Great Depression- Impact on Society

The Great Crash
- By late 1929, a lack of new investors in the stock market caused stock prices to drop.
- On October 29, 1929, stock prices fell drastically on Black Tuesday, resulting in a $10 to $15 billion loss in value. While this did not cause the Great Depression, it did undermine the economy’s ability to hold out against its other weaknesses.

Hoover Elected in 1928
- Republican Herbert Hoover ran against Democrat Alfred E. Smith in the 1928 election.
- Hoover emphasized years of prosperity under Republican administrations.
- Hoover won an overwhelming victory.

H. Hoover
- After the stock market crash, President Hoover tried to reassure Americans.
- He said, “Any lack of confidence in the economic future . . . Is foolish.”
- He recommended business as usual.

Bank Failures
- After the crash, many Americans panicked and withdrew their money from banks.
- In addition as a result of the crash many people were not able to repay their loans to the banks.
- Banks had invested in the Stock Market and lost money.
- In 1929 - 600 banks fail.
- By 1933 – 11,000 of the 25,000 banks nationwide had collapsed.
- When the banks collapsed depositors lost their savings.

Suicide
- With the loss of so much so quickly many people unfortunately committed suicide.
- The suicide rate climbed 30 percent between 1929 and 1932.

Reduction in Purchasing
- Between 1928-1932, the U.S. Gross National Product (GNP) – the total output of a nation’s goods & services – fell nearly 50% from $104 billion to $59 billion.

No work
- By 1933 thousands of banks and closed and millions of Americans were unemployed.
- 90,000 businesses went bankrupt.
- Unemployment leaped from 3% in 1929 to 25% in 1933.
- 14 million are jobless- 1933.

Hoovervilles
- A “Hooverville” or shanty town was a community of houses or “shantys” made from scraps they could find.
- By calling them “Hoovervilles” people conveyed their disgust and disappointment with Hoover.

Bonus Army
- Spring of 1932 about 15,000 World War I vets arrived in Washington to support the passage of the proposed Putnam Bill.
- If the bill passed WWI Vets would be issued a $1000 bonus immediately instead of waiting until its scheduled date of 1945.

Putnam Bill Rejected
- On June 17, 1932 the Senate voted down the Putnam Bill.
- Hoover called the Bonus marchers, “Communists and criminals.”

Marchers Clash with Soldiers
- Hoover told the Bonus marchers to go home—most did.
- 2,000 refused to leave.
- Hoover sent a force of 1,000 soldiers under the command of General Douglas MacArthur and his aide Dwight Eisenhower.
- MacArthur’s 12th infantry gassed more than 1,000 marchers, including an 11-month old baby, who died.
  - Burned down Shantys.
- Two vets were shot and scores injured.
- Americans were outraged with Hoover.

Hobos
- Hobos, or homeless Americans who wandered around hitching rides on railroad cars, searched for work and a better life.

Riding the Rails
- During the Great Depression some people, primarily men and teenage boys, took advantage of their homelessness and rode the rails across the United States.

Hobo Markings
- Since people reacted in different ways to these homeless “hobos”, these wanderers began to use markings to help fellow hobos who came after them.
Soup Kitchens
- Soup kitchens in America started around 1929
- When soup kitchens first appeared, they were run by churches or private charities.
  - Al Capone opens the first soup kitchen
- By the mid-1930s, state and federal governments also were operating them.
- Soup kitchens served mostly soup and bread. Soup was economical because water could be added to serve more people, if necessary

Dust Bowl AKA Black Blizzard
- The Dust Bowl was the name given to the Great Plains region devastated by drought in 1930s depression
- The 150,000-square-mile area, encompassing the Oklahoma and Texas panhandles and neighboring sections of Kansas, Colorado, and New Mexico
- When drought struck from 1934 to 1937, the soil lacked the stronger root system of grass as an anchor, so the winds easily picked up the loose topsoil and swirled it into dense dust clouds,
  - Choking cattle and farm lands

Dust Bowl Causes
1. Drought
2. High Winds
3. Overproductions of crops
4. Loss of prairie grasses due to over plowing

Okies
- Many Midwestern farmers and Great Plains farmers lost their farms.
- 60 percent of the population left the region
- Many families moved west to California hoping to find a better life

Hoover Dam
- Hoover successfully organized and authorized the construction of the Boulder Dam (Now called the Hoover Dam)
- The $700 million project was the world's tallest dam (726 feet) and the second largest (1,244 feet long)
- The dam currently provides electricity, flood control and water for 7 western states

Hoover too little, too late
- Hoover gradually softened his position on government intervention in the economy
- He created the Federal Farm Board to help farmers
- He also created the National Credit Organization that helped smaller banks
- By 1932 Hoover concluded that the only way to provide funding for borrowers was for the government to do the lending, so he requested that Congress set up the Reconstruction Finance Corp
- His Federal Home Loan Bank Act and Reconstruction Finance Corp were two measures enacted to protect people’s homes and businesses

Okies in California
- Migrant workers become source of cheap labor
- Okies were not welcomed as the added to the job competition of the area

New Struggles
- The corporate owned larger and more modernized farms of CA along with the crops were unfamiliar
- Life for migrant workers was hard
- paid by the quantity of fruit and cotton picked
- earnings ranging from seventy-five cents to $1.25 a day
- Out of that, they had to pay twenty-five cents a day to rent a tar-paper shack with no floor or plumbing
- In larger ranches, they often had to buy their groceries from a high-priced company store

FOR
- Hoover was not re-elected President
- Franklin D Roosevelt is elected in 1932
- Though the relief and reform measures put into place by President Franklin D. Roosevelt helped lessen the worst effects of the Great Depression in the 1930s, the economy would not fully turn around until after 1939, when World War II kicked American industry into high gear

Who opened the first Soup Kitchen?

List 4 causes of the Dust Bowl

What part of the United States was effected by the Dust Bowl?

People who lost their farms in the Dust Bowl generally moved where? Why that location?

Okies

People who lost their farms in the Dust Bowl generally moved where? Why that location?

How did Californians view Dust Bowl refugees (Okies)?

List 3 effects of the Great Depression on people’s lives

What will eventually pull America out of the Great Depression?