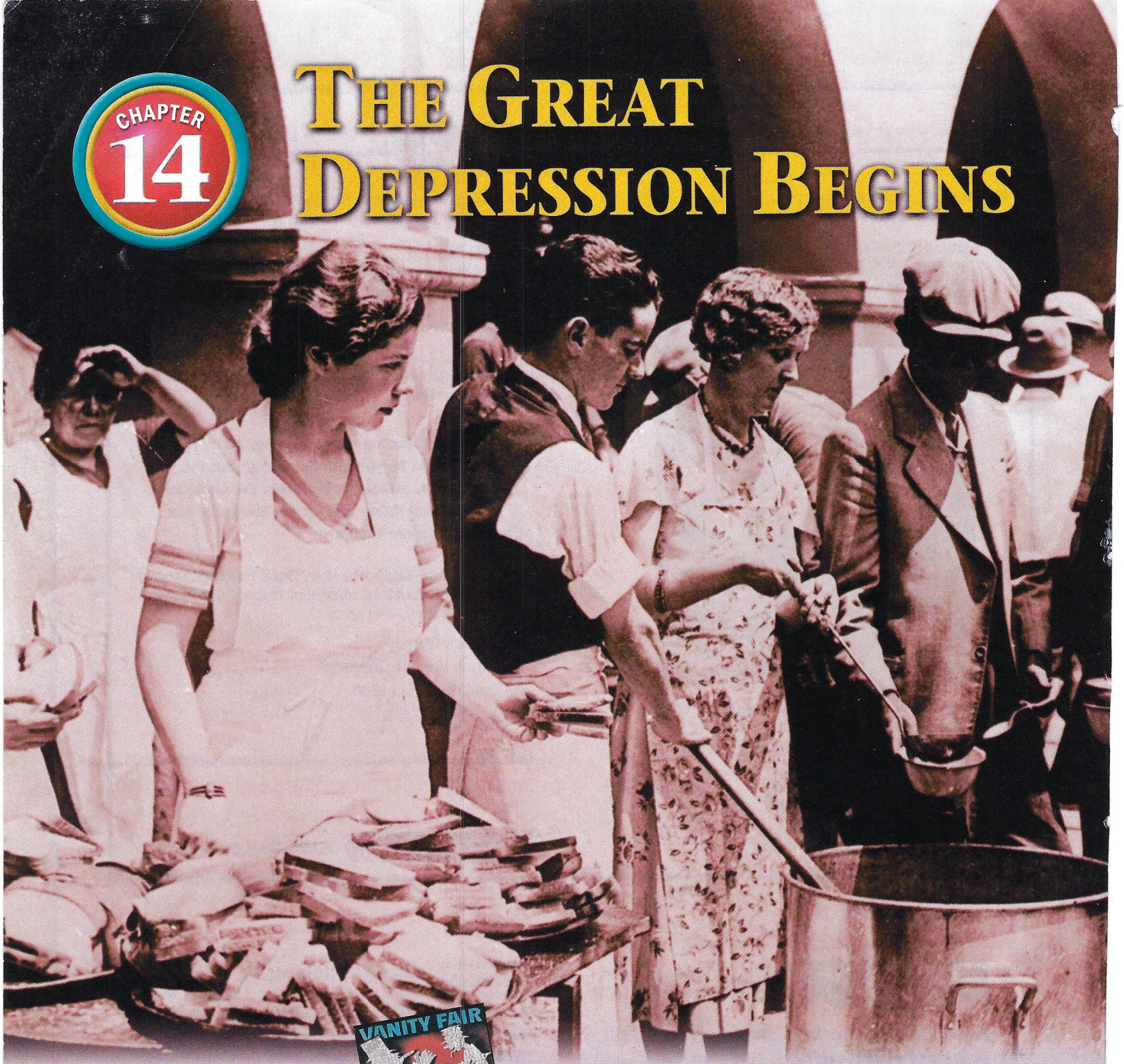
CHAPTER 14

# THE GREAT DEPRESSION BEGINS






**1929** The first Academy Awards are presented.

**1929** The stock market crashes.

**1930-1933** More than 40% of the nation's banks fail.

**1931** Jane Addams shares the Nobel Peace Prize.

**1931** 8.02 million Americans are unemployed.




USA / WORLD

1929 | 1930 | 1931

**1930** Army officers led by José Uriburu seize control of the government of Argentina.

**1931** Japan invades Manchuria.



# INTERACT WITH HISTORY

The year is 1929. The U.S. economy has collapsed. Farms, businesses, and banks nationwide are failing, causing massive unemployment and poverty. You are out of work with little prospect of finding a job.

## *What would you do to feed your family?*

**Examine the Issues**

- What groups of people will be most hurt by the economic crash?
- What can you do to find a paying job?
- What can unemployed and impoverished people do to help each other?

**RESEARCH LINKS** CLASSZONE.COM

Visit the Chapter 14 links for more information related to The Great Depression Begins.

Women serve soup and slices of bread to unemployed men in an outdoor breadline in Los Angeles, California during the Great Depression.




**1932** The Bonus Army arrives in Washington, D.C.

**1932** Franklin Delano Roosevelt is elected president.

**1933** "Century of Progress Exposition" begins.

**1933** The Twenty-first Amendment ends Prohibition.

**1933** More than 13 million Americans are unemployed.

## 1932 | 1933 | 1934

**1932** Ibn Sa'ud becomes king of newly-united Saudi Arabia.

**1932** From prison, Mohandas K. Gandhi leads a protest against British policies in India.



**1933** Adolf Hitler takes power in Germany.

**1933** Japan withdraws from the League of Nations.



SECTION 1

# The Nation's Sick Economy

**MAIN IDEA**

**As the prosperity of the 1920s ended, severe economic problems gripped the nation.**

**WHY IT MATTERS NOW**

**The Great Depression has had lasting effects on how Americans view themselves and their government.**

**Terms & Names**

- price support
- credit
- Alfred E. Smith
- Dow Jones Industrial Average
- speculation
- buying on margin
- Black Tuesday
- Great Depression
- Hawley-Smoot Tariff Act

CALIFORNIA STANDARDS

**11.5.1** Discuss the policies of Presidents Warren Harding, Calvin Coolidge, and Herbert Hoover.

**11.6.1** Describe the monetary issues of the late nineteenth and early twentieth centuries that gave rise to the establishment of the Federal Reserve and the weaknesses in key sectors of the economy in the late 1920s.

**11.6.2** Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress, and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis.

**11.6.3** Discuss the human toll of the Depression, natural disasters, and unwise agricultural practices and their effects on the depopulation of rural regions and on political movements of the left and right, with particular attention to the Dust Bowl refugees and their social and economic impacts in California.

**HI 6** Students conduct cost-benefit analyses and apply basic economic indicators to analyze the aggregate economic behavior of the U.S. economy.

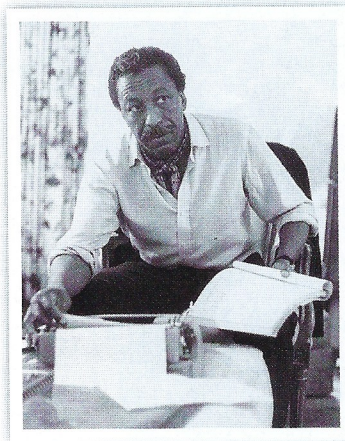
## One American's Story

Gordon Parks, now a well-known photographer, author, and filmmaker, was a 16-year-old high school student in the fall of 1929. He supported himself as a busboy at the exclusive Minnesota Club, where prosperous club members spoke confidently about the economy. Parks, too, looked forward to a bright future. Then came the stock market crash of October 1929. In his autobiography, Parks recalled his feelings at the time.

