

# Unit VII: The Great Depression and the New Deal

## Essential Questions:

1. What were the causes of the Great Depression?
2. What is the role of government during a crisis?
3. How do people respond to economic hardship?

## Vocabulary:

Speculation

Buying on Margin

Black Tuesday

Dust Bowl

Overproduction

Direct Relief

New Deal

Hooverville

Tariff

Economic Depression

Federal Reserve System

Social Security Act

Securities and Exchange Commission

Federal Deposit Insurance Corporation

Alphabet Agencies



# Crash Course US History: The Great Depression

1. Answer the questions







Warm Up:

1. Grab a worksheet.

2. Use the Jarrett Book to finish it by the end of the period



Warm Up:

1. Have your guided notes ready to go

2. When we're done, we will watch a short video and you will answer questions.



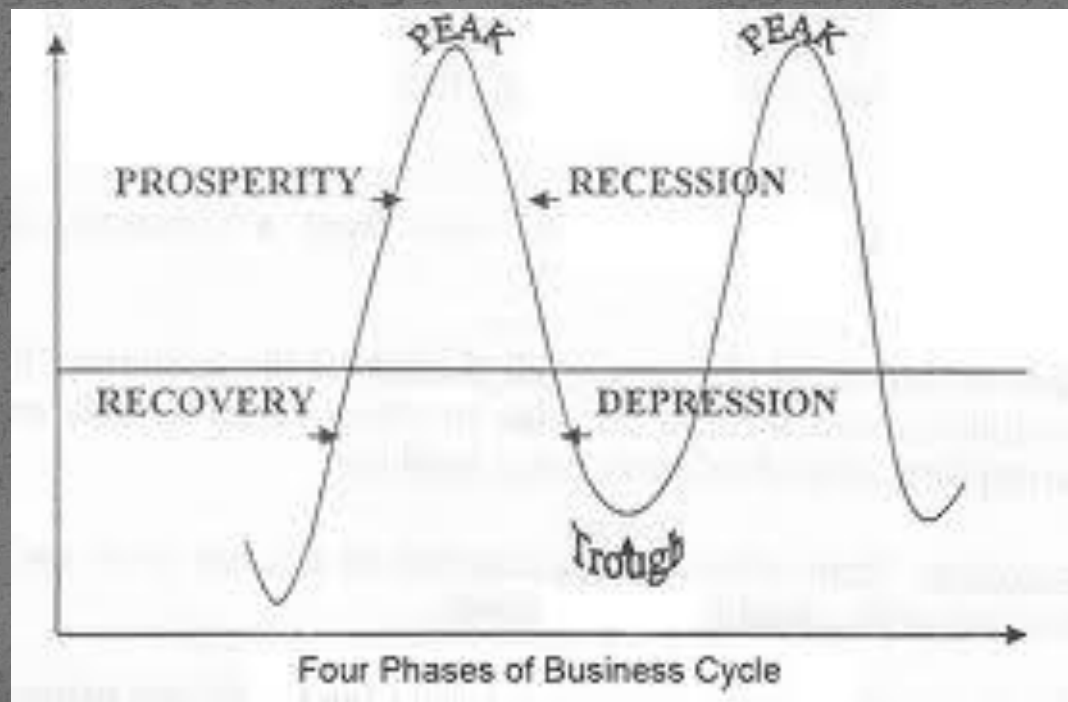


# Causes of the Great Depression



# The Business Cycle

- Up and down period of business and the economy
- Great Depression- worst depression in US history





# 1. New York Stock Market Crash- 1929

## • Black Thursday- Oct. 24

- Stock prices started dropping so people started selling stocks

- Black Tuesday- Oct. 29: Stock market hit an all-time low and lost \$15 billion in one day

- No one wanted to buy stocks to support falling prices and they continued to plummet

