



# Great Depression

Brother can you spare a dime?

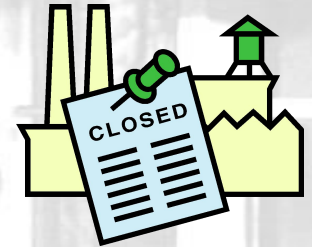
*Kuandyk  
Ayan  
Sherniyaz  
Bekzhan*

**OBJ #1 - Describe the CAUSES and SPARK of the Great Depression.** How did **Overproduction** affect both farmers and industry? What system collapsed and caused millions to lose their savings? Explain how buying on Margin created the Spark. How did people lose money because of the spark?

## I. OBJ #1- Cause & Spark of the Depression

### A. Causes of the Depression

1. **Overproduction**, too much stuff (Factories and Farms)



a. **Factory Workers begin to get laid-off**

- Workers cannot buy goods, even more goods are overproduced

b. **Farmers Can't Survive**

-low prices (can't pay loans / make a living)

**c. Supply & Demand- Prices Drop**

2. **Bank Failures**

a. Banks close and loose \$\$\$

b. People **default** on loans (Can't pay Back)

c. Banks cannot cover their deposits, because it was lent out to bad creditors **\*\*5,000 banks close between 1929-1932\*\***



d. **People loose entire LIFE SAVINGS**



# 1920's Problems

Factories making Too  
Much, Farms growing  
too much

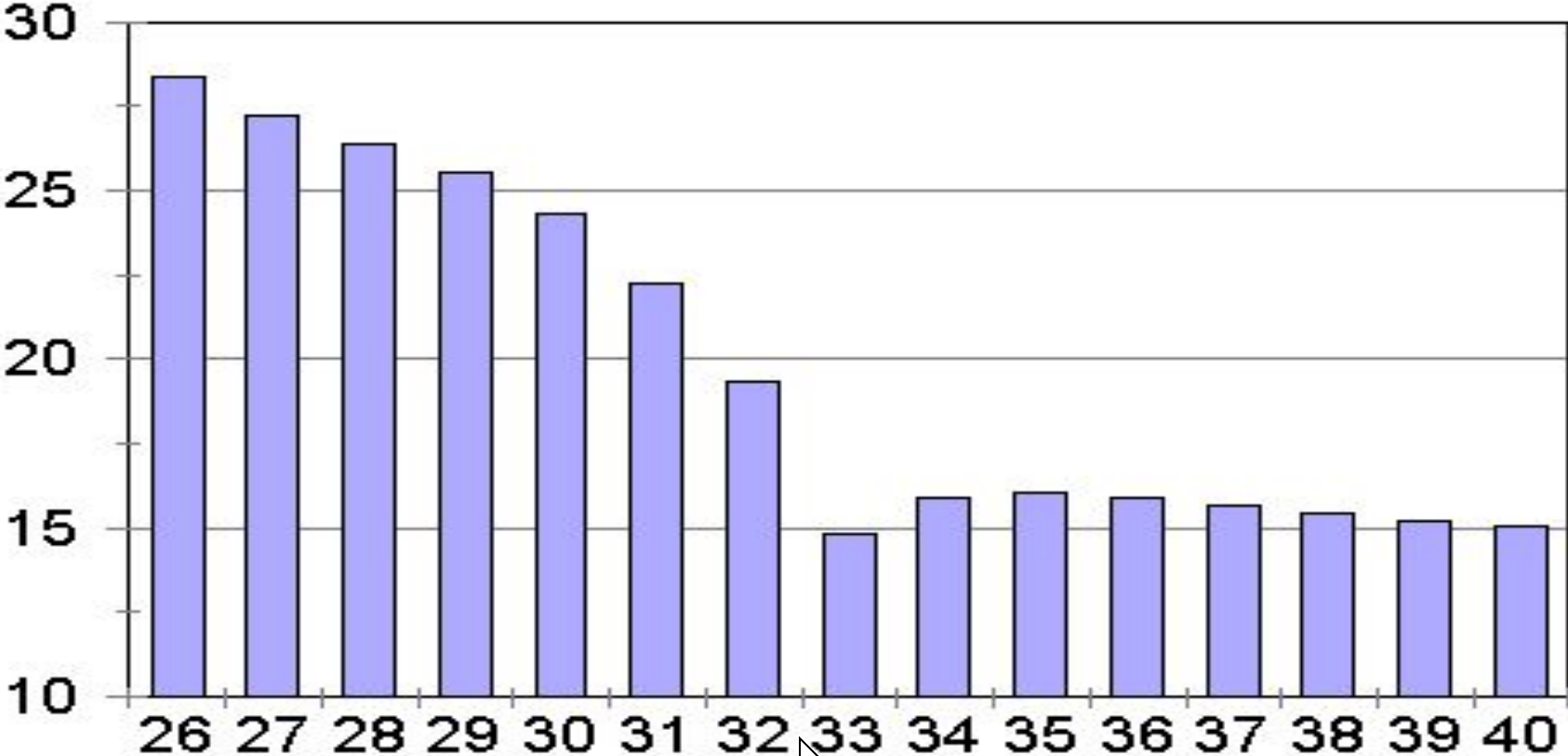
**BANKS Have NO \$\$**  
**PEOPLE LOST  
SAVINGS & JOBS**  
**NO ONE TO HELP!**

Factories Fire Workers  
(Don't need them)  
Farm Prices fall  
(Farmers can't make \$\$)