**A Personal Voice** GORDON PARKS

**"I couldn't imagine such financial disaster touching my small world; it surely concerned only the rich. But by the first week of November . . . I was without a job. All that next week I searched for any kind of work that would prevent my leaving school. Again it was, 'We're firing, not hiring.'. . . I went to school and cleaned out my locker, knowing it was impossible to stay on. A piercing chill was in the air as I walked back to the rooming house."**

*—A Choice of Weapons*



▲ **Gordon Parks, shown here in 1968 discussing the movie version of his autobiographical novel, *The Learning Tree.***

The crash of 1929, and the depression that followed, dealt a crushing blow to the hopes and dreams of millions of Americans. The high-flying prosperity of the 1920s was over. Hard times had begun.

## Economic Troubles on the Horizon

As the 1920s advanced, serious problems threatened economic prosperity. Though some Americans became wealthy, many more could not earn a decent living. Important industries struggled, and farmers grew more crops and raised more livestock than they could sell at a profit. Both consumers and farmers were steadily going deeper into debt. As the decade drew to a close, these slippages in the economy signaled the end of an era.

**INDUSTRIES IN TROUBLE** The superficial prosperity of the late 1920s shrouded weaknesses that would signal the onset of the Great Depression. Key basic industries, such as railroads, textiles, and steel had barely made a profit. Railroads lost business to new forms of transportation (trucks, buses, and private automobiles, for instance).

Mining and lumbering, which had expanded during wartime, were no longer in high demand. Coal mining was especially hard-hit, in part due to stiff competition from new forms of energy, including hydroelectric power, fuel oil, and natural gas. By the early 1930s, these sources supplied more than half the energy that had once come from coal. Even the boom industries of the 1920s—automobiles, construction, and consumer goods—weakened. One important economic indicator that declined during this time was housing starts—the number of new dwellings being built. When housing starts fall, so do jobs in many related industries, such as furniture manufacturing and lumbering. A

MAIN IDEA

**Identifying Problems**

A What industrial weakness signaled a declining economy in the 1920s?

**FARMERS NEED A LIFT** Perhaps agriculture suffered the most. During World War I, prices rose and international demand for crops such as wheat and corn soared. Farmers had planted more and taken out loans for land and equipment. However, demand fell after the war, and crop prices declined by 40 percent or more.

Farmers boosted production in the hopes of selling more crops, but this only depressed prices further. Between 1919 and 1921 annual farm income declined from $10 billion to just over $4 billion. Farmers who had gone into debt had difficulty in paying off their loans. Many lost their farms when banks foreclosed and seized the property as payment for the debt. As farmers began to default on their loans, many rural banks began to fail. Auctions were held to recoup some of the banks' losses.

Congress tried to help out farmers with a piece of legislation called the McNary-Haugen bill. This called for federal **price-supports** for key products such as wheat, corn, cotton, and tobacco. The government would buy surplus crops at guaranteed prices and sell them on the world market.

President Coolidge vetoed the bill twice. He commented, "Farmers have never made money. I don't believe we can do much about it."

**CONSUMERS HAVE LESS MONEY TO SPEND** As farmers' incomes fell, they bought fewer goods and services, but the problem was larger. By the late 1920s,

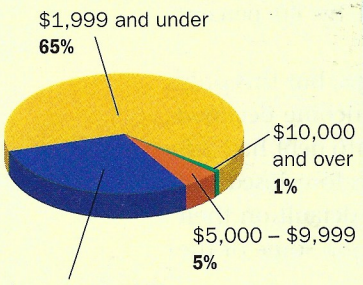


**Farm equipment is auctioned off in Hastings, Nebraska.** ▼

## ECONOMIC BACKGROUND

### UNEVEN INCOME DISTRIBUTION, 1929

The 1920s were an era that favored big business. Life was good for the rich. They made up just 0.1 percent of the population and had yearly incomes of more than $100,000. Conversely, much of the population had to scrape to get by. Many earned so little that everyone in the family, including children, had to work. Nearly 80 percent of all families had no savings.




Source: *Historical Statistics of the United States, Colonial Times to 1970*

Americans were buying less—mainly because of rising prices, stagnant wages, unbalanced distribution of income, and overbuying on credit in the preceding years. Production had also expanded much faster than wages, resulting in an ever-widening gap between the rich and the poor.

**LIVING ON CREDIT** Although many Americans appeared to be prosperous during the 1920s, in fact they were living beyond their means. They often bought goods on **credit**—an arrangement in which consumers agreed to buy now and pay later for purchases. This was often in the form of an installment plan (usually in monthly payments) that included interest charges.

By making credit easily available, businesses encouraged Americans to pile up a large consumer debt. Many people then had trouble paying off their growing debts. Faced with debt, consumers cut back on spending.

**UNEVEN DISTRIBUTION OF INCOME** During the 1920s, the rich got richer, and the poor got poorer. Between 1920 and 1929, the income of the wealthiest 1 percent of the population rose by 75 percent, compared with a 9 percent increase for Americans as a whole.

More than 70 percent of the nation's families earned less than $2,500 per year, then considered the minimum amount needed for a decent standard of living. Even families earning twice that much could not afford many of the household products that manufacturers produced. Economists estimate that the average man or woman bought a new outfit of clothes only once a year. Scarcely half the homes in many cities had electric lights or a furnace for heat. Only one city home in ten had an electric refrigerator.

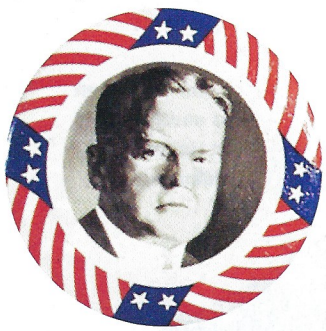
This unequal distribution of income meant that most Americans could not participate fully in the economic advances of the 1920s. Many people did not have the money to purchase the flood of goods that factories produced. The prosperity of the era rested on a fragile foundation. B

**MAIN IDEA**

**Forming Generalizations**

B What did the experience of farmers and consumers at this time suggest about the health of the economy?

## Hoover Takes the Nation



*"We in America are nearer to the final triumph over poverty than ever before."*

**HERBERT HOOVER**

Although economic disaster was around the corner, the election of 1928 took place in a mood of apparent national prosperity. This election pitted Republican candidate Herbert Hoover against Democrat **Alfred E. Smith.**

**THE ELECTION OF 1928** Hoover, the secretary of commerce under Harding and Coolidge, was a mining engineer from Iowa who had never run for public office. Smith was a career politician who had served four terms as governor of New York. He was personable and enjoyed being in the limelight, unlike the quiet and reserved Hoover. Still, Hoover had one major advantage: he could point to years of prosperity under Republican administrations since 1920. Many Americans believed him when he declared, "We in America are nearer to the final triumph over poverty than ever before."

It was an overwhelming victory for Hoover. The message was clear: most Americans were happy with Republican leadership.

**DREAMS OF RICHES IN THE STOCK MARKET** By 1929, some economists had warned of weaknesses in the economy, but most Americans

**Vocabulary**
**stock:** a share of ownership in a company

maintained the utmost confidence in the nation's economic health. In increasing numbers, those who could afford to invested in the stock market. The stock market had become the most visible symbol of a prosperous American economy. Then, as now, the **Dow Jones Industrial Average** was the most widely used barometer of the stock market's health. The Dow is a measure based on the stock prices of 30 representative large firms trading on the New York Stock Exchange.

Through most of the 1920s, stock prices rose steadily. The Dow had reached a high of 381 points, nearly 300 points higher than it had been five years earlier. Eager to take advantage of this "bull market"—a period of rising stock prices—Americans rushed to buy stocks and bonds. One observer wrote, "It seemed as if all economic law had been suspended and a new era opened up in which success and prosperity could be had without knowledge or industry." By 1929, about 4 million Americans—or 3 percent of the nation's population—owned stocks. Many of these investors were already wealthy, but others were average Americans who hoped to strike it rich.

