Great Depression Photo Tour

Directions:

1. Go to this website [http://history1900s.about.com/od/photographs/tp/greatdepressionpictures.htm](http://history1900s.about.com/od/photographs/tp/greatdepressionpictures.htm)
2. Choose 6 pictures, and complete the chart below:

<table>
<thead>
<tr>
<th>Photo Title</th>
<th>Observations (What objects, emotions, people do you observe? Pay attention to details in the photo!) *Incomplete sentences</th>
<th>Analysis (By looking at these photos, what can we learn about the Great Depression?) *Complete sentences</th>
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The Great Depression

The Great Depression was a deep economic crisis that began in 1929 and lasted until the nation's entry into World War II in 1941. Depressions had occurred several times before, but had always been short-lived. The Great Depression, by contrast, lasted for more than a decade and brought long-term unemployment, hunger, and hardship to millions of people. It completely dominated the social and political landscape of American life and dramatically altered the relationship between the nation's government and the people.

The Roaring Twenties

The roots of the Great Depression lay in the prosperous 1920s, when U.S. industries embraced techniques of mass production that allowed them to increase their output and their profits. High employment levels meant that standards of living improved. Consumer demand increased dramatically, especially for such newly available products as electrical appliances and automobiles. Many people were so optimistic about the future they borrowed money to finance their purchases or bought items through installment plans. The stock market was on a bullish—or upward—trend, providing handsome profits to investors. In fact, the stock market had become a popular investment vehicle, despite its inherent risks.

Prosperity was not shared by all sectors of the economy in the 1920s. Farmers, in particular, had financial difficulties because of overproduction. During World War I demand for agricultural goods had soared, particularly in Europe. Optimistic farmers had borrowed money to invest in new equipment, only to see food prices plummet during the 1920s when supply outpaced demand. Lower profits made it difficult for farmers to pay back their loans, which stressed banks in rural areas. At the same time there were downturns in the coal mining and railroad industries.

The Depression Begins

By early 1929 demand had slackened for some goods, even automobiles. Wages in the industrial sector were not keeping pace with huge gains in production and profits. Business and government leaders, however, were still confident about the economy. During the autumn of 1929 the stock market began behaving erratically. On October 29, 1929, the stock market dropped so severely that the event became known as "the great crash." Stocks lost billions of dollars of value in a single day. Fortunes were wiped out. Investors who had borrowed money to buy stocks were particularly hard hit, as were the banks that had lent the money.

During the following months the stock market occasionally rebounded, only to fall again. Investor and consumer confidence faded, and people began holding onto their money instead of spending or investing it. The economy underwent deflation—a condition in which depressed demand pushes prices downward. Lower prices for agricultural and industrial goods hurt farmers and businesses, particularly those with high debt. Businesses laid off employees to cut costs and did not hire new employees. As more people became unemployed or fearful about their jobs, they spent even less, which led to more business cutbacks and closures.

To make matters worse a decade-long drought began in 1930; dried-out and degraded soil, loosened by high winds, turned parts of the Great Plains into a "dust bowl" and scattered homeless migrants across the West. By 1933 the nation's unemployment rate stood at nearly 25 percent, up from only 3 percent in 1929.

The Banking Crisis

The stock market crash spurred a crisis in the banking industry. The prosperity of the early 1920s had encouraged the development of many new banks and the granting of many loans. At the time the banking system was only loosely regulated by the government, and deposits were not guaranteed and could be lost when banks failed. Many
banks did fail after the stock market crash because they had invested their depositors' money in the stock market or lent large amounts of money to stock market investors. Fear of additional failures caused "bank runs" in which large numbers of depositors rushed to withdraw their money at the same time. By the beginning of 1933 nearly every bank in the country had been forced to close for lack of funds.

**Hoover Responds**

President Herbert Hoover (1874-1964) had been in office only a few months when the stock market crashed in October 1929. Secretary of the Treasury Andrew Mellon (1855-1937) advised the president not to interfere, believing that the forces of supply and demand would allow the economy to correct itself. Hoover was not convinced, so he tried a variety of measures: he adjusted taxes, asked industry not to cut wages, and pushed for public works projects. None of these measures was effective. As the Great Depression deepened, Hoover got the blame. Homeless people built **shantytowns** that were called "Hoovervilles."

In the summer of 1932 thousands of World War I veterans traveled to Washington, D.C., demanding early payment of a war bonus that was scheduled to be paid them in 1945. Federal troops armed with bayonets used tear gas to forcibly expel the "bonus marchers" from the city. The negative publicity damaged Hoover's already poor image.

**Roosevelt's New Deal**

In late 1932 Americans overwhelmingly chose a new president—New York State Governor Franklin Roosevelt (1882-1945), who promised "a new deal" for the nation. Roosevelt initiated a variety of programs to revive the economy, with various levels of success. Unemployment was reduced, but still averaged above 10 percent throughout the 1930s. Many people, particularly young men, were employed through public works projects, building roads, dams, bridges, airfields, and post offices and developing national parks for tourism. The government began paying farm **subsidies** to stabilize agricultural markets.

Some of Roosevelt's New Deal programs did not survive U.S. Supreme Court challenges and had to be discarded or revamped. They did, however, bring reform to the banking and investment industries. A series of new laws regulated the stock market, ensuring that investors were educated about their purchases and preventing **fraudulent** investment practices. The Federal Deposit Insurance Corporation, which safeguarded bank deposits, helped greatly to restore confidence in the nation's banking system.