- \$30 Billion lost in total

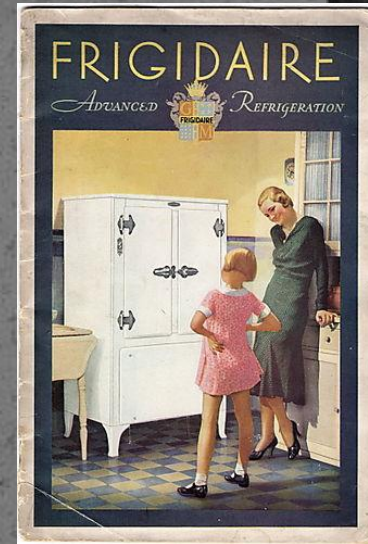
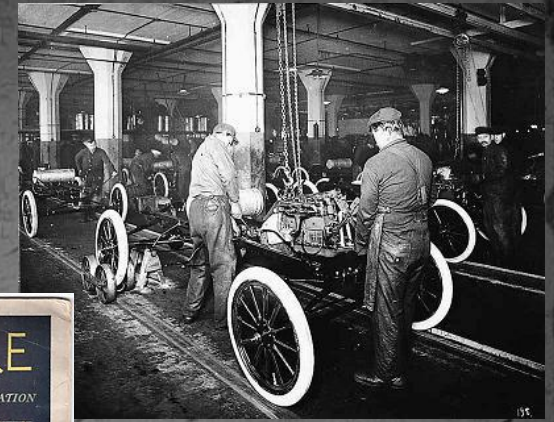
- Millions of Americans lost their life savings





## 2. Overproduction

- New products like cars, radios, and refrigerators were made but consumers didn't have enough money to keep buying
- Manufacturers were producing more than they could sell
- This caused prices to plummet







### 3. Speculation

- People bought stocks hoping to “get rich quick” which drove stock prices up
- Buying on Margin
  - Pay 10% down payment on stocks and took out a loan for the rest
  - Promised to pay the rest when the stock was solid
  - If prices dropped, the buyer was still responsible for payment

**J.S. BLAIN'S** Greatest Land Offering  
*Greater than Merritt's Island Greater than St. Andrews Bay*  
**COLUMBIA ACRES** 1000 of the BEST

**\$15** per acre **\$37.50** BALANCE Never before have you been offered such an opportunity - perhaps never again!  
**10 Acres for \$150**

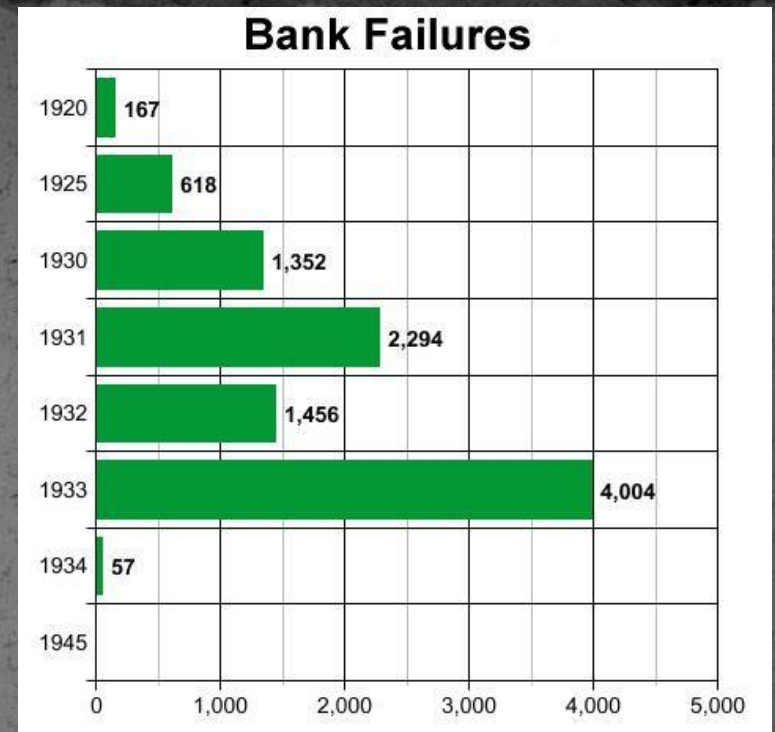
**ALL-FLORIDA REALTY CO.**  
 211 Madison Ave. N.Y. City  
 1000 Florida  
 1000 Florida

**MAIL YOUR CHECK \$37.50**



## 4. Shaky Banking

- People deposit their money into banks
- Banks invest this money into the stock market and to make money to pay for withdrawals.
- The gov't didn't regulate the banks' investments so banks invested in bad deals
- Banks lost money and couldn't pay people back





# 5. Restricted International Trade

- Tariffs (taxes) were too high
  - Pres. Hoover signed highest tariff in US history
- American producers couldn't sell their goods abroad

**The New York Times**  
Copyright, 1930, by The New York Times Company.  
NEW YORK, MONDAY, MAY 5, 1930.

**WOMAN LEADS FIGHT ON LAUNDRY GANGS TO END TERRORISM**  
Mrs. T. H. Whitney Is Chosen as Dictator in Move to Clean Up Brooklyn Industry.