MAIN IDEA

**Analyzing Events**
C How did speculation and margin buying cause stock prices to rise?

However, the seeds of trouble were taking root. People were engaging in **speculation**—that is, they bought stocks and bonds on the chance of a quick profit, while ignoring the risks. Many began **buying on margin**—paying a small percentage of a stock's price as a down payment and borrowing the rest. With easy money available to investors, the unrestrained buying and selling fueled the market's upward spiral. The government did little to discourage such buying or to regulate the market. In reality, these rising prices did not reflect companies' worth. Worse, if the value of stocks declined, people who had bought on margin had no way to pay off the loans. C

## The Stock Market Crashes

In early September 1929, stock prices peaked and then fell. Confidence in the market started to waver, and some investors quickly sold their stocks and pulled out. On October 24, the market took a plunge. Panicked investors unloaded their shares. But the worst was yet to come.

### Analyzing Political Cartoons

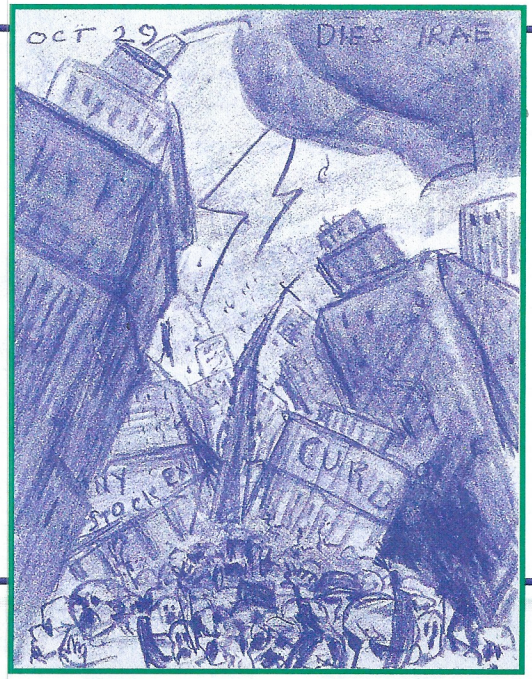
**DAY OF WRATH**

After the apparent prosperity of the 1920s, virtually few were prepared for the devastating effects of the stock market crash. This cartoon by James N. Rosenberg, which shows Wall Street crumbling on October 29, 1929, is titled *Dies Irae*, Latin for "day of wrath."

**SKILLBUILDER Analyzing Political Cartoons**

1. What does the cartoonist suggest will happen to individuals because of the crash?
2. How does the cartoonist convey the sense of fear and shock?
3. What do the looks on people's faces indicate about the impact of the crash?

SEE SKILLBUILDER HANDBOOK, PAGE R24.



**BLACK TUESDAY** On October 29—now known as **Black Tuesday**—the bottom fell out of the market and the nation's confidence. Shareholders frantically tried to sell before prices plunged even lower. The number of shares dumped that day was a record 16.4 million. Additional millions of shares could not find buyers. People who had bought stocks on credit were stuck with huge debts as the prices plummeted, while others lost most of their savings.

## NOW & THEN

### NEW YORK STOCK EXCHANGE

In the twenty-first century, the New York Stock Exchange (NYSE) remains at its core what it has been since it opened its doors in 1792: the nation's premier marketplace for the buying and selling of stocks. There, stockbrokers known as "members" take orders from their customers to buy and sell shares of stock in any one of more than 3,000 companies.

To execute their customers' orders, the members offer and receive bids in what resembles a loud and fast-paced auction. In general, customers submit two types of orders. A limit order tells the broker to buy or sell only if the stock reaches a certain price. A market order tells the broker to execute a transaction immediately, no matter what the price.

Despite remaining close to its roots, the NYSE is today undergoing perhaps the most significant changes in its long history, in large part due to the growth of computers and the Internet.

**A Pen and Paper Operation**

In the 1920s, orders to buy or sell a stock arrived at brokers' telephone booths located around the edge of the trading floor. They were then carried by hand or sent by pneumatic tube to the trading post where that stock would be traded.

NYSE employees called reporters had to record every transaction. For each new sale, they wrote out a slip of paper containing the stock's abbreviation, the number of shares, and the price, and then transmitted it to the ticker room. Market information was typed into a keyboard that converted the keystrokes into electrical impulses that drove the clattering print wheels in ticker machines along the network. People would read the current display at the trading posts.



The trading floor in 1914. ▲

**Technological Changes**

While still centered around human interaction, the exchange has incorporated a number of computer technologies to keep up with the times. For example, members now receive stock bids and offers through an electronic delivery system known as SuperDot, which enables them to make a trade in less than 12 seconds. Electronic communications networks now allow individuals to buy and sell stocks themselves over the Internet at a fraction of what it would cost to use a specialist. Such innovation has prompted some to insist that all future trading will be done via computers, thus eliminating the need for physical exchanges such as the NYSE.

The trading floor in 2000. ▼



**SKILLBUILDER**

1. **Hypothesizing** What scenarios can you imagine that might prompt someone to submit a market order on a certain stock?
2. **Comparing** How has technology on the trading floor changed since the 1920s?

By mid-November, investors had lost about $30 billion, an amount equal to how much America spent in World War I. The stock market bubble had finally burst. One eyewitness to these events, Frederick Lewis Allen, described the resulting situation.

**A Personal Voice** FREDERICK LEWIS ALLEN

**"The Big Bull Market was dead. Billions of dollars' worth of profits—and paper profits—had disappeared. The grocer, the window cleaner, and the seamstress had lost their capital [savings]. In every town there were families which had suddenly dropped from showy affluence into debt. . . . With the Big Bull Market gone and prosperity going, Americans were soon to find themselves living in an altered world which called for new adjustments, new ideas, new habits of thought, and a new order of values."**

*—Only Yesterday*

## Financial Collapse

The stock market crash signaled the beginning of the **Great Depression**—the period from 1929 to 1940 in which the economy plummeted and unemployment skyrocketed. The crash alone did not cause the Great Depression, but it hastened the collapse of the economy and made the depression more severe.

**BANK AND BUSINESS FAILURES** After the crash, many people panicked and withdrew their money from banks. But some couldn't get their money because the banks had invested it in the stock market. In 1929, 600 banks closed. By 1933, 11,000 of the nation's 25,000 banks had failed. Because the government did not protect or insure bank accounts, millions of people lost their savings accounts.

The Great Depression hit other businesses, too. Between 1929 and 1932, the gross national product—the nation's total output of goods and services—was cut nearly in half, from $104 billion to $59 billion. Approximately 90,000 businesses went bankrupt. Among these failed enterprises were once-prosperous automobile and railroad companies.

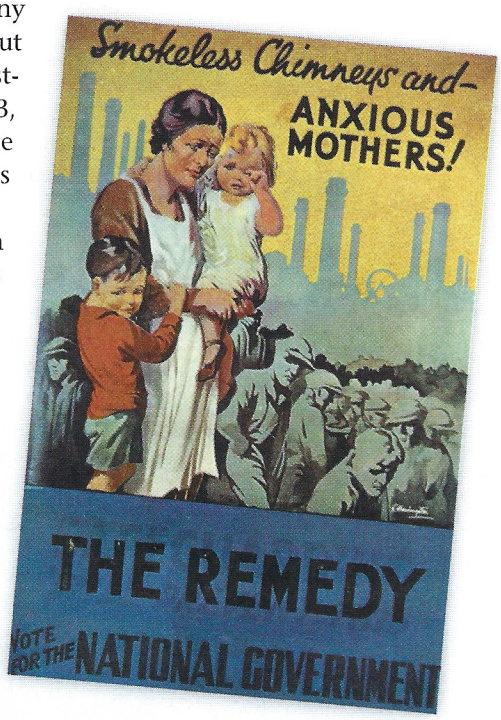
As the economy plunged into a tailspin, millions of workers lost their jobs. Unemployment leaped from 3 percent (1.6 million workers) in 1929 to 25 percent (13 million workers) in 1933. One out of every four workers was out of a job. Those who kept their jobs faced pay cuts and reduced hours.