**Banks Close** because  
they have no money:  
Loans have not been paid  
back, can't give people  
their savings

Farmers & Factory Workers  
can't pay back loans to  
Banks: **DEFAULT!!**

# Number of Banks 1000's



People Default on Loans

+

Banks have no money to give people

=

Banks Close

People Lose savings

# OBJ #1- Cause & Sparks of Depression



## B. SPARK!!! Of the Depression

### 1. Stock Market Crash, Black Thur. Oct. 29, 1929

- Summer 1929, Investors begin to sell stocks
- Supply & Demand Again – Massive Sell-Off and prices begin to \_\_\_\_\_

### 2. How???

#### a. Buying on Margin (Borrowing \$\$)

- Buy stock by just paying a small portion of what the stock is worth

Shares at \$10 = \$1000 only pay \$300

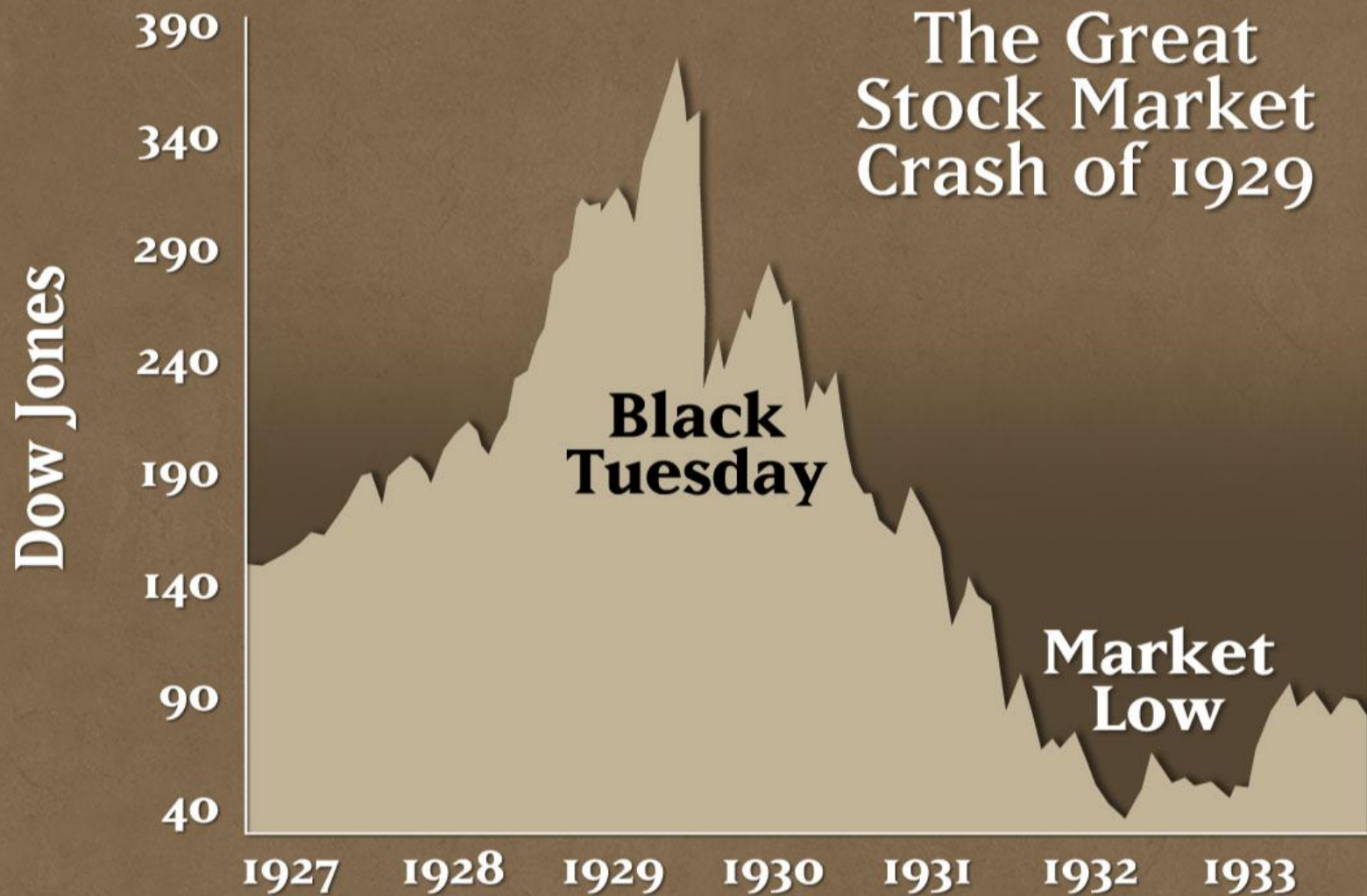
700

stock crashes and you lose your money and broker

broker can't pay back bank



# Stock Market before and after Black Tuesday



# OBJ #1- Cause & Sparks of Depression

## QUICK REVIEW:

**Causes:** 1. Overproduction  
2. Bank Closings

**Spark:** 1. Stock Market Crash

**Results:** 1. Unemployment  
2. Life Savings Lost

TOO MUCH STUFF!

BLACK TUESDAY



**OBJ #2** -Describe how the **Great Depression** affected people. Who was the president when it started, and what did he do to help? Who tried to help the poor and what problems did they have? How did people try to escape the Great Depression?