**TO WIPE OUT "RACKET"**  
M. T. Director Will thout Pay as a possibility."

**\*1,028 Economists Ask Hoover To Veto Pending Tariff Bill**  
Professors in 179 Colleges and Other Leaders Assail Rise in Rates as Harmful to Country and Sure to Bring Reprisals.

Special to The New York Times.  
WASHINGTON, May 4.—Vigorous opposition to passage of the Hawley-Smoot tariff bill is voiced by 1,028 economists, members of the American Economic Association, in a statement presented to President Hoover, Senator Smoot and Representative Hawley by Dr. Claire Wilcox, associate professor of economics at Swarthmore College, and made public here today. They urge the President to veto the measure if Congress passes it.

Economists from forty-six States and 179 colleges among them Irving Fisher of Yale, Frank W. Taussig of Harvard, and a host of other economists of high tariff proponents that higher rates will give work to the idle. Employment, they state, cannot be increased by restricting trade, and American industry, in "the present crisis, might be spared the burden of adjusting itself to higher schedules of duties." They urge the administration to give regard to that "bitterness which a policy of higher tariffs would inevitably inject into our international relations."

The text of the statement is: "The undersigned American economists and teachers of economics

**ROOSEVELT SUBMITS LONG-RANGE PLAN TO AID EMPLOYMENT**  
Governor, in a Letter to Local Executives, Advises Preparing for Fall and Winter.

**"CORNER NOT YET TURNED"**  
He Offers a Five-Point Program for Fact-Finding and Stimulation of Industry

**BUILDING GAIN 5'**





# Spreading From Wall St. to Main St.



- People who lost money couldn't pay loans or rent, which led to bank failures
- Demand decreased= factories closed, workers lost jobs
- People lost their houses and began living on the streets

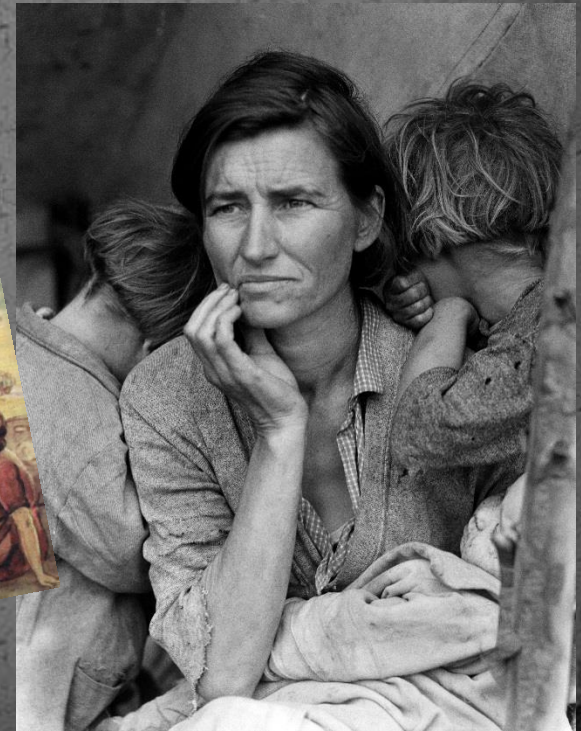
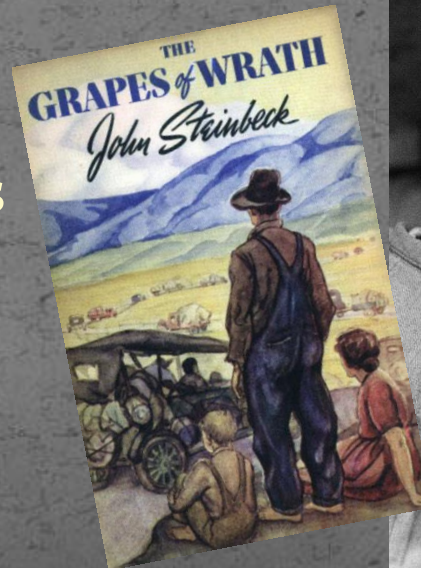




