Causes of the Great Depression:

**Black Tuesday: Stock Market Crashed and millions of Americans lost everything**

 *When? October 29, 1929*

**Buying on Margin: Buying a percentage of stock (10%) and borrowing the rest from a broker in hopes**

 **to pay back the loan once the stock increases in value**

**Bank Runs: Americans “ran” to the banks trying to withdraw all of their money. Banks did not have**

 **the money and many banks closed leaving many people without their money**

**Overproduction: Companies/factories making too much a product**

**Underconsumption: People not buying products due to high unemployment and losing money in stock**

 **market and bank runs**

**Speculation: Buying stock at a low price and guess that it will increase quickly to make a fast profit**

How did the **Federal Reserve System** make the economy worse?

In hopes to help the banks, the Fed increased interest rates thinking that the banks will make more money off the higher rates but so many Americans were unemployed and lost all of their money, no one was borrowing … creating the more failures of banks ☹

What was the **Hawley-Smooth Tariff Act** and how did it affect the world economy?

In hopes to get more Americans to buy more American-made products, the gov’t increased tariffs (taxes) on imported goods (goods from other countries coming to America). Other countires in retaliation increased tariffs on American goods going to their countries….completely causing a stand-still in world trade

Political Ideologies *(Remember the “Trees”)*

**Radical: Belief that the gov’t should start over and create a system in which funds are evenly distributed among the American ppl**

**Liberal: Belief that the gov’t needs help citizens in time of need, like CHANGE**

 What president was a liberal?\_\_\_\_ \_\_Roosevelt (FDR)\_\_\_\_\_\_\_\_

* How did **Roosevelt** handle the Great Depression? What did he believe

**-***New Deal- FDR’s plan to end the GD*

**Conservative: Feel that people need to work harder to get into a better position, no gov’t help, Traditional methods**

 What president was a conservative?\_\_\_\_\_\_Hoover\_\_\_\_\_\_\_\_\_

* How did **Hoover** handle the Great Depression? What did he believe?

*-RFC (Reconstruction Finance Corporation): Giving $ to businesses and banks to help them create jobs*

*-Rugged Individualism: Hard to work to better your situation. It is the individual’s responsibility to help themselves.*

Human Impact of the Great Depression:

**Unemployment**: 25% with no jobs…highest in USA history

**Migrant Workers**: Moves to look for work

 -*Okies*: Dust Bowl refugee (nickname). Moved to Cali. looking for farming work

**Hoovervilles: Homeless towns built out of cardboard and scraps of metal….Named after Hoover bc he did not help Americans out of the depression – 40% of Americans are in POVERTY**

**Malnutrition: Not getting healthy food due to starvation**

**Soup Kitchens/Breadlines: Giving out food to the needy**

**Dust Bowl: Prolonged drought (no rain) and over farming caused dust/dirt storms. Ruined crops and farmers lost their land. ☹**

**Great Flood of 1936: Flooding hit the Northeast part of the USA…damaged thousands of homes and businesses ☹**

**African Americans: Highest rate of unemployment during the GD. Lost jobs to white males.**

**Women: First to get fired or laid off – Lost jobs to white males**

**Bonus Army: Veterans of WWI demanded an early bonus ($) from the gov’t. Hoover denied them and kicked them out of Wash. D.C**

The New Deal

*Define and draw examples for each*

**-Relief : immediate help, basic needs: food, shelter, money**



**-Recovery: Helping people get back on their feet: jobs, keeping homes**



**-Reform: Fixing the problems so they do not happen again.**

Alphabet Soup:

**CCC: Civilian Conservation Corps- provided young men with jobs planting trees, building schools, and other infrastructure (roads, bridges…etc)**

**FDIC: Federal Deposit Insurance Corporation- insures people their money in the banks regardless whether or not the bank goes out of business**

**SSA: Social Security Act- provides pensions for elderly, money for disabled and young children**

**FHA: Federal Housing Authority- Provides government loans to Americans so they can keep their homes**

**TVA: Tennessee Valley Authority- provided jobs by building damns along the Tennessee River, giving electricity to those in rural (country) areas.**

Legacy of the New Deal

How did the New Deal impact the President’s power?

The power of the president expanded

How did the government change?

Government got larger and more powerful. The gov’t began to take a larger role in USA citizens’ lives