## II. OBJ. #2 – Affects of the Depression

### A. Jobless / Homeless

1. 1930-1932 – Jobless goes from 4 to 12 million
2. Houses are lost, people become homeless
3. People are **Desperate!!!!**

### B. Hatred for President Hoover

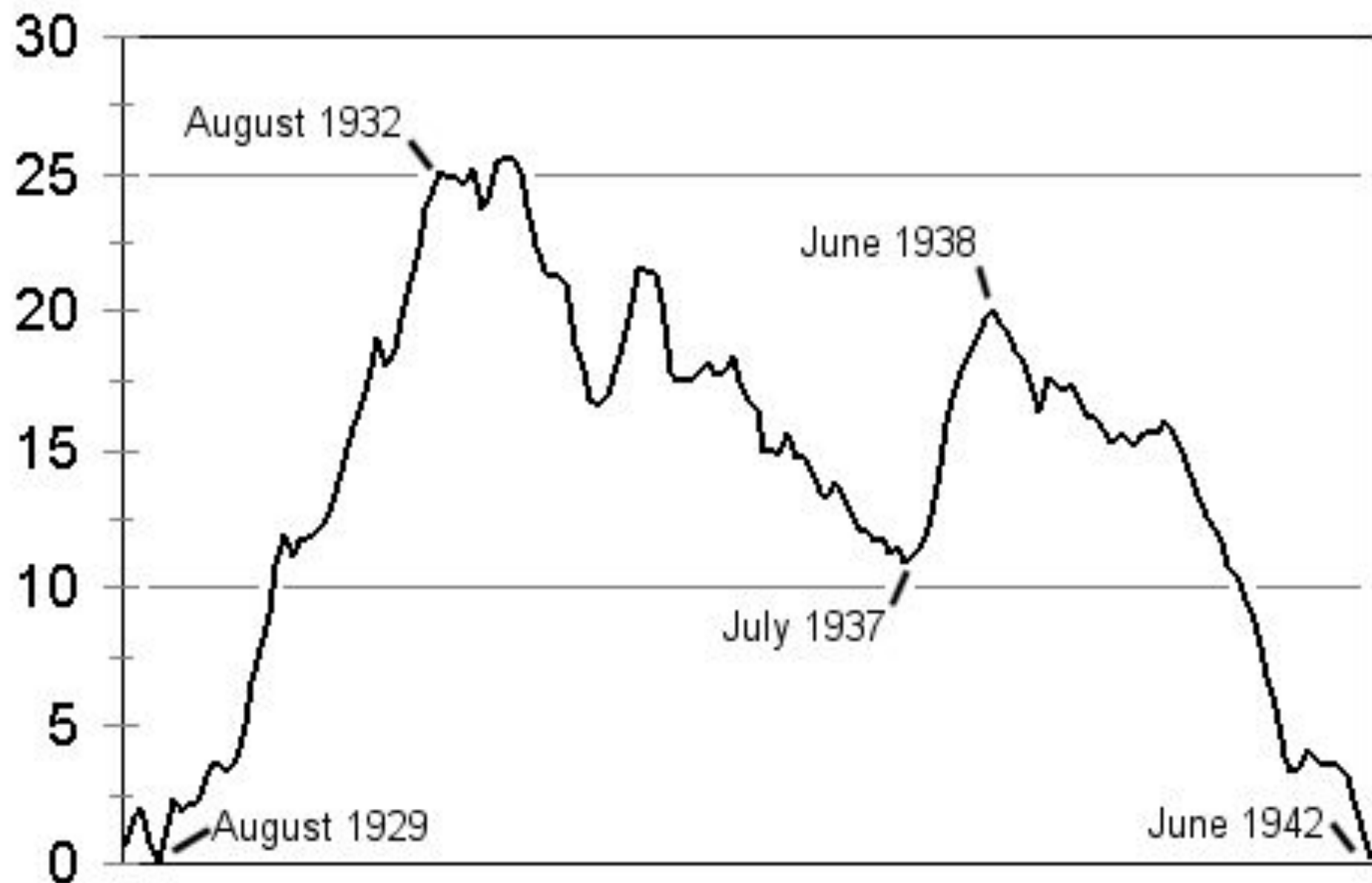
1. **Say's it is NOT Government's job to fix the Poor**
  - a. **Say Churches and other groups should help**
  - b. **PROBLEM: People too poor to help churches so churches can't help as much!!!**
2. **People name Poor Places after Hoover**
  - a. \*Hooverville- Shanty towns / Hoovermobile- cars pulled by mules
  - b. **BOS- look for jobs\*Hooverblankets- newspapers used as rails blankets by homeless**







# U.S. Unemployment Rate



# OBJ #2- Affects of the Great Depression

## 3. Bonus Army

- a. WWI veterans who were promised a \$ bonus in 1945,  
\* **Veterans want it NOW (1932)**

ans go to Washington and “camp out”

ver sends in Army (Eisenhower, MacArthur),  
s, machine guns, and burned the camp

down



# OBJ #2- Affects of the Great Depression

## C. Escaping the Depression

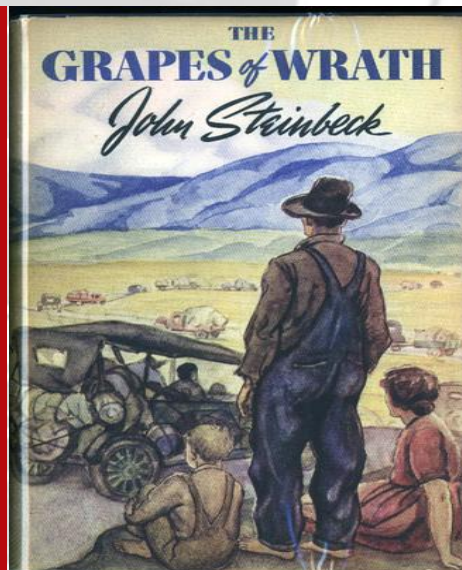
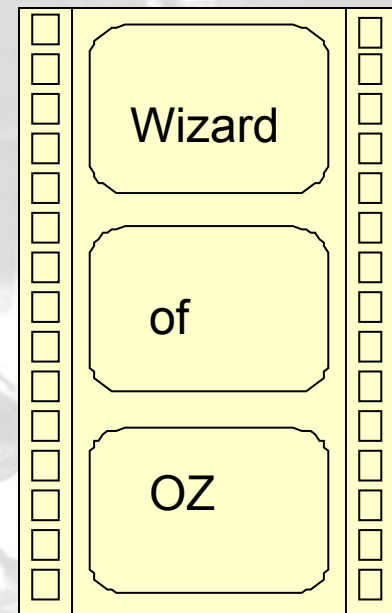
1. Radio- Comedies, Soap Operas
2. Movies- Shirley Temple, Child Actors
  - a. Snow White (first full-length animation)
  - b. Wizard of OZ