# The Human Impact

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- People were homeless and hungry
- Many depended on soup kitchens
- John Steinbeck
  - Writer of "Grapes of Wrath"
  - Story about tough life as a farmer
- Dorthea Lange
  - Photographer who recorded the misery of the Great Depression







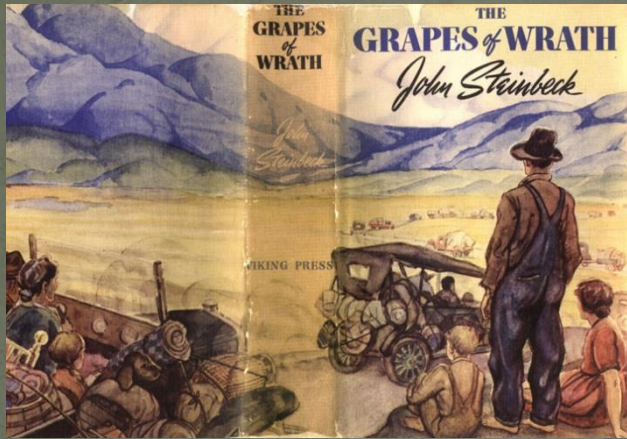
# Pres. Hoover Fails

- Believed in *laissez-faire*
- Believed providing aid to the unemployed and needy would decrease their incentive to work
- “Hoovervilles”
  - Shanty towns of the homeless and unemployed
- “Hoover Hotels” (cardboard box)
- “Hoover Blankets” (newspaper)
- “Hoover Flags” (turned out pocket)





# Oakies



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



- Farmers from the Midwest and South (people thought they were all from Oklahoma so they called them Oakies) who moved to migrant worker camps in California
- John Steinbeck wrote the Grapes of Wrath based on them

# The Dust Bowl

- A series of droughts dried up crops and topsoil
- Winds carried dust across hundreds of miles, burying homes
- Farmers were forced to abandon their farms & moved west to Cali

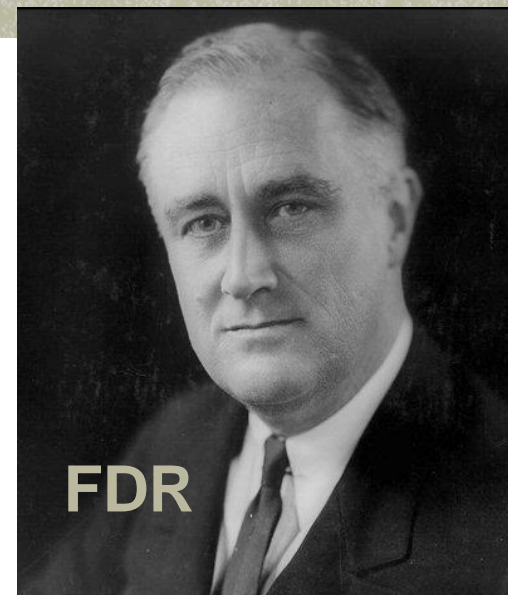
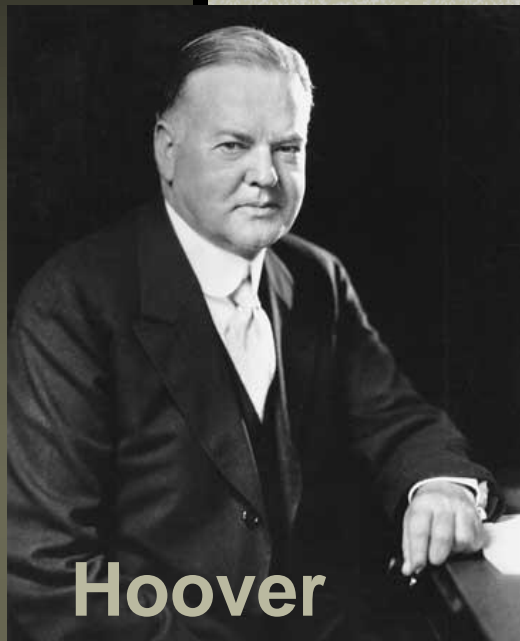


