

Chapter Twenty Six The Great Depression

Please study your Powerpoint slides!

THE GREAT DEPRESSION – *Americans & our Economy Suffer*

- The stock market crash, known as **Black Tuesday**, on October 29, 1929 was one of the main causes of the Great Depression
- Overproduction, the overuse of credit, and a lack of demand for goods were also causes of the Great Depression
- A **depression** is a severe economic downturn, which is characterized by large-scale unemployment, low industrial production, and poverty
- President Hoover was blamed by Americans for the Great Depression because he did not take actions to attempt to cure the problems it caused
- “**Hoovervilles**” was a term given to the primitive shelters built by homeless Americans, which sprang up in parks and vacant lots all across America
- The **Bonus Army** was a group of World War I veterans who traveled to Washington to attempt to receive money promised for past military service
- President Roosevelt was elected in 1932 by promising the American people a “new deal” in which he promised to help cure the nation’s injured economy
- The **New Deal** was FDR’s plan to help America claw out of the Great Depression, and was characterized by the **3 R’s relief, recovery, and reform**
- The most severe problem that FDR faced in 1932 was widespread unemployment, thus the main goal of President Roosevelt’s New Deal was to end unemployment
- FDR utilized **deficit spending** (spending more money than the government collects in taxes) to fund public works and other projects aimed at helping the nation
- **Public works** projects are government funded jobs to build public facilities, such as parks, airports, and roads
- The “**Hundred Days**” was a term utilized to describe a period when FDR and Congress passed many laws in a short period to help the poor, and also adopted many work relief programs to reduce unemployment
- FDR’s **bank holiday** was designed to help restore the American public’s confidence in the banking system
- The Federal Deposit Insurance Corporation (**FDIC**) was designed to help protect the savings of Americans who kept their money in banks
- The massive government spending of the New Deal provided some small economic gains during the Great Depression

- The “**Dust Bowl**” was a drought stricken area of the Great Plains, which was no longer suitable for farming. Many of the farmers (Okies and Arkies) who lived there migrated west to California seeking new opportunities.
- FDR established the Agricultural Adjustment Act (**AAA**) to help farmers by paying them not to grow certain crops designed to increase farm prices, & by providing loans.
- The Tennessee Valley Authority (**TVA**) provided flood control, cheap hydroelectric power and new jobs to many Americans during the Great Depression
- The Civilian Conservation Corps (**CCC**) was a program, which employed young Americans, who planted trees, built parks, and stopped soil erosion around the U.S.
- The Works Progress Administration (**WPA**) was created to employ artists and writers, as well as to build schools and hospitals
- **Social Security** provided pensions to the elderly and retired workers, unemployment insurance, and other benefits to the American people.
- **Social Security** was passed to help Americans who could not support themselves by providing them economic assistance it created pensions and unemployment insurance to attempt to prevent future depressions
- FDR tried to “**pack**” the Supreme Court because the existing justices were enemies of many of the New Deal programs. The Constitutional idea of checks and balances was threatened by FDR’s plan to add more justices to the Supreme Court
- The **Wagner Act** was a law which legalized unionism, collective bargaining, and set up a National Labor Relations Board
- Radio and the movies were popular methods used by Americans to attempt to escape the harsh reality of the depression
- Many Republicans in Congress feared programs such as Social Security gave the government too much power and responsibility
- Republican opposition to President Roosevelt stated that New Deal reforms went too far in trying to fix the government and economy
- The New Deal expanded the role and power of the federal government in the economy, as well as in the life of American citizens. The government now assumed some responsibility for the welfare of the American people
- **The main result of the New Deal and the F.D.R. presidency was that it increased the size, power, and the role of the federal government.**