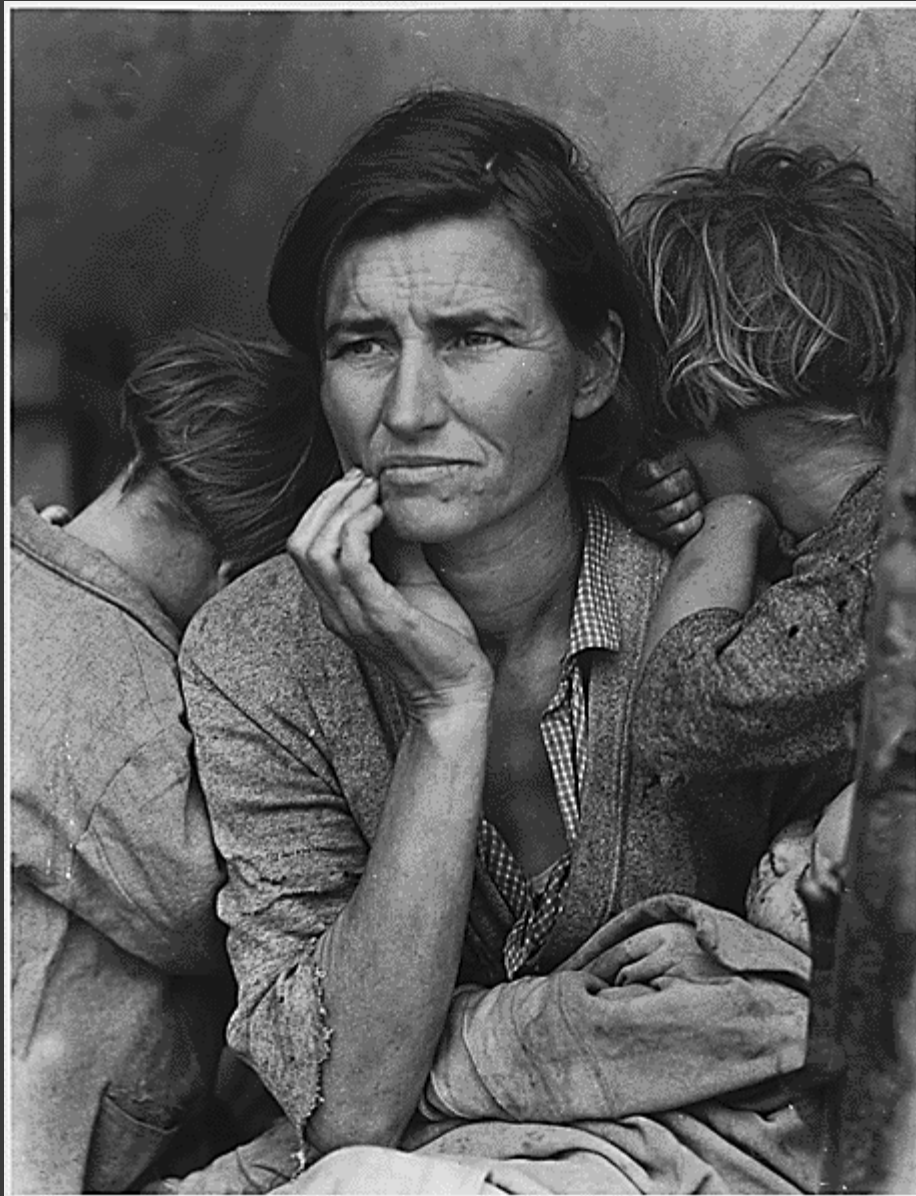
- Speculation – process of taking high risks investments in hopes of quick profits
- Black Tuesday – October 29, 1929 – Stock Market crashes
- Investors pull out millions of dollars in hopes of salvaging what money they had left
- Marked the “beginning” of the Great Depression

Aftermath of the Crash

- ⦿ Banks failures, businesses close, unemployment reaches 25%
- ⦿ Families lose their homes and farms; lines for soup kitchens become common sights
- ⦿ Hoovervilles – 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.











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?

Brother, Can You Spare a Dime?

- Once in khaki suits Gee, we looked swell
Full of that Yankee Doodle De Dum
- Half a million boots went slogging through hell
I was the kid with the drum
- Say don't you remember, they called me Al
It was Al all the time
- Say don't you remember, I'm your pal!
Brother, can you spare a dime?