**The Dust Bowl**

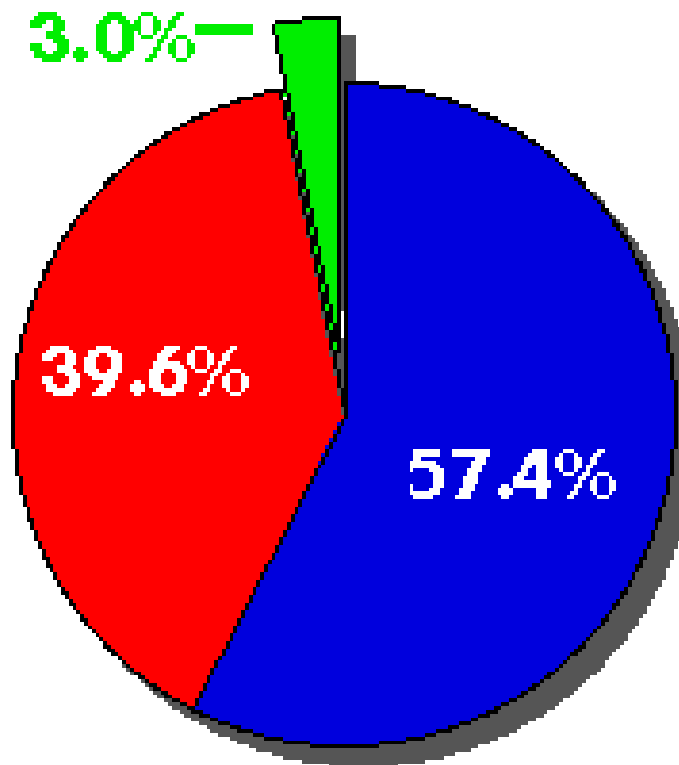




# The Election of 1932



## POPULAR VOTE



■ Franklin D. Roosevelt (D) ■ Herbert C. Hoover (R) ■ Other

# FDR and the New Deal

- During the presidential campaign of 1932, FDR **promised Americans a NEW DEAL.**
- This would be his **program to get America back on its feet.**





# Franklin D. Roosevelt Elected in 1932!

- Saw the Depression as a national emergency
- The “Brain Trust”
  - Group of ppl from universities told to develop new strategies and programs to deal w/ the Depression
- “Fireside Chats”
  - Radio addresses by FDR where he explained his policies in simple terms
  - Meant to reassure the nation that the government was working hard to fix the depression
  - 30 total between 1933-1944





Just the facts:

\*Answer the questions



\*This is due by the end of class.





**Warm Up:** Tuesday, Dec. 5, 2017

1. What's ironic about the photo above?

# FDR's Polio



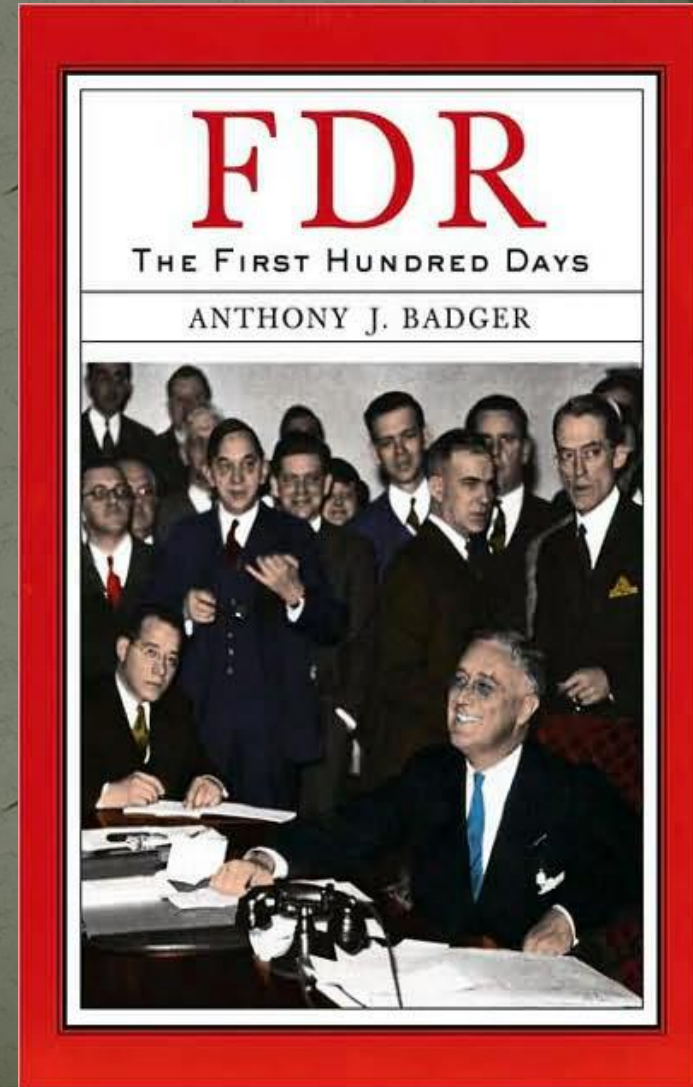
- \*FDR suffered from polio
- \*disease that infects the brain and spinal cord, causing paralysis
- \*acquired polio when he was 21
- \*Most Americans never knew he had polio.
- \*Had a good relationship with the press so they helped him hide disease from the public.



