

THE GREAT DEPRESSION

1932: 15 MILLION UNEMPLOYED (20% of Pop.)
 1933: RISES TO 25% OF POP.
 2 MILLION HOMELESS *NOT INCLUDING FARMERS!

LONG TERM CAUSES

*MANY FARMERS WILL BECOME MIGRANT WORKERS DURING G.P.

Industry	Agriculture	Consumerism
<p>OVER PRODUCTION OF CONSUMER GOODS</p> <ul style="list-style-type: none"> WORKERS HAD STAGNANT WAGES ? COULDN'T KEEP UP W/ COST OF LIVING (BUYING) ASSEMBLY LINE PRODUCTION FLOODED THE MARKET CAUSING PRICES TO FALL ? LAY OFFS 60% OF AMERICANS COULD NOT AFFORD CARS, REFRIGERATORS, ETC. SO THEY BOUGHT W/ CREDIT → INDUSTRIES FAILED WHEN NOT PAID BACK <p>* CYCLICAL UNEMPLOYMENT</p>	<p>OVER PRODUCTION OF CROPS</p> <ul style="list-style-type: none"> PROSPERITY OF 1920'S NEVER REACHED FARMERS ↳ HIGH DEBT FROM WWI LOANS ? LOW PRICES EX: CORN BUSHELS DROPPED FROM \$1.30 IN 1919 TO \$0.47 IN 1920 COOLIDGE VETOED THE McNARY-HANCOCK "FARM RELIEF" BILL <p>DUST BOWL</p> <ul style="list-style-type: none"> DROUGHT, OVER USE / SOIL EROSION / OVER GRAZING / POOR IRRIGATION ↳ 3 MILLION FORECLOSURES; EX: 65,000 PEOPLE MOVED OUT OF NEBRASKA 	<p>AMERICANS WERE BUYING LESS BY THE LATE 1920s</p> <ul style="list-style-type: none"> RISING PRICES, STAGNANT WAGES, ? OVER BUYING ON CREDIT COST OF LIVING INCREASED CREDIT (EASY) LED TO OVER-INDEBTEDNESS WHICH LED TO DEFAULTS ON LOANS ? BANK FAILURES <p>UNEQUAL DISTRIBUTION OF WEALTH</p> <ul style="list-style-type: none"> FARMERS DID NOT ENJOY PROSPERITY OF 1920s WAGES HARDLY ROSE AT ALL TOP 5% OF POPULATION OWNED 1/3 OF ALL WEALTH

SHORT TERM

Stock Market	Bank and Business Closings	Collapse of Worldwide Trade
<p>BLACK THURSDAY: OCT 29, 1929 STOCK PRICES PLUNGED SO BANKS ? INVESTORS BOUGHT MILLIONS OF DOLLARS IN STOCKS TO STABILIZE THE MARKET</p> <p>↳ BLACK TUESDAY: OCT. 29, 1929 ALMOST COLLAPSE TRIED TO SELL TO NO BUYERS</p> <p>↳ Dow Jones INDEX DROPPED FROM 381 TO 198 (TO 41 BY 1933)</p> <p>WHY?? → RAMPANT SPECULATION ("BUY MARKET") BUYING ON MARGIN (USING BULLDOGS \$ TO BUY STOCKS)</p>	<p>BANK RUNS</p> <ul style="list-style-type: none"> MANY BANKS HAD INVESTED \$ INTO STOCK MARKET ? LOST DIDN'T HAVE \$ TO GIVE BACK TO CUSTOMERS / BANKS CLOSE 20% OF ALL BANKS CLOSED 10 MILLION AMERICANS LOST THEIR SAVINGS \$140 BILLION LOST BY 1933 DECREASE IN LOANS PROMPTED LEADS TO A LACK OF BUSINESS GROWTH ? CONSUMERISM <p>BY 1933, 2 MILLION HOMELESS ? 15 MILLION UNEMPLOYED (25%)</p>	<p>EUROPEAN COUNTRIES HAD NOT YET RECOVERED FROM WWI</p> <p>HAWLEY-SMoot TARIFF</p> <ul style="list-style-type: none"> 63% TARIFF (1930) EUROPEANS RETALIATED W/ OWN TARIFFS (TRADE WAR), EFFECTIVELY REDUCING ALL TRADE ↳ 20,000+ U.S. PRODUCTS HIT; ESP. HURT FARMERS <p>1931 DEBT MORATORIUM</p> <ul style="list-style-type: none"> DISCONTINUED DAWES PLAN SUSPENDED ALL DEBT REPAYMENTS → HURT BANKS FURTHER

HOOVER'S RESPONSE (TOO LITTLE, TOO LATE)

POLITICAL PHILOSOPHY	<p>Rugged Individualism</p> <p>INDIVIDUALS, NOT THE GOV'T, SHOULD HELP THEMSELVES (EXERCISE VOLUNTARY ACTION ? RESTRAINT)</p> <p>HOOVER ? OTHERS BELIEVED THAT PROSPERITY WOULD RETURN</p> <p>FEARED THAT GOV'T ASSISTANCE WOULD DESTROY PEOPLE'S SELF-RELIANCE</p>	<p>HOOVER URGED: BUSINESSES NOT TO CUT WAGES</p> <p>UNIONS NOT TO STRIKE</p> <p>CHARITIES TO INCREASE EFFORTS</p> <p>PUBLIC RELIEF FROM STATE / LOCAL GOV'T</p>
ACTIONS / LAWS	<p>Public Works Projects</p> <p>GOV'T FUNDED WORK PROJECTS EX: BOULDER DAM (HOOVER DAM) → EMPLOYED 21,000 OVER 5 YEARS</p>	
	<p>Reconstruction Finance Corporation (RFC) (1932)</p> <p>FED. GOV'T INJECTED \$2 BILLION INTO THE ECONOMY TO PROP UP FAULTERING BANKS, RAILROADS, INSURANCE COMPANIES</p> <p>↳ EMERGENCY LOANS MEANT TO STABILIZE BUSINESSES ? THE BENEFITS WOULD TRICKLE DOWN TO WORKERS → NOT ENOUGH \$</p>	
	<p>Assistance (1932) for Farmers</p> <p>FEDERAL FARM BOARD → STABILIZE PRICES BY TEMP. HOLDING / STORING SURPLUS GRAIN ? COTTON → NOT ENOUGH TO DEAL W/ OVERPRODUCTION</p>	
AMERICANS RESPONSE	<p>*1932 (HEART OF DEPRESSION)</p> <p>Bonus Army 43,000 MARCHERS (17,000 WWI VETERANS ? THEIR FAMILIES) GATHERED IN WASHINGTON D.C. TO DEMAND THEIR PROMISED BONUS OF ABOUT \$500 (\$7,250 TODAY) AHEAD OF SCHEDULE (ORIGINALLY SET FOR 1945)</p>	

"Hoovervilles"

"Hoover Blankets"

↳ PROTESTORS SET UP A SHANTY TOWN OUTSIDE THE CITY; CLASHES W/ POLICE LEFT 2 DEAD SO HOOVER CALLED IN THE U.S. ARMY TO DISPERSE THE SHANTY TOWN / PROTESTORS → USED TRINCS ? TEAR GAS; 1,000+ INJURED → HOOVER SEEN AS HEARTLESS / UNCARING