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

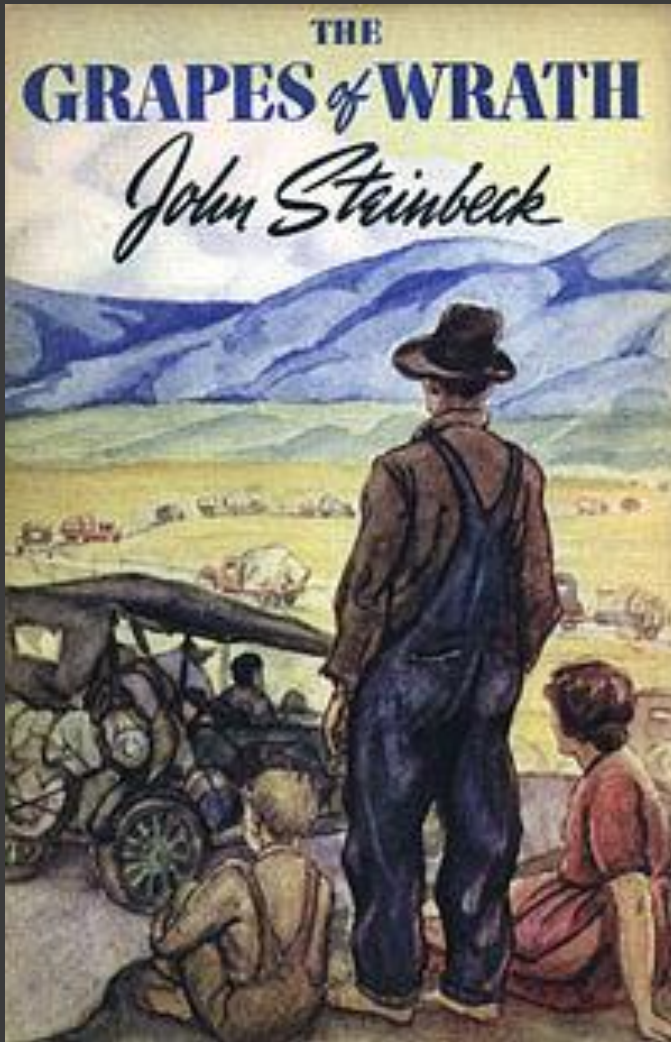




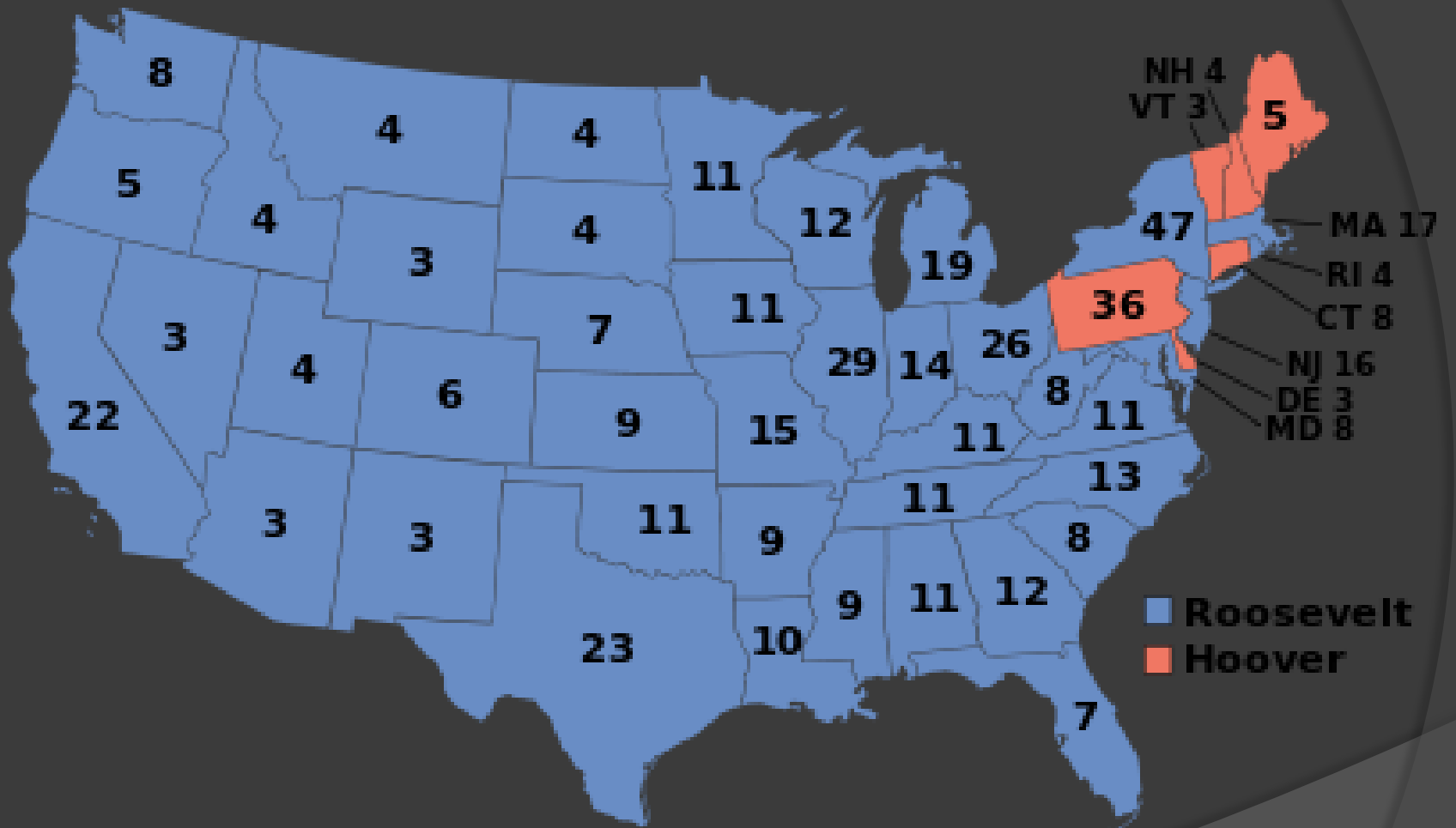




Okies Move West



- 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



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"