**MAIN IDEA**

**Analyzing Effects**

D What happened to ordinary workers during the Great Depression?

Not everyone fared so badly, of course. Before the crash, some speculators had sold off their stocks and made money. Joseph P. Kennedy, the father of future president John F. Kennedy, was one who did. Most, however, were not so lucky or shrewd. D




**This British election poster shows that the Great Depression was a global event.**

**WORLDWIDE SHOCK WAVES** The United States was not the only country gripped by the Great Depression. Much of Europe, for example, had suffered throughout the 1920s. European countries trying to recover from the ravages of World War I faced high war debts. In addition, Germany had to pay war reparations—payments to compensate the Allies for the damages Germany had caused. The Great Depression compounded these problems by limiting America's ability to import European goods. This made it difficult to sell American farm products and manufactured goods abroad.

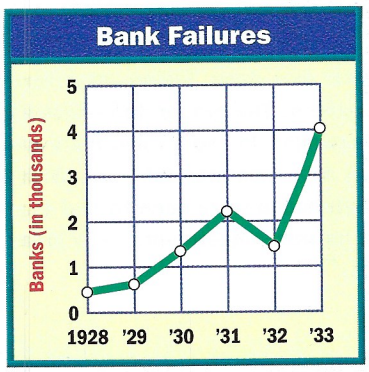
# Depression Indicators

Economic indicators are measures that signal trends in a nation's economy. During the Great Depression several trends were apparent. Those indicated at the right are linked—the conditions of one can affect another. For instance, when banks fail 1, some businesses may have to close down 2, which can cause unemployment to rise 3. Thus, people have less money and spending declines 4.

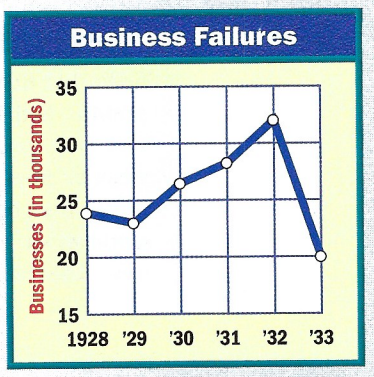
**SKILLBUILDER** Interpreting Graphs

1. In what year did the biggest jump in bank failures occur?
2. What measure on the graphs seems to indicate an improvement in the U.S. economy during the Depression? What might explain this?

1



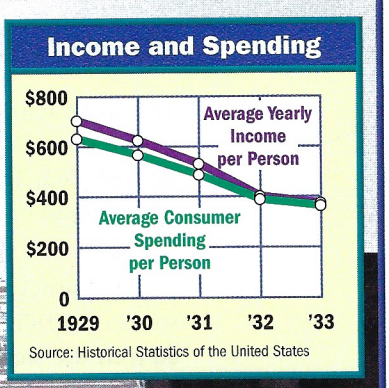

2




3




4




Source: Historical Statistics of the United States



Distraught men try to withdraw their savings from a failing bank.

In 1930, Congress passed the **Hawley-Smoot Tariff Act,** which established the highest protective tariff in United States history. It was designed to protect American farmers and manufacturers from foreign competition. Yet it had the opposite effect. By reducing the flow of goods into the United States, the tariff prevented other countries from earning American currency to buy American goods. The tariff made unemployment worse in industries that could no longer export goods to Europe. Many countries retaliated by raising their own tariffs. Within a few years, world trade had fallen more than 40 percent. E

**MAIN IDEA**

**Summarizing**
E How did the Great Depression affect the world economy?

**CAUSES OF THE GREAT DEPRESSION** Although historians and economists differ on the main causes of the Great Depression, most cite a common set of factors, among them:

- tariffs and war debt policies that cut down the foreign market for American goods
- a crisis in the farm sector
- the availability of easy credit
- an unequal distribution of income

These factors led to falling demand for consumer goods, even as newly mechanized factories produced more products. The federal government contributed to the crisis by keeping interest rates low, thereby allowing companies and individuals to borrow easily and build up large debts. Some of this borrowed money was used to buy the stocks that later led to the crash.

At first people found it hard to believe that economic disaster had struck. In November 1929, President Hoover encouraged Americans to remain confident about the economy. Yet, the most severe depression in American history was well on its way.

## WORLD STAGE

### GLOBAL EFFECTS OF THE DEPRESSION

As the American economy collapsed, so too did Europe's. The world's nations had become interdependent; international trade was important to most countries. However, when the U.S. economy failed, American investors withdrew their money from European markets.

To keep U.S. dollars in America, the government raised tariffs on goods imported from other countries. World trade dropped. Unemployment rates around the world soared. Germany and Austria were particularly hard hit. In 1931 Austria's largest bank failed. In Asia, both farmers and urban workers suffered as the value of exports fell by half between 1929 and 1931. The crash was felt in Latin America as well. As U.S. and European demand for Latin American products like sugar, beef, and copper dropped, prices collapsed.

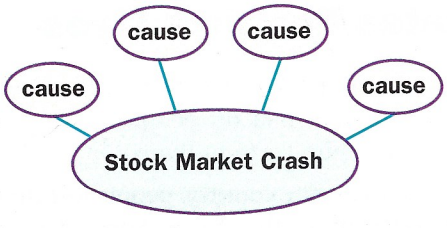
## SECTION 1 ASSESSMENT

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- **price support**
- **credit**
- **Alfred E. Smith**
- **Dow Jones Industrial Average**
- **speculation**
- **buying on margin**
- **Black Tuesday**
- **Great Depression**
- **Hawley-Smoot Tariff Act**

### MAIN IDEA

**2. TAKING NOTES** (HI 6)
In a diagram like this, record the causes of the 1929 stock market crash.




Which do you see as the biggest cause? Why?

### CRITICAL THINKING

**3. MAKING INFERENCES** (11.6.1)
How did the economic trends of the 1920s help cause the Great Depression? **Think About:**

- what happened in industry
- what happened in agriculture
- what happened with consumers

**4. DRAWING CONCLUSIONS** (11.6.3)
Judging from the events of the late 1920s and early 1930s, how important do you think public confidence is to the health of the economy? Explain. **Think About:**

- what happened when overconfidence in the stock market led people to speculate and buy on margin
- how confidence affects consumer borrowing



SECTION 2

# Hardship and Suffering During the Depression

| MAIN IDEA | WHY IT MATTERS NOW | Terms & Names |
|---|---|---|
| During the Great Depression Americans did what they had to do to survive. | Since the Great Depression, many Americans have been more cautious about saving, investing, and borrowing. | • shantytown • soup kitchen • bread line • Dust Bowl • direct relief |

**CALIFORNIA STANDARDS**

**11.6.3** Discuss the human toll of the Depression, natural disasters, and unwise agricultural practices and their effects on the depopulation of rural regions and on political movements of the left and right, with particular attention to the Dust Bowl refugees and their social and economic impacts in California.

**CST 3** Students use a variety of maps and documents to interpret human movement, including major patterns of domestic and international migration, changing environmental preferences and settlement patterns, the frictions that develop between population groups, and the diffusion of ideas, technological innovations, and goods.

**REP 1** Students distinguish valid arguments from fallacious arguments in historical interpretations.

**REP 4** Students construct and test hypotheses; collect, evaluate, and employ information from multiple primary and secondary sources; and apply it in oral and written presentations.

**HI 2** Students recognize the complexity of historical causes and effects, including the limitations on determining cause and effect.