In 1935 Congress passed two pieces of New Deal legislation that would have long-term **repercussions**. The National Labor Relations Act guaranteed the right of employees in most private industries to organize, form labor unions, and bargain collectively with their employers. It also established the National Labor Relations Board to investigate unfair labor practices. The Social Security Act established a program to provide federal benefits to the elderly and assist the states in providing for "aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of unemployment compensation laws."

Roosevelt's New Deal greatly expanded the size and scope of the government, with more than a dozen new federal agencies influencing the nation's social and economic systems. To offset some of the costs, Roosevelt implemented a number of tax increases. In 1933 Congress repealed Prohibition—a constitutional amendment passed in 1919 to prohibit the manufacture, transportation, and sale of alcoholic beverages—and the government began collecting liquor taxes.
Breadlines and Soup Kitchens

During the Great Depression hunger and unemployment became a way of life for millions of people. Breadlines and soup kitchens became symbols for the era: churches and charities in major cities served free meals to hundreds of thousands of people each day. Those who lost their homes and jobs traveled the country looking for work—some illegally hopped aboard freight trains. Shantytowns called "jungles" sprang up near rail lines.

Much of the population lacked the most basic necessities—food, shelter, and clothing. While people with farms or gardens grew food to sustain themselves, malnutrition became a serious problem among children, particularly in the big cities. The drought and winds that turned parts of the Great Plains into the Dust Bowl drove hundreds of thousands of *migrant workers* into California looking for a better life, only to find little work and poor living conditions. African-Americans migrated in large numbers from the rural South to northern cities in search of factory jobs, but found work scarce and encountered racist employment policies that made it difficult for them to compete in the workplace.

The early years of the Depression were the toughest, particularly for young people. Some that could not find work left their homes so their parents would have fewer mouths to feed. The government estimated that as many as 250,000 people younger than age twenty-one wandered the country aimlessly, getting food and shelter where they could. Several New Deal programs were created specifically for young people, including the Civilian Conservation Corps, which put young men to work on conservation projects; the National Youth Administration, which provided training and jobs for youths; and a college aid program under the Federal Emergency Relief Administration.

Roosevelt easily won reelection in 1936 and 1940, even though his New Deal programs had had only mixed results. While they had reduced the hardship experienced by many Americans, they had not pulled the nation out of the Great Depression. In 1941 the unemployment rate stood at 10 percent, still high historically.

Later that year, after Japan attacked Pearl Harbor, the U.S. naval station in Hawaii, the United States entered World War II. The government poured billions of dollars into wartime industries, which put millions of people back to work. By 1942 the unemployment rate had fallen below 5 percent and continued to drop. The economy recovered from the depths of the Great Depression and maintained its healthy state even after wartime spending ended.

A Lasting Imprint

The Great Depression left its imprint on an entire generation of Americans. The length and breadth of the hardship changed people’s expectations about the quality of their lives and made them receptive to a more active role for the federal government in the day-to-day business of the population. They had seen where the "hands-off" approach to the economy had taken them and began to appreciate government as a caretaker with responsibilities for the economic and social well-being of businesses and individual citizens. Many New Deal programs, which created safeguards and regulations that became fixtures of the U.S. economy, often had their most important effect on the national *psyche*: they offered reassurance and optimism, which were frequently missing for more than a decade.

<table>
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<tr>
<th><strong>Prosperous</strong></th>
<th>Financial success; good fortune.</th>
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<tr>
<td><strong>Erratically</strong></td>
<td>Unpredictable</td>
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<tr>
<td><strong>Shantytowns</strong></td>
<td>Poorly constructed shacks (made out of either tin or plywood) on the edge of the city.</td>
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<td><strong>Subsidies</strong></td>
<td>Money given to you by the government to help assist with a business or program</td>
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<tr>
<td><strong>Fraudulent</strong></td>
<td>Obtained by committing crimes</td>
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<tr>
<td><strong>Repercussions</strong></td>
<td>Unintended consequences</td>
</tr>
<tr>
<td><strong>Migrant Worker</strong></td>
<td>A person who travels from place to place looking for work</td>
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<tr>
<td><strong>Psyche</strong></td>
<td>Soul, mind, or spirit</td>
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The Great Depression

Name: __________________________

Directions: Answer the following questions (on a separate piece of paper) using complete sentences. Underline words that you do not understand, and use the vocabulary bank to help.

1. What was the Great Depression?
2. When did the Great Depression begin and end?

The Roaring Twenties
3. Describe the economy during the 1920s. Provide details from the passage to support your answer.
4. Which group of people experienced financial difficulties?
5. Why did they experience financial difficulties?

The Depression Begins
6. What was the “great crash”?
7. According to the article, “investor and consumer confidence faded.” Explain what this means.
8. What is deflation?
9. What were the effects of deflation?

Banking Crisis
10. By 1933, what was the unemployment rate?
11. What was a “bank run”?
12. By 1933, what happened to all of the banks in the country?

Hoover Responds
13. Why did homeless people would refer to the Shantytowns as “Hoovervilles”?

Roosevelt’s New Deal
14. Who was elected President of the United States in 1932?
15. What new types of employment opportunities were available under “the new deal”?
16. What was the purpose of the Social Security Act?
17. How did Roosevelt’s New Deal change size and scope of the government?

Breadlines and Soup Kitchens
18. Much of the population lacked what 3 basic necessities?
19. How were young people affected by the Great Depression? Provide details from the passage to support your answer.
20. How was the economy in the United States able to recover from the depths of the Great Depression? Explain.