

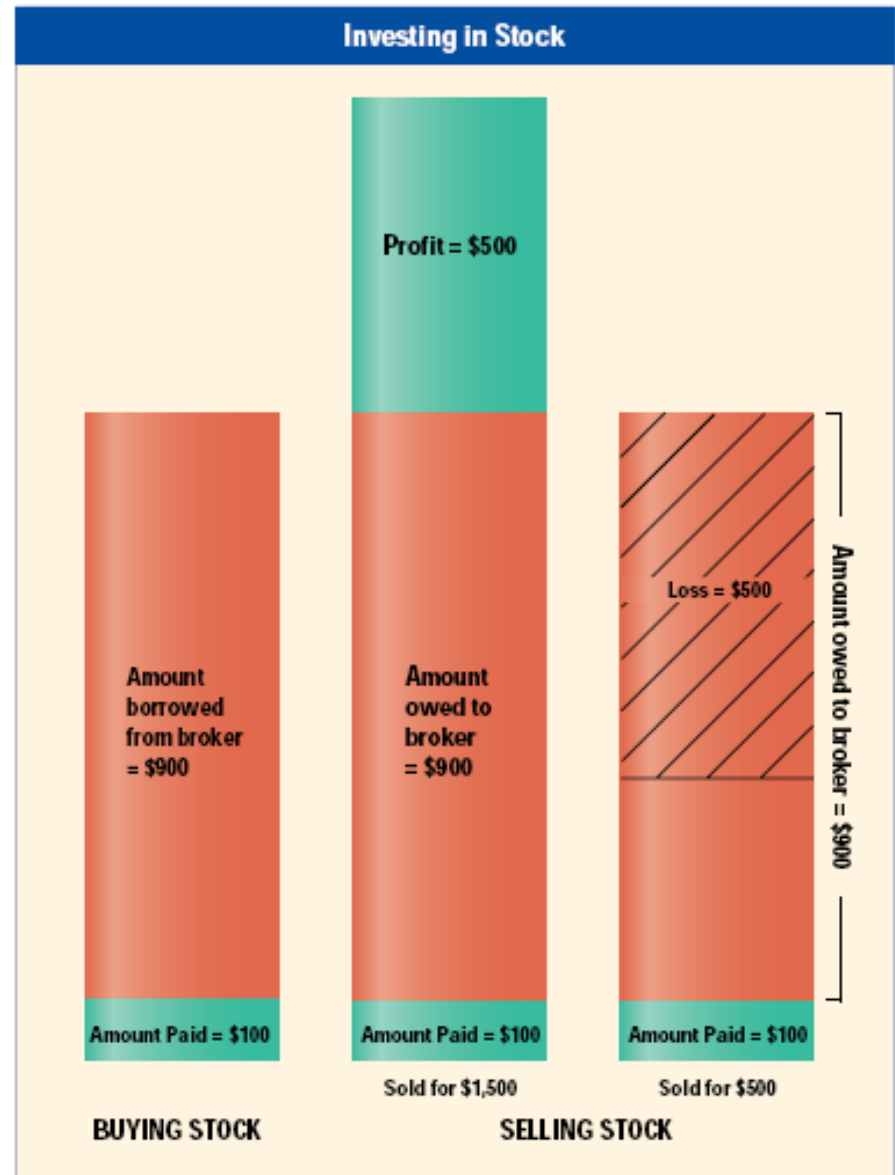
The Great Depression

Causes of the Great Depression

- “Black Tuesday” October 29, 1929
 - The stock market crashes
- Changing Economy
 - Shift from industrial production (iron, steel, oil, coal) to mass manufacturing (autos, radios, and other goods)
 - Purchasing of goods on credit
- Buying on margin
 - Americans invested in stocks using credit

Buying on Margin

- According to the diagram, if you bought stock worth \$1000, how much would you have actually had to pay for it and how much would you owe the broker?
- If the value of the stock increased to \$1500, and you sold before the crash, how much profit would you make?
- If you sold the stock after the crash when it was worth \$500, what would your financial obligation be?