## One American's Story



Ann Marie Low lived on her parents' North Dakota farm when the stock market crashed in 1929 and the Great Depression hit. Hard times were familiar to Ann's family. But the worst was yet to come. In the early 1930s, a ravenous drought hit the Great Plains, destroying crops and leaving the earth dry and cracked. Then came the deadly dust storms. On April 25, 1934, Ann wrote an account in her diary.

**A Personal Voice** ANN MARIE LOW

**"[T]he air is just full of dirt coming, literally, for hundreds of miles. It sifts into everything. After we wash the dishes and put them away, so much dust sifts into the cupboards we must wash them again before the next meal. . . . Newspapers say the deaths of many babies and old people are attributed to breathing in so much dirt."**

*—Dust Bowl Diary*

The drought and winds lasted for more than seven years. The dust storms in Kansas, Colorado, New Mexico, Nebraska, the Dakotas, Oklahoma, and Texas were a great hardship—but only one of many—that Americans faced during the Great Depression.

VIDEO

***BROKE, BUT NOT BROKEN***
**Ann Marie Low Remembers the Dust Bowl**

## The Depression Devastates People's Lives

Statistics such as the unemployment rate tell only part of the story of the Great Depression. More important was the impact that it had on people's lives: the Depression brought hardship, homelessness, and hunger to millions.

**THE DEPRESSION IN THE CITIES** In cities across the country, people lost their jobs, were evicted from their homes and ended up in the streets. Some slept in parks or sewer pipes, wrapping themselves in newspapers to fend off the cold.

Others built makeshift shacks out of scrap materials. Before long, numerous **shantytowns**—little towns consisting of shacks—sprang up. An observer recalled one such settlement in Oklahoma City: "Here were all these people living in old, rusted-out car bodies. . . . There were people living in shacks made of orange crates. One family with a whole lot of kids were living in a piano box. . . . People were living in whatever they could junk together."

**Background**
Relief programs largely discriminated against African Americans. However, some black organizations, like the National Urban League, were able to give private help.

Every day the poor dug through garbage cans or begged. **Soup kitchens** offering free or low-cost food and **bread lines,** or lines of people waiting to receive food provided by charitable organizations or public agencies, became a common sight. One man described a bread line in New York City.



▲ **Unemployed people built shacks in a shantytown in New York City in 1932.**

**A PERSONAL VOICE** HERMAN SHUMLIN

**"Two or three blocks along Times Square, you'd see these men, silent, shuffling along in a line. Getting this handout of coffee and doughnuts, dealt out from great trucks. . . . I'd see that flat, opaque, expressionless look which spelled, for me, human disaster. Men . . . who had responsible positions. Who had lost their jobs, lost their homes, lost their families . . . They were destroyed men."**

—quoted in *Hard Times*

Conditions for African Americans and Latinos were especially difficult. Their unemployment rates were higher, and they were the lowest paid. They also dealt with increasing racial violence from unemployed whites competing for the same jobs. Twenty-four African Americans died by lynching in 1933.

Latinos—mainly Mexicans and Mexican Americans living in the Southwest—were also targets. Whites demanded that Latinos be deported, or expelled from the country, even though many had been born in America. By the late 1930s, hundreds of thousands of people of Mexican descent relocated to Mexico. Some left voluntarily; others were deported by the federal government. A

**MAIN IDEA**
**Summarizing**
A How did the Great Depression affect minorities?

**THE DEPRESSION IN RURAL AREAS** Life in rural areas was hard, but it did have one advantage over city life: most farmers could grow food for their families. With falling prices and rising debt, though, thousands of farmers lost their land. Between 1929 and 1932, about 400,000 farms were lost through foreclosure—the process by which a mortgage holder takes back property if an occupant has not made payments. Many farmers turned to tenant farming and barely scraped out a living.

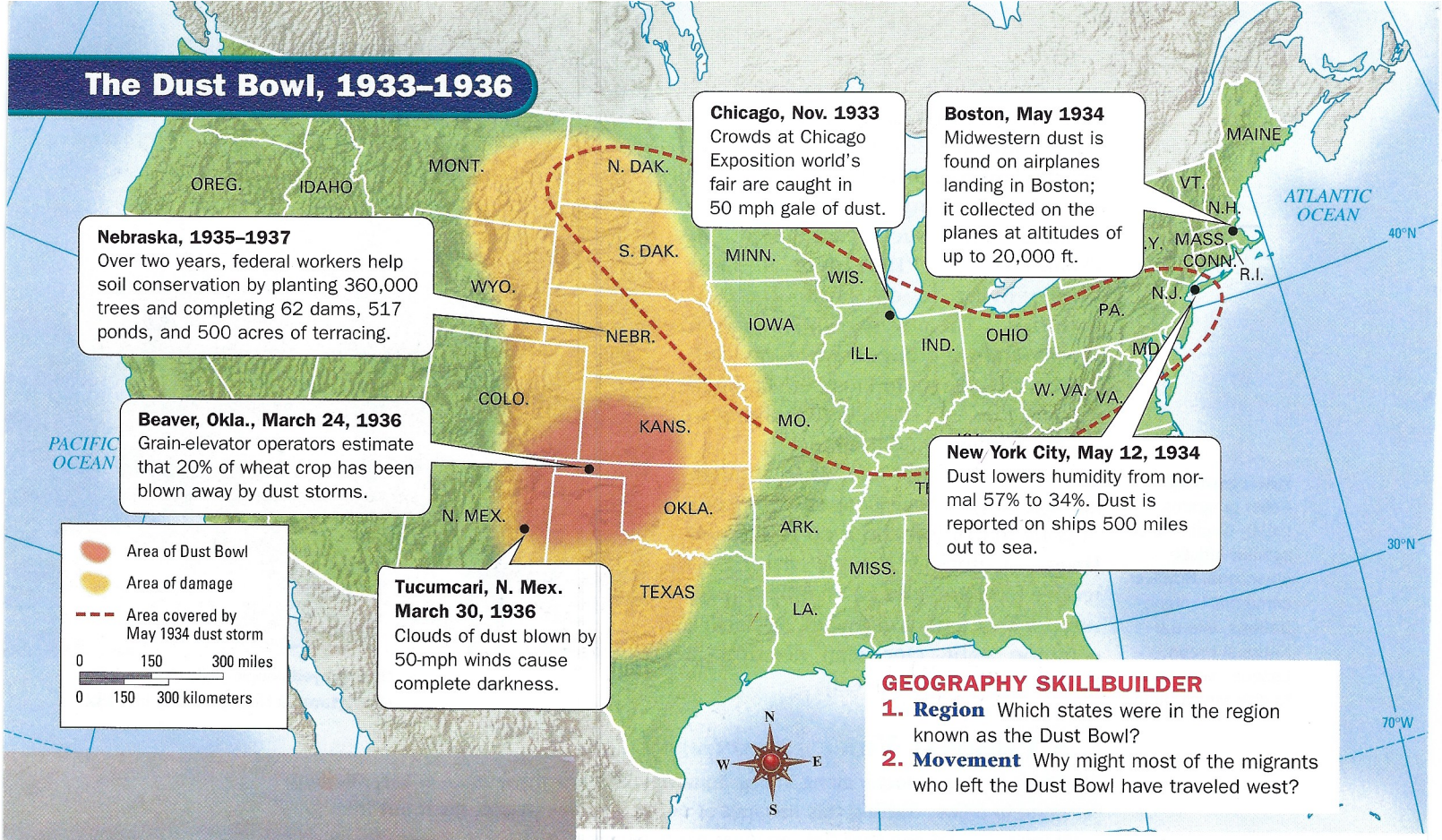
**ANOTHER PERSPECTIVE**

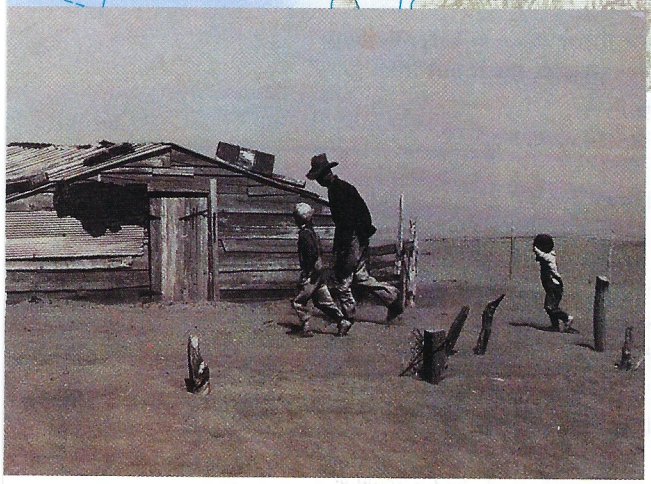
**AN AFRICAN-AMERICAN VIEW OF THE DEPRESSION**