\*Small girl escaping the Dust Bowl

## 3. Literature

- a. Steinbeck, Grapes of Wrath

\*About a family of 'Okies' escaping the Dust Bowl and how horribly they were treated



**OBJ #3 - Describe the natural disaster that affected the U.S. during the Great Depression. What was the disaster's nick-name? What caused the disaster? Where did the people go to try and escape their troubles and how were they treated (nick-names for these people)?**

**III. OBJ. #3- Natural Disaster “The DUST BOWL”**

**A. Great Plains suffers a huge Drought (1931)**

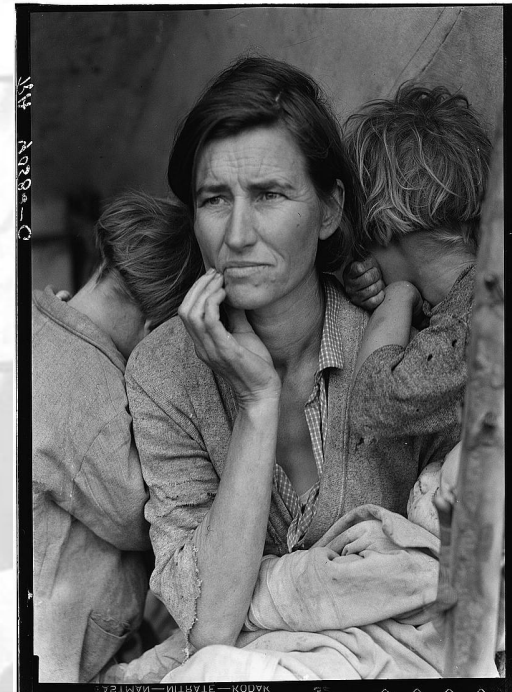
**1. Causes:**

- a. Drought . . .no rain
- b. New technology, tractors and steel plows tear-up extra sod that was holding onto soil, drought turns open soil into sand box

**2. Huge Dust storms cover ‘Great Plains**

**B. Results**

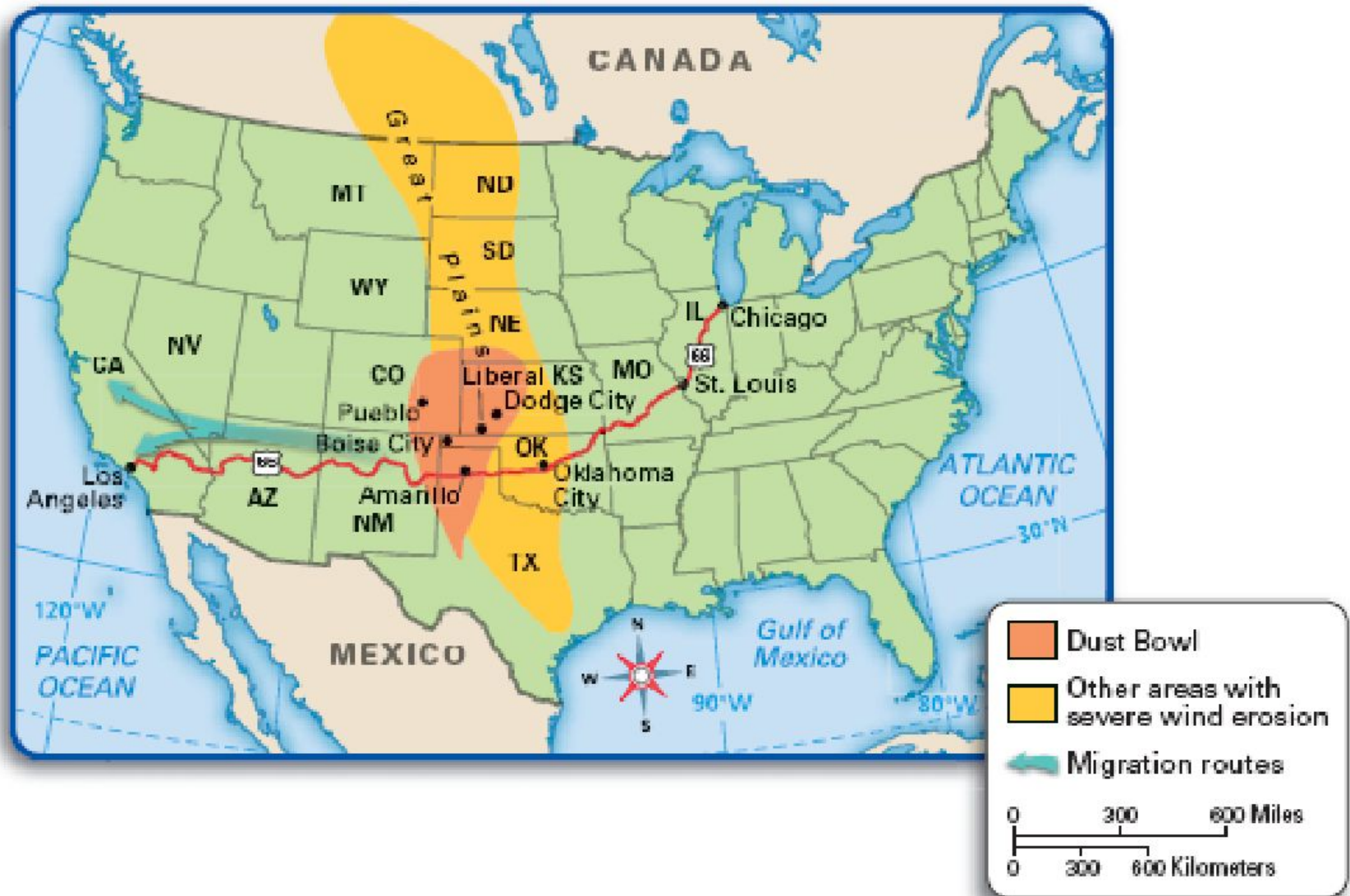
- 1. Can't pay banks- Banks take Farms
  - 2. Many Great Plains farmers move to California,
    - a. Try to get jobs on large farms
    - b. Treated poorly in Calif. -
- \*‘Okies’ & ‘Arkies’-Not wanted in West