# Roosevelt's First 100 Days

Roosevelt knew that his first 100 days as president would be crucial. There were important things that needed to happen immediately.

1. Fix the Bank Crisis: FDR called for a national bank holiday.
2. Shut down all the banks for a day: brought in federal agents to inspect them and allowed those banks that were stable to reopen and only accept deposits.
3. Start passing legislation to fix the economic and social crisis' throughout the nation. This legislation became known as the Three R's.



# Relief

- Short-term actions to hold people over
- Relief to:
  - Banks: closed until they were financially sound
  - Homeowners & farm-owners: emergency loans
  - Unemployed:
    1. Federal Emergency Relief Act (FERA)
      - Gave \$ to local govts to hire ppl
    2. Civilian Conservation Corps (CCC)
      - Gave jobs to young men working in nat'l forests
    3. Public Works Administration (PWA)
      - Created jobs through community projects
    4. Works Progress Administration (WPA)
      - Created jobs for artists, writers and musicians





# Recovery

- Restore the economy by increasing reasons to produce:

1. Priming the Pump

- Give jobs to consumers = more \$
- Consumers will spend more on products = more workers hired

2. National Recovery Administration (NRA)

- Asked businesses to voluntarily follow codes which set standard prices & min wage

3. Agricultural Adjustment Acts (AAA)

- Govt paid farmers to plant less and destroy crops in order to increase crop prices



# Reform



- Measures aimed at fixing defects in the structure of the economy so Depression wouldn't happen again:

1. Federal Deposit Insurance Corporation (FDIC)

- Insures bank deposits

2. Tennessee Valley Authority (TVA)

- Built 21 govt dams to produce electricity

3. Wagner Act

- Gave workers the right to form unions

4. Securities and Exchange Commission (SEC)

- Watches/Regulates the stock market

5. Social Security Act

- Provides workers with unemployment insurance, old age pensions and life insurance



# Influential Women



- Eleanor Roosevelt

- Fought for women's rights, the poor and minorities
- Traveled to places where her Husband could not because of his polio.
- *Influential* in gaining minority votes for her husband.



- Frances Perkins

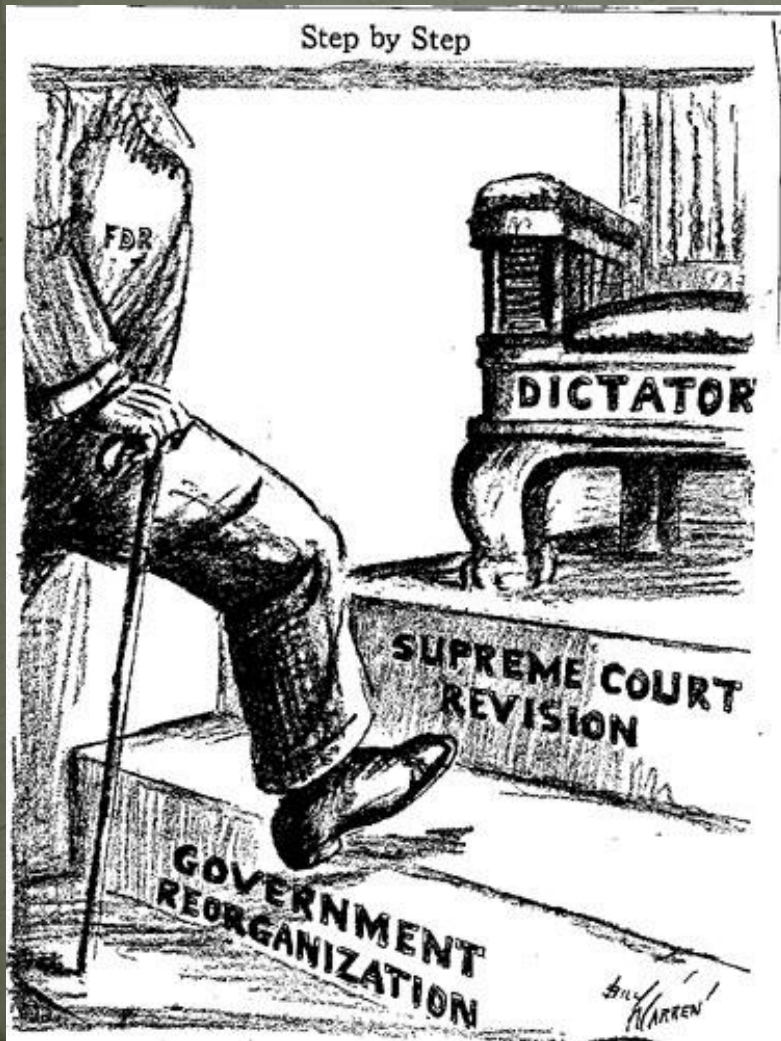
- 1<sup>st</sup> female US Cabinet member in 1933
- Played a key role in labor rights