Although the suffering of the 1930s was severe for many people, it was especially grim for African Americans. Hard times were already a fact of life for many blacks, as one African-American man noted:

"The Negro was born in depression. It didn't mean too much to him, The Great American Depression. . . . The best he could be is a janitor or a porter or shoeshine boy. It only became official when it hit the white man."

Nonetheless, the African-American community was very hard hit by the Great Depression. In 1932, the unemployment rate among African Americans stood at over 50 percent, while the overall unemployment rate was approximately 25 percent.



▲ A farmer and his sons brave a dust storm in 1936.

**THE DUST BOWL** The drought that began in the early 1930s wreaked havoc on the Great Plains. During the previous decade, farmers from Texas to North Dakota had used tractors to break up the grasslands and plant millions of acres of new farmland. Plowing had removed the thick protective layer of prairie grasses. Farmers had then exhausted the land through overproduction of crops, and the grasslands became unsuitable for farming. When the drought and winds began in the early 1930s, little grass and few trees were left to hold the soil down. Wind scattered the topsoil, exposing sand and grit underneath. The dust traveled hundreds of miles. One windstorm in 1934 picked up millions of tons of dust from the plains and carried it to East Coast cities.

The region that was the hardest hit, including parts of Kansas, Oklahoma, Texas, New Mexico, and Colorado, came to be known as the **Dust Bowl.** Plagued by dust storms and evictions, thousands of farmers and sharecroppers left their land behind. They packed up their families and few belongings and headed west, following Route 66 to California. Some of these migrants—known as Okies (a term that originally referred to Oklahomans but came to be used negatively for all migrants)—found work as farmhands. But others continued to wander in search of work. By the end of the 1930s, hundreds of thousands of farm families had migrated to California and other Pacific Coast states.

**Background**
The most severe storms were called "black blizzards." They were said to have darkened the sky in New York City and Washington, D.C.

## Effects on the American Family

In the face of the suffering caused by the Great Depression, the family stood as a source of strength for most Americans. Although some people feared that hard times would undermine moral values, those fears were largely unfounded. In gen-

eral, Americans believed in traditional values and emphasized the importance of family unity. At a time when money was tight, many families entertained themselves by staying at home and playing board games, such as Monopoly (invented in 1933), and listening to the radio. Nevertheless, the economic difficulties of the Great Depression put severe pressure on family life. Making ends meet was a daily struggle, and, in some cases, families broke apart under the strain.

**MEN IN THE STREETS** Many men had difficulty coping with unemployment because they were accustomed to working and supporting their families. Every day, they would set out to walk the streets in search of jobs. As Frederick Lewis Allen noted in *Since Yesterday*, "Men who have been sturdy and self-respecting workers can take unemployment without flinching for a few weeks, a few months, even if they have to see their families suffer; but it is different after a year . . . two years . . . three years." Some men became so discouraged that they simply stopped trying. Some even abandoned their families.

During the Great Depression, as many as 300,000 transients—or "hoboes" as they were called—wandered the country, hitching rides on railroad boxcars and sleeping under bridges. These hoboes of the 1930s, mainly men, would occasionally turn up at homeless shelters in big cities. The novelist Thomas Wolfe described a group of these men in New York City. B

MAIN IDEA

**Analyzing Causes**

B Why did so many men leave their homes during the Depression?

**HISTORICAL SPOTLIGHT**

**HOBO SYMBOLS**

Hoboes shared a hidden language that helped them meet the challenges of the road. Over time a set of symbols developed for hoboes to alert each other as to where they could get food or work or a place to sleep, and what houses to avoid. They often marked the symbols, such as those shown below, on the sides of houses and fences near railroad yards.




**A PERSONAL VOICE** THOMAS WOLFE

**"These were the wanderers from town to town, the riders of freight trains, the thumbers of rides on highways, the uprooted, unwanted male population of America. They . . . gathered in the big cities when winter came, hungry, defeated, empty, hopeless, restless . . . always on the move, looking everywhere for work, for the bare crumbs to support their miserable lives, and finding neither work nor crumbs."**

*—You Can't Go Home Again*

During the early years of the Great Depression, there was no federal system of **direct relief**—cash payments or food provided by the government to the poor. Some cities and charity services did offer relief to those who needed it, but the benefits were meager. In New York City, for example, the weekly payment was just $2.39 per family. This was the most generous relief offered by any city, but it was still well below the amount needed to feed a family.

**WOMEN STRUGGLE TO SURVIVE** Women worked hard to help their families survive adversity during the Great Depression. Many women canned food and sewed clothes. They also carefully managed household budgets. Jeane Westin, the author of *Making Do: How Women Survived the '30s*, recalled, "Those days you did everything to save a penny. . . . My next door neighbor and I used to shop together. You could get two pounds of hamburger for a quarter, so we'd buy two pounds and split it—then one week she'd pay the extra penny and the next week I'd pay."

Many women also worked outside the home, though they usually received less money than men did. As the Depression wore on, however, working women became the targets of enormous resentment. Many people believed that women, especially married women, had no right to work when there were men who were unemployed.

In the early 1930s, some cities refused to hire married women as schoolteachers.

Many Americans assumed that women were having an easier time than men during the Great Depression because few were seen begging or standing in bread lines. As a matter of fact, many women were starving to death in cold attics and rooming houses. As one writer pointed out, women were often too ashamed to reveal their hardship.

**A Personal Voice** MERIDEL LE SEUER

**"I've lived in cities for many months, broke, without help, too timid to get in bread lines. I've known many women to live like this until they simply faint in the street. . . . A woman will shut herself up in a room until it is taken away from her, and eat a cracker a day and be as quiet as a mouse. . . . [She] will go for weeks verging on starvation, . . . going through the streets ashamed, sitting in libraries, parks, going for days without speaking to a living soul, shut up in the terror of her own misery."**

*—America in the Twenties*

**CHILDREN SUFFER HARDSHIPS** Children also suffered during the 1930s. Poor diets and a lack of money for health care led to serious health problems. Milk consumption declined across the country, and clinics and hospitals reported a dramatic rise in malnutrition and diet-related diseases, such as rickets. At the same time, child-welfare programs were slashed as cities and states cut their budgets in the face of dwindling resources.

**Background**
Rickets is caused by a vitamin D deficiency and results in defective bone growth.

Falling tax revenues also caused school boards to shorten the school year and even close schools. By 1933, some 2,600 schools across the nation had shut down, leaving more than 300,000 students out of school. Thousands of children went to work instead; they often labored in sweatshops under horrendous conditions. C

**MAIN IDEA**

**Analyzing Effects**
C How did the Great Depression affect women and children?

*"If I leave my mother, it will mean one less mouth to feed."*
**EUGENE WILLIAMS, AGE 13**

Many teenagers looked for a way out of the suffering. Hundreds of thousands of teenage boys and some girls hopped aboard America's freight trains to zigzag the country in search of work, adventure, and an escape from poverty. These "wild boys" came from every section of the United States, from every corner of society. They were the sons of poor farmers, and out-of-work miners, and wealthy parents who had lost everything. "Hoover tourists," as they were called, were eager to tour America for free.