Causes of Great Depression Con't

- Overproduction in factories
 - Factories produced more goods than demanded by consumers
- Overproduction on Farms
 - Farmers planted wheat which was a crash crop, but depleted the soil of nutrients
- Bad banking practices
 - No federal regulations of banking industry
 - Banks put money in the stock market on margin

Causes of Great Depression Con't

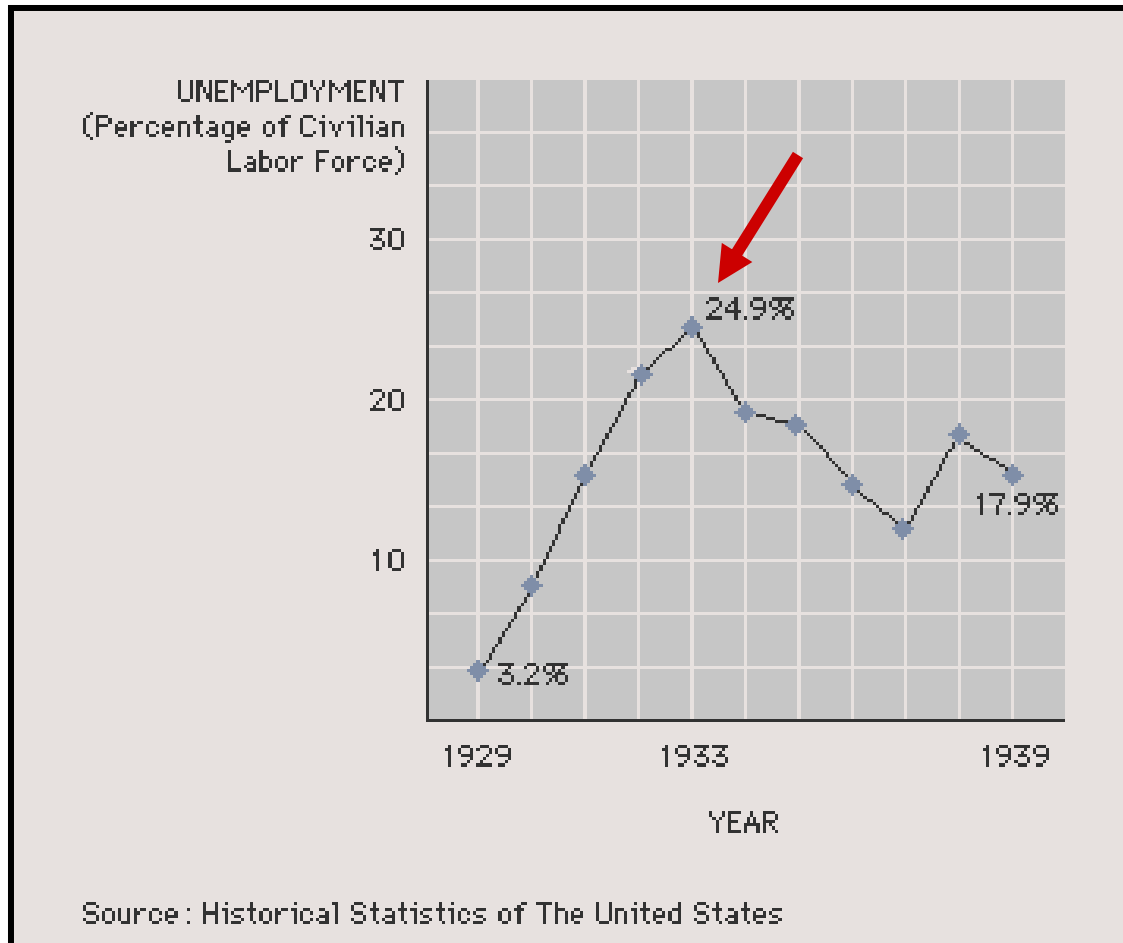
- Income inequality
 - Wealthiest 1% of Americans owned 1/3 of nations wealth
 - Poorest 20% of Americans owned 4% of nations wealth
 - Middle class non existent, most lived just above poverty line
- Old war debts
 - European nations could not pay off debts to the U.S.