# Reactions to the New Deal

- It was popular, but FDR faced criticism
  - Liberty League- accused him of attempting to establish a dictatorship
  - US Senator Huey Long- felt FDR didn't go far enough
- US Supreme Court ruled NIRA and the AAA unconstitutional
- Schechter Poultry v. U.S. (1937)
  - Supreme Court ruled the Pres could not have more powers than listed in the Constitution



# Court Packing....



- The Supreme Court struck down several New Deal laws as unconstitutional.
- FDR wanted to increase the size of the court from 9 to 15.
  - Would appoint justices who were pro-New Deal
- Congress did not agree with FDR.
- Made FDR look like a dictator
- This hurt FDR's image.

# Legacy of the New Deal

- The New Deal did relieve some of the suffering of Americans but did not fix the Depression.
- Many New Deal programs still in place (FDIC, Social Security)
- The Depression truly ended when the United States joined World War II.
- War production is what fixed the economy.
- FDR would serve 4 terms as president (1933-1945).
- Only president to serve for 4 terms and many saw him as trying to be a dictator or king.
- 22<sup>nd</sup> Amendment was passed preventing a president from serving for more than 2 terms (8 years) in office.





# Crash Course US History: The New Deal

1. Answer the questions







Warm Up: (On the back of your graphic organizer)  
Today is the 75<sup>th</sup> Anniversary of the attack on Pearl Harbor, Hawaii, which brought the United States into World War 2.

1. Many Americans were against joining WWII however, after Pearl Harbor, millions of Americans volunteered to join the war effort. Why do you think that was? Explain your answer.

2. In what way did the war get the United States out of the Great Depression?



PEARL HARBOR  
DECEMBER 7, 1941, A DATE WHICH WILL LIVE IN INFAMY... NO MATTER HOW LONG IT MAY TAKE US TO OVERCOME THIS PREMEDITATED INVASION THE AMERICAN PEOPLE, IN THEIR RIGHTEOUS MIGHT, WILL WIN THROUGH TO ABSOLUTE VICTORY.





# Finish the Magic Squares:

Use pgs. 201-211

4 Causes of the Great Depression	<u>Overproduction</u> Picture here	Definition here	<u>Business Failures</u> Picture here	Definition here	4 Effects of the Great Depression
	<u>Speculation</u> Picture here	Definition here	<u>Bank Failures</u> Picture here	Definition here	
	<u>Shaky Banking</u> Picture here	Definition here	<u>Unemployment</u> Picture here	Definition here	
	<u>Trade Restrictions</u> Picture here	Definition here	<u>Foreclosures</u> Picture here	Definition here	

# Magic Squares:

Use pgs. 201-211

	<u>Herbert Hoover</u> Picture here	Definition here
Key Individuals	<u>Franklin D. Roosevelt</u> Picture here	Definition here
	<u>John Steinbeck</u> Picture here	Definition here
	<u>Eleanor Roosevelt</u> Picture here	Definition here



# Warm Up:

- Pick up the strip of slides from the table and glue it into the next available page of your notebook
- Glue it on the left side of your notebook page:

**Glue here!**