More Oklahomans reach Calif. via the cotton fields of Ariz.

# The Dust Bowl



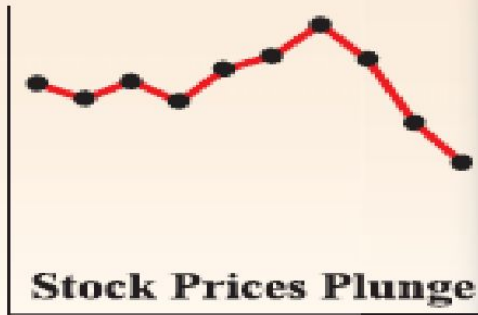
**OBJ #4 - Describe Franklin Roosevelt's approach to fixing the Great Depression.** What problem did Roosevelt fix first and how? What was Roosevelt's plan called? Name the three major goals of his plan?



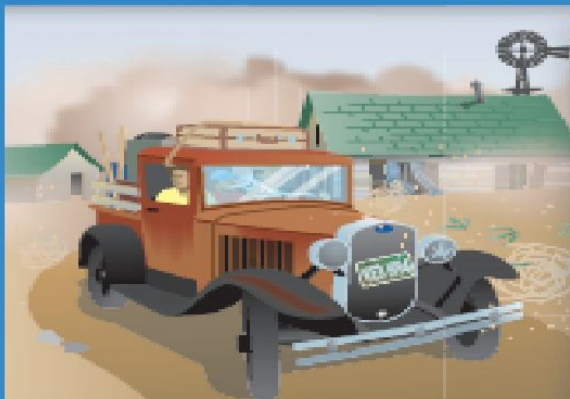
#### IV. OBJ. #4 - The New Deal

##### A. President Roosevelt Elected (1932)

1. NY Reformer (Governor)
2. Brain Trust- Used professors and experts to develop programs to fight the depression
3. Promised "New Deal" for Americans
  - a. Experiment and change to fight Depression



The economy began to decline when the stock market crashed in 1929.