From the age of eleven until seventeen, George Phillips rode the rails, first catching local freights out of his home town of Princeton, Missouri.

"There is no feeling in the world like sitting in a side-door Pullman and watching the world go by, listening to the clickety-clack of the wheels, hearing that old steam whistle blowing for crossings and towns."

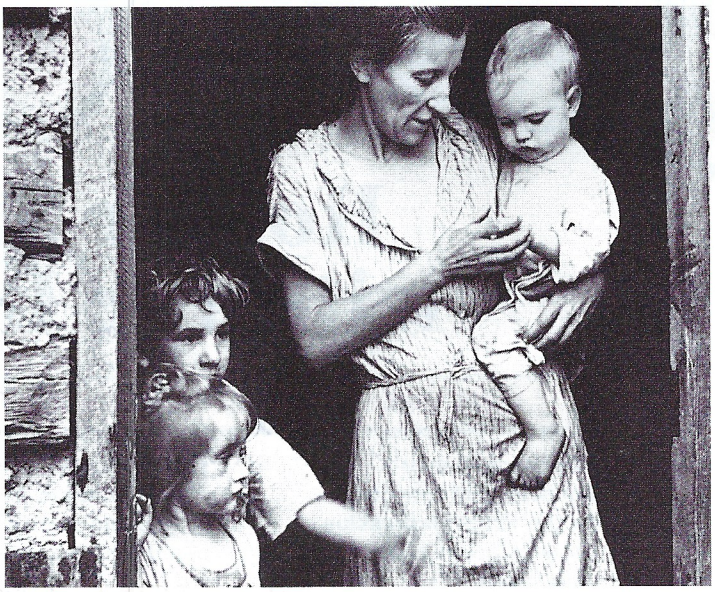
While exciting, the road could also be deadly. Many riders were beaten or jailed by "bulls"—armed freight yard patrolmen. Often riders had to sleep standing up in a constant deafening rumble. Some were accidentally locked in ice cars for days on end. Others fell prey to murderous criminals. From 1929 to 1939, 24,647 trespassers were killed and 27,171 injured on railroad property.



◀ **Two young boys, ages 15 and 16, walk beside freight cars in the San Joaquin Valley.**

**SOCIAL AND PSYCHOLOGICAL EFFECTS** The hardships of the Great Depression had a tremendous social and psychological impact. Some people were so demoralized by hard times that they lost their will to survive. Between 1928 and 1932, the suicide rate rose more than 30 percent. Three times as many people were admitted to state mental hospitals as in normal times.

The economic problems forced many Americans to accept compromises and make sacrifices that affected them for the rest of their lives. Adults stopped going to the doctor or dentist because they couldn't afford it. Young people gave up their dreams of going to college. Others put off getting married, raising large families, or having children at all.



▲ This Ozark sharecropper family was photographed in Arkansas during the 1930s by the artist Ben Shahn.

**Vocabulary**
**stigma:** a mark or indication of disgrace

For many people, the stigma of poverty and of having to scrimp and save never disappeared completely. For some, achieving financial security became the primary focus in life. As one woman recalled, "Ever since I was twelve years old there was one major goal in my life . . . one thing . . . and that was to never be poor again."

During the Great Depression many people showed great kindness to strangers who were down on their luck. People often gave food, clothing, and a place to stay to the needy. Families helped other families and shared resources and strengthened the bonds within their communities. In addition, many people developed habits of saving and thriftiness—habits they would need to see themselves through the dark days ahead as the nation and President Hoover struggled with the Great Depression. These habits shaped a whole generation of Americans.

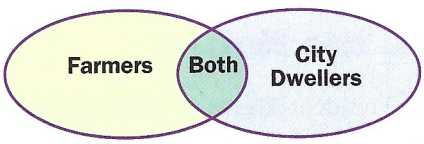
## SECTION 2 ASSESSMENT

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- **shantytown**
- **soup kitchen**
- **bread line**
- **Dust Bowl**
- **direct relief**

### MAIN IDEA

**2. TAKING NOTES** (11.6.3)
In a Venn diagram, list the effects that the Great Depression had on farmers and city dwellers. Find the differences and the similarities.




Which group do you think suffered less?

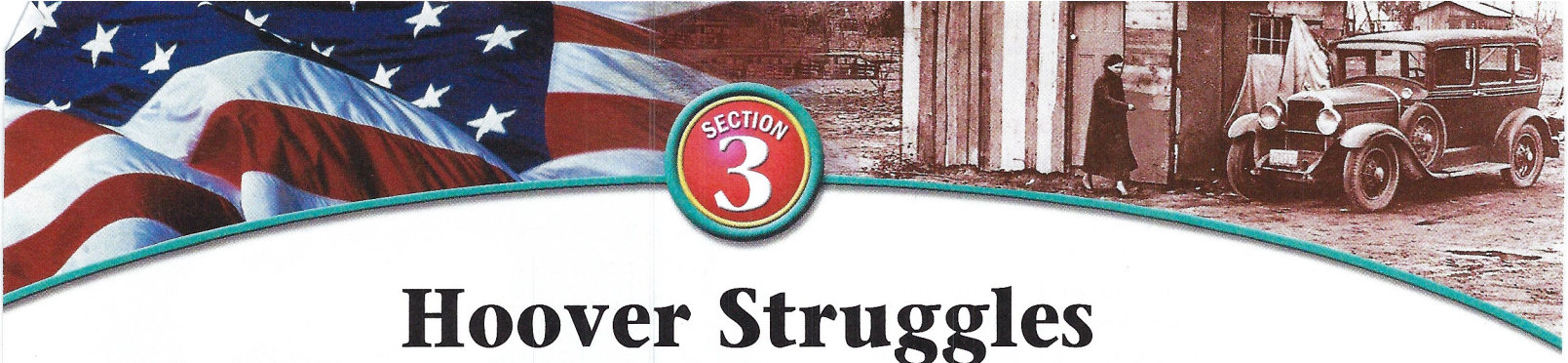
### CRITICAL THINKING

**3. CONTRASTING** (11.6.3)
How was what happened to men during the Great Depression different from what happened to women? children? **Think About:**

- each group's role in their families
- the changes each group had to make
- what help was available to them

**4. ANALYZING EFFECTS** (11.6.3)
How did Dust Bowl conditions in the Great Plains affect the entire country?

**5. DRAWING CONCLUSIONS** (REP 4)
In what ways did the Great Depression affect people's outlook?




# Hoover Struggles with the Depression

**MAIN IDEA**

**President Hoover's conservative response to the Great Depression drew criticism from many Americans.**

**WHY IT MATTERS NOW**

**Worsening conditions in the country caused the government to become more involved in the health and wealth of the people.**

**Terms & Names**

- **Herbert Hoover**
- **Boulder Dam**
- **Federal Home Loan Bank Act**
- **Reconstruction Finance Corporation**
- **Bonus Army**

CALIFORNIA STANDARDS

**11.5.1** Discuss the policies of Presidents Warren Harding, Calvin Coolidge, and Herbert Hoover.

**11.6.2** Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress, and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis.

**CST 2** Students analyze how change happens at different rates at different times; understand that some aspects can change while others remain the same; and understand that change is complicated and affects not only technology and politics but also values and beliefs.

**REP 1** Students distinguish valid arguments from fallacious arguments in historical interpretations.

**REP 4** Students construct and test hypotheses; collect, evaluate, and employ information from multiple primary and secondary sources; and apply it in oral and written presentations.

**HI 1** Students show the connections, causal and otherwise, between particular historical events and larger social, economic, and political trends and developments.