President Hoover's Response

- Felt depression was temporary
- Believed the federal government should not get involved in economic recovery
- Americans needed to work hard to pull out recession
- Established the Reconstruction Finance Corporation – provided government loans to banks, insurance companies, railroads and state governments (individuals not eligible)
- Felt “trickle down” economics would work



Unemployment Rate During the Great Depression



Hoover Blamed for Depression

- Hooverilles – shanty towns
- Hoover blankets – newspapers
- Hoover flags – empty pockets



Effects of the Great Depression on Urban Areas

- Americans lost their jobs, homes, and ended up on the streets.
- Homeless had no food and shelter
 - Shantytowns or Hoovervilles sprang up
 - Soup kitchens and bread lines established by charitable organizations and public agencies to feed the needy
- Early on no major government assistance programs existed

A PERSONAL VOICE



" Two or three blocks along Times Square, you'd see these men, silent, shuffling along in a line. Getting this handout of coffee and doughnuts, dealt out from great trucks. . . . I'd see that flat, opaque, expressionless look which spelled, for me, human disaster. Men . . . who had responsible positions. Who had lost their jobs, lost their homes, lost their families . . . They were destroyed men. "

Women during the Depression

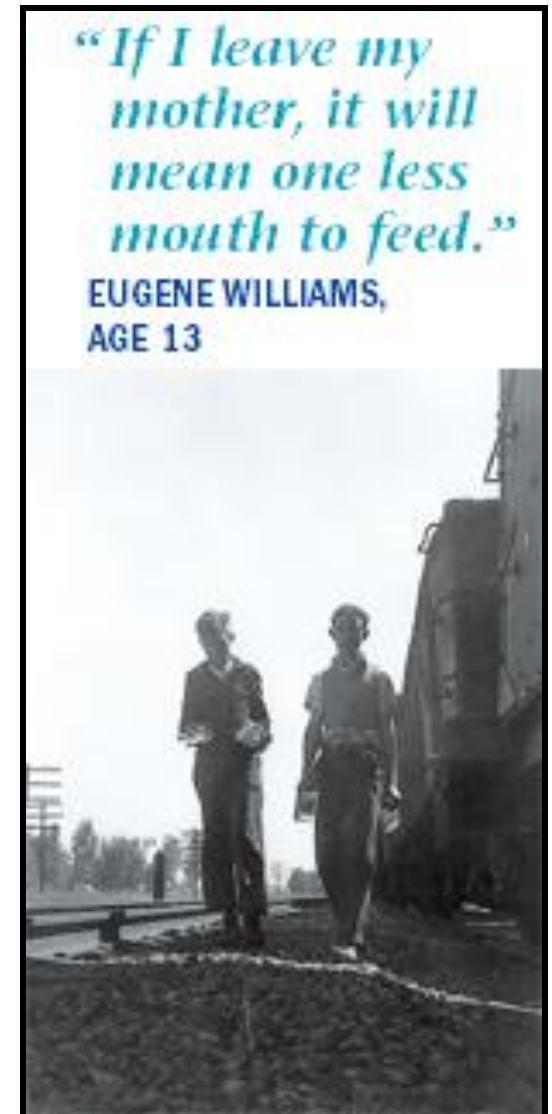
- Women were often not allowed to work in order to reduce competition for jobs
- Responsibilities included canning food, sewing clothes, and managing household budgets
- Often on the verge of starvation from the sacrifices they made for their families

" I've lived in cities for many months, broke, without help, too timid to get in bread lines. I've known many women to live like this until they simply faint in the street. . . . A woman will shut herself up in a room until it is taken away from her, and eat a cracker a day and be as quiet as a mouse. . . . [She] will go for weeks verging on starvation, . . . going through the streets ashamed, sitting in libraries, parks, going for days without speaking to a living soul, shut up in the terror of her own misery. " —*America in the Twenties*



Children during the Depression

- Poor diets lead to serious health problems for children (rickets)
- Cities cut child welfare programs
- Closed schools and shortened school years as a result of reduced budgets
- Children needed to work to help families, often work chosen over education
 - “Wild Boys” teenage boys who chose to move across the country by hopping trains in search of work and adventure. AKA “Hoover tourists”



Minorities and the Depression

- Unemployment rate higher amongst African Americans and Latinos
- Lowest paid workers
- Racial violence between unemployed white workers and African Americans over jobs
 - Increase in lynchings
- Whites demanded the deportation of Latinos

“Brother Can You Spare A Dime”

[Listen](#) to “Brother Can You Spare a Dime”