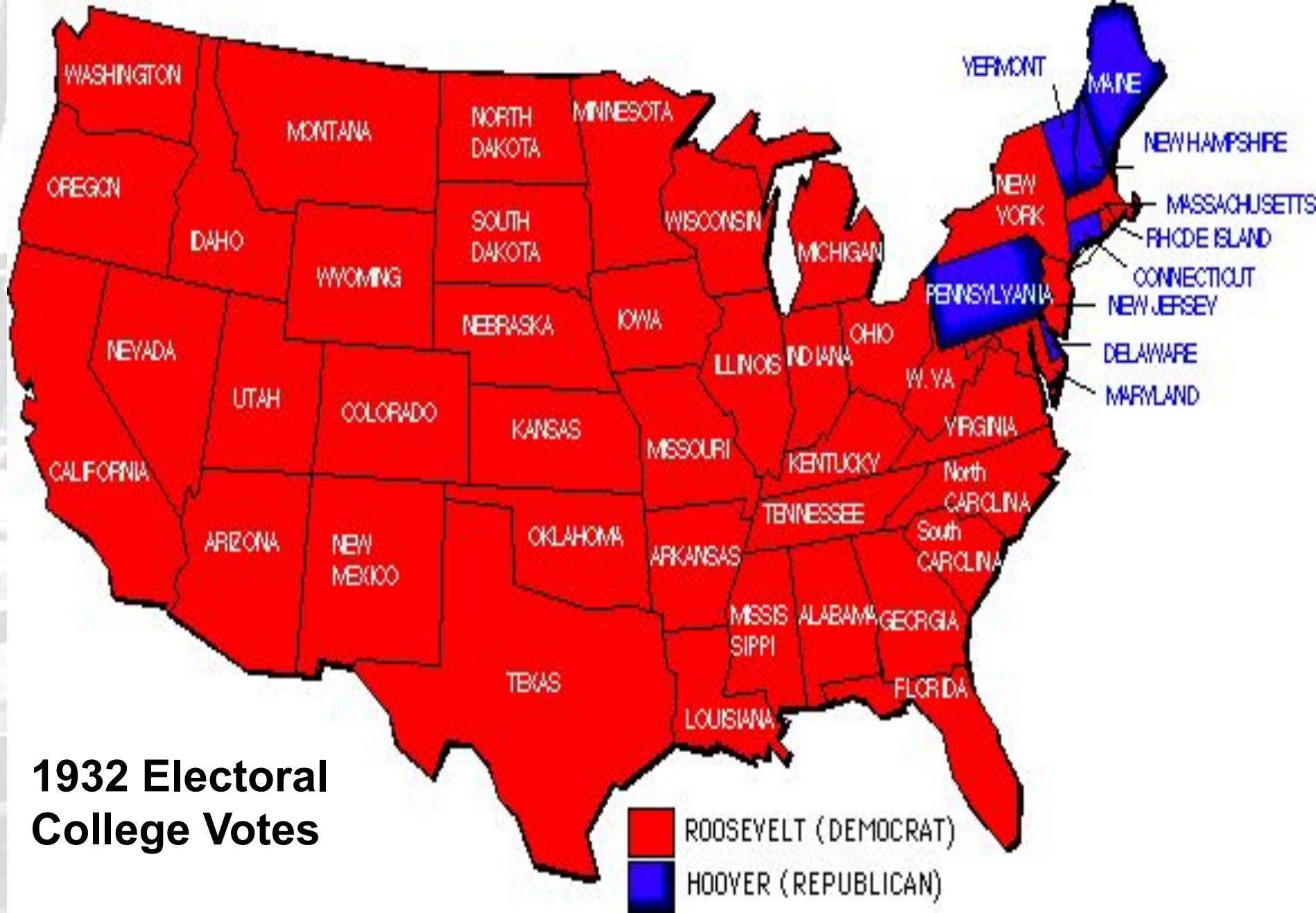


Many farmers from the Great Plains moved elsewhere to escape the devastation of the Dust Bowl.



President Roosevelt and Congress tried to end the financial crisis.

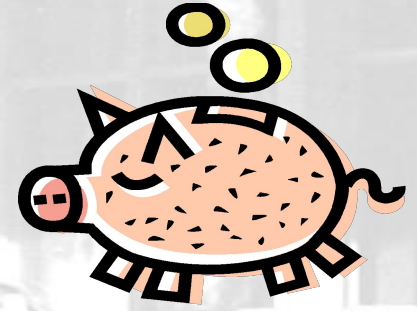




# 1932 Electoral College Votes

■ ROOSEVELT (DEMOCRAT)  
■ HOOVER (REPUBLICAN)

# OBJ #4- Fixing the Depression “New Deal”



## A. Fixing Banks!!!

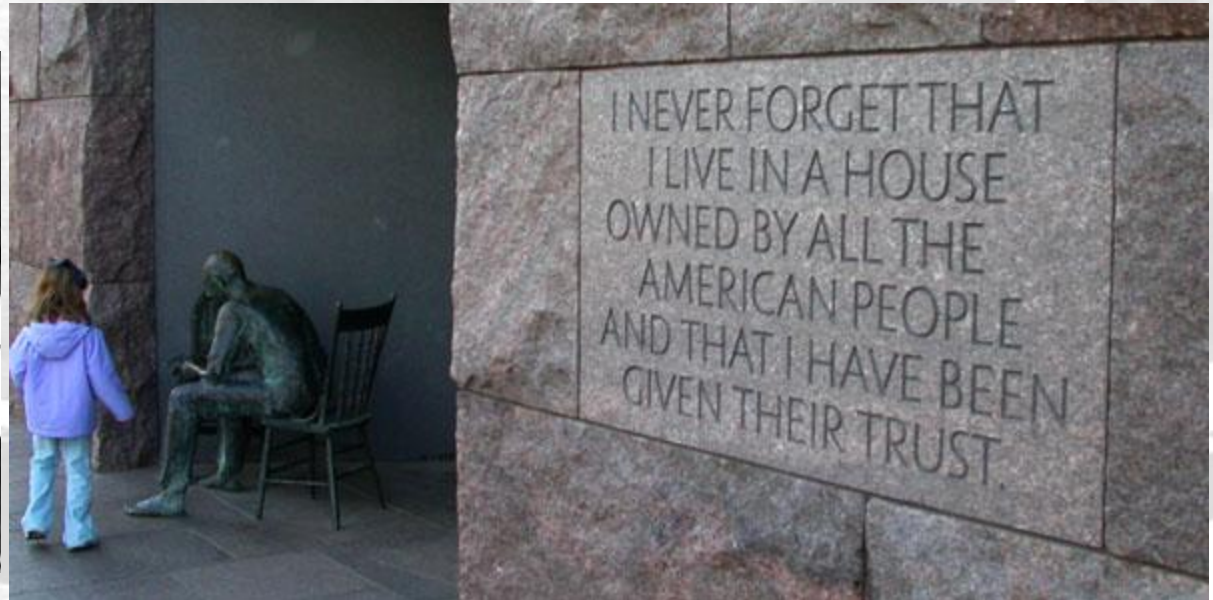
1. Declared a banking crisis

a. Closed **ALL** banks/ 4 day “**Bank Holiday**”

b. **Emergency Banking Relief Act**- Passed by Congress, allowed only sound banks to reopen, the rest remained closed

2. **Fireside Chat**- told Americans by **radio** that the good banks were safer than \$\$ in a mattress

(30 more ‘chats’ that Am. listened to during his presidency)