## One American's Story

Oscar Ameringer was a newspaper editor in Oklahoma City during the Great Depression. In 1932, he traveled around the country collecting information on economic and social conditions. Testifying in unemployment hearings that year, he described a desperate and impatient citizenship. "Unless something is done for them and done soon you will have a revolution on hand." Ameringer told the following story.



▲ A Depression-era family from Arkansas walks through Texas, looking for work in the cotton fields along the Rio Grande.

**A Personal Voice** OSCAR AMERINGER

**"The roads of the West and Southwest teem with hungry hitchhikers. . . . Between Clarksville and Russellville, Ark., I picked up a family. The woman was hugging a dead chicken under a ragged coat. When I asked her where she had procured the fowl, first she told me she had found it dead in the road, and then added in grim humor, 'They promised me a chicken in the pot, and now I got mine.'"**

—quoted in *The American Spirit*

The woman was recalling President Hoover's empty 1928 campaign pledge: "A chicken in every pot and a car in every garage." Now many Americans were disillusioned. They demanded that the government help them.

## Hoover Tries to Reassure the Nation

After the October 1929 stock market crash, President **Herbert Hoover** tried to reassure the nation that the economy was sound. "Any lack of confidence in the economic future . . . is foolish," he declared. In his view, Americans needed to be optimistic and to go about their business as usual. Americans believed depressions were a normal part of the business cycle. By this theory, periods of rapid economic growth were naturally followed by periods of depression. The best course in a slump, many

experts believed, was to do nothing and let the economy fix itself. Hoover took a slightly different position. He felt that government could play a limited role in helping to solve problems.

**HOOVER'S PHILOSOPHY** Herbert Hoover had been an engineer, and he put great faith in the power of reason. He was also a humanitarian, as he made clear in one of his last speeches as president.

### A Personal Voice HERBERT HOOVER

**"Our first objective must be to provide security from poverty and want. . . . We want to see a nation built of home owners and farm owners. We want to see their savings protected. We want to see them in steady jobs. We want to see more and more of them insured against death and accident, unemployment and old age. We want them all secure."**

—"Challenge to Liberty," October 1936

Like many Americans of the time, Hoover believed that one of government's chief functions was to foster cooperation between competing groups and interests in society. If business and labor were in a conflict, for example, government should step in and help them find a solution that served their mutual interests. This cooperation must be voluntary rather than forced, he said. Government's role was to encourage and facilitate cooperation, not to control it.

On the other hand, Americans also valued "rugged individualism"—the idea that people should succeed through their own efforts. They should take care of themselves and their families, rather than depend on the government to bail them out. Thus, Hoover opposed any form of federal welfare, or direct relief to the needy. He believed that handouts would weaken people's self-respect and "moral fiber." His answer to the needy was that individuals, charities, and local organizations should pitch in to help care for the less fortunate. The federal government should direct relief measures, but not through a vast federal bureaucracy. Such a bureaucracy, he said, would be too expensive and would stifle individual liberties. A

MAIN IDEA

**Summarizing**

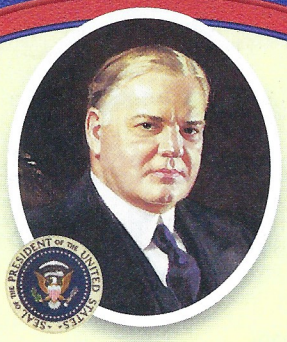
A What were some of Hoover's key convictions about government?

However, when the Depression took hold, moral fiber wasn't what people were worried about. Hoover's response shocked and frustrated suffering Americans.

**HOOVER TAKES CAUTIOUS STEPS** Hoover's political philosophy caused him to take a cautious approach to the depression. Soon after the stock market crash, he called together key leaders in the fields of business, banking, and labor. He urged them to work together to find solutions to the nation's economic woes and to act in ways that would not make a bad situation worse. For example, he asked employers not to cut wages or lay off workers, and he asked labor leaders not to demand higher wages or go on strike. He also created a special organization to help private charities generate contributions for the poor.

None of these steps made much of a difference. A year after the crash, the economy was still shrinking, and unemployment was still rising. More companies went out of business, soup kitchens became a common sight, and general misery continued to grow. Shantytowns arose in every city, and hoboes continued to roam.

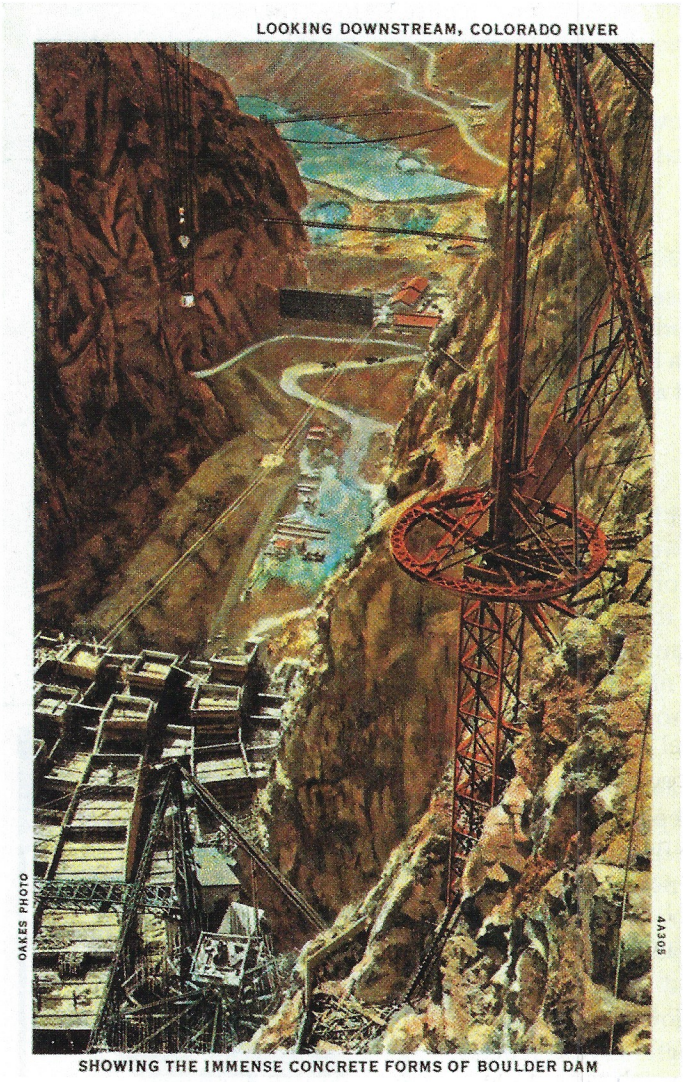
### KEY PLAYER



**HERBERT HOOVER**
**1874–1964**

Born to a Quaker family in Iowa, Herbert Hoover was orphaned at an early age. His life was a rags-to-riches story. He worked his way through Stanford University and later made a fortune as a mining engineer and consultant in China, Australia, Europe, and Africa. During and after World War I, he coordinated U.S. relief efforts in Europe, earning a reputation for efficiency and humanitarian ideals.

As president, Hoover asserted, "Every time we find solutions outside of government, we have not only strengthened character, but we have preserved our sense of real government."




▲ This 1930s postcard, displaying a hand-colored photograph, shows the mammoth scale of Boulder Canyon and Boulder Dam.

**BOULDER DAM** One project that Hoover approved did make a difference. Years earlier, when Hoover served as secretary of commerce, one of his earliest proposed initiatives was the construction of a dam on the Colorado River. Aiming to minimize federal intervention, Hoover proposed to finance the dam's construction by using profits from sales of the electric power that the dam would generate. He also helped to arrange an agreement on water rights among the seven states of the Colorado River basin—Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

By the time the massive project won congressional approval in 1928, as part of a $700 million public works program, Hoover occupied the White House. In the fall of 1929, nearly one year into his presidency, Hoover was finally able to authorize construction of **Boulder Dam** (later