# OBJ #4- Fixing the Depression “New Deal”



## C. A NEW DEAL!!!

1. People Happy, **Roosevelt** sends bills to Congress

2. **NEW DEAL BEGINS- 3 Goals:**

a. **Relief for Unemployed**

b. **Plans for Recovery**

c. **Reforms to Prevent more Depressions**

3. **Major New Deal Programs**

### a. Unemployment

\***CCC- Civilian Conservation Corp**

\***PWA- Public Works Administration**

\***TVA- Tennessee Valley Authority**

### b. Recovery Plans

\***NRA- National Recovery Act**

\***AAA- Agricultural Adjustment Admin.**

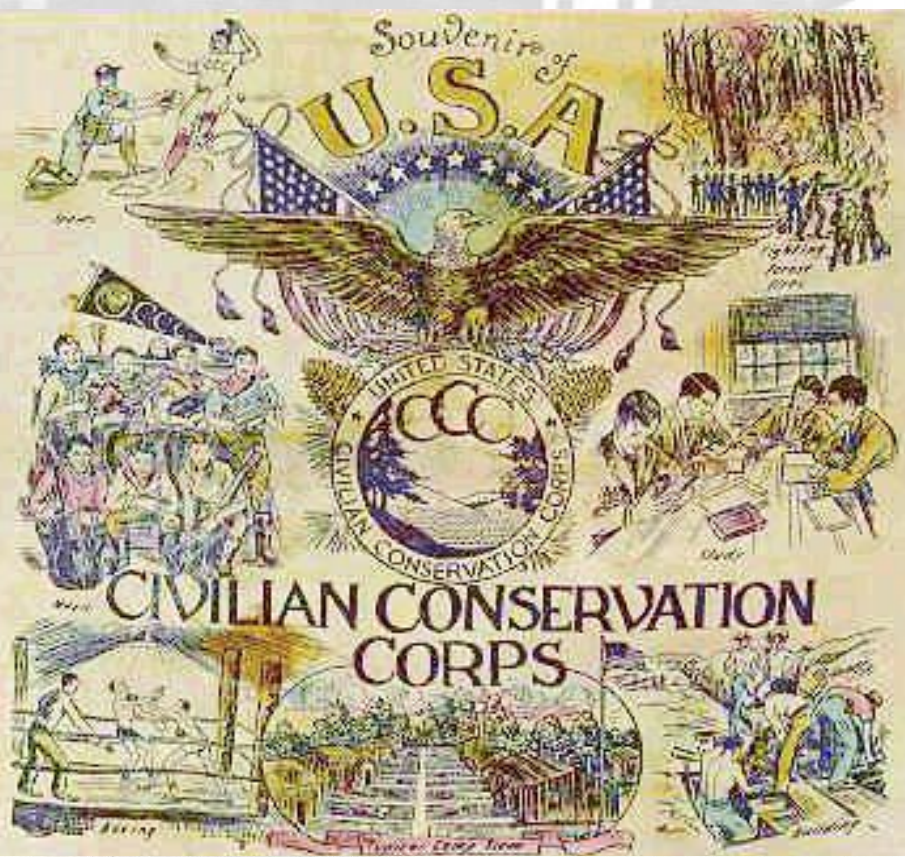
### c. Prevention Reforms

\***FDIC- Federal Deposit Insurance Corporation**

(Have you seen this?)

\***SEC- Securities and Exchange Commission**





Each depositor insured to at least \$100,000

*Backed by the full faith and credit of the United States government*



**FDIC**

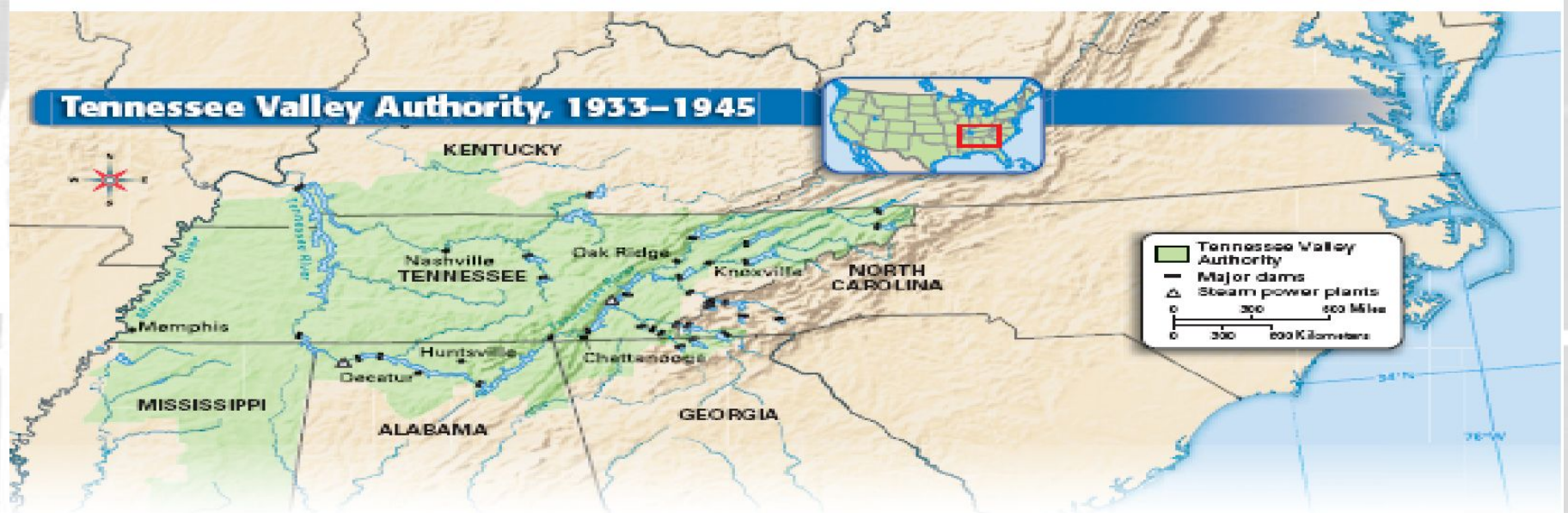
Federal Deposit Insurance Corporation • [www.fdic.gov](http://www.fdic.gov)



A woman hangs a National Recovery Administration (NRA) eagle emblem in a restaurant window, 1934



## Tennessee Valley Authority, 1933–1945



## Selected New Deal Programs

### Program

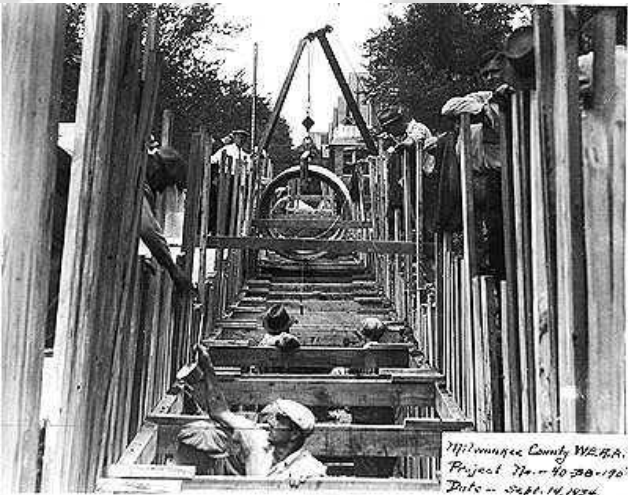
### Purpose

Emergency Banking Relief Act	Gave the executive branch the right to regulate banks
Farm Credit Act (FCA)	Refinanced loans to keep farmers from losing their land
Civilian Conservation Corps (CCC)	Created jobs for single, unemployed young men
Agricultural Adjustment Act (AAA)	Paid farmers to grow less (declared unconstitutional)
Tennessee Valley Authority (TVA)	Built dams and power plants in the Tennessee Valley
Federal Deposit Insurance Corporation (FDIC)	Guaranteed deposits in individual bank accounts
National Industrial Recovery Act (NIRA)	Established fair competition laws (declared unconstitutional)
Civil Works Administration (CWA)	Provided jobs for the unemployed
Works Progress Administration (WPA)	Created jobs in construction, research, and the arts
National Youth Administration (NYA)	Provided part-time jobs to students
National Labor Relations Act (Wagner Act)	Recognized unions' right to bargain collectively
Social Security Act	Provided government aid to the retired and unemployed

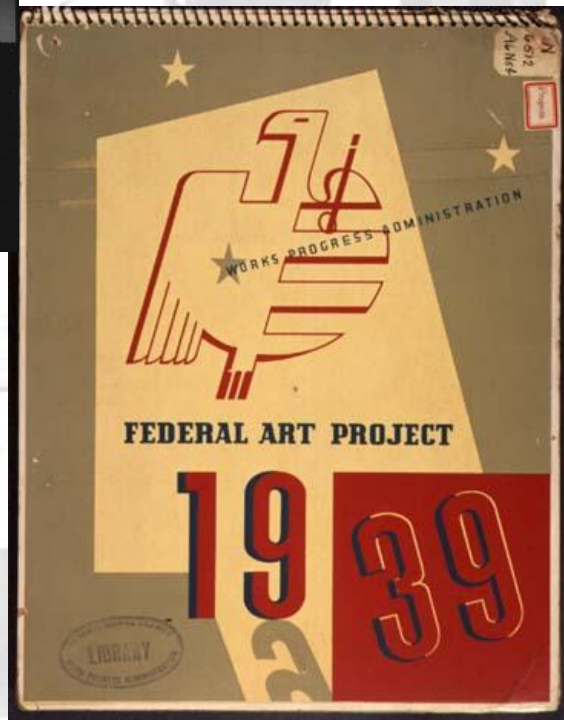
# OBJ #4- Fixing the Depression “New Deal”

## D. Results- Did NOT end the Depression

1. Most of the Businessmen **disliked** New Deal
2. Gave country confidence
  - a. Ended banking crisis
  - b. Helped with some Jobs
  - c. Infrastructure (buildings, schools, bridges, electricity, artwork)



McLennan County W.P.A.  
Project No. 40-30-190  
Date - Sept. 14, 1934.



**OBJ #5** - Describe the reasons people opposed Roosevelt's plan. Give two (2) examples of people who opposed Roosevelt. Why? What did the Supreme Court say about the early part of the New Deal? How did Roosevelt try and change their minds? What was the result?

**V. OBJ. #5 - Critics of the New Deal**

**A. BIG BUSINESS!!!! (Gov't doing too much!)**

**1. Gov't Can't tell us what to do**

**B. FDR, not doing enough:**

**1. "Share Our Wealth", Huey Long Gov. Louisiana**

- a. Heavy Tax on the wealthy
- b. Give everyone- Home, Car, \$\$
- c. Assassinated in 1935

**2. Father Coughlin, "Radio Priest"**

- a. Mad at FDR for not being tough enough on big business
- b. Hates communist, Unions, Jews (Hitler?)

**3. Francis Townsend**

- a. Give **pensions** to anyone 60+, would get jobs to younger people





# OBJ #5- Opponents of the New Deal (Against)

## C. Supreme Court Reacts

### 1. 11 New Deal Plans Ruled Unconstitutional

### 2. Roosevelt Reacts: 'Court Packing Scheme'

- a. Wants Court raised from 9 to 15
  - President chooses new judges
  - New judges would favor New Deal

### 3. Friends & Enemies Very Upset!!!

- a. FDR wants TOOO much POWER
- b. Congress with all friends won't pass law for FDR

### 4. FDR Wins Anyway- By 1938 New Judges

- a. 1 Justice switches, 1 Justice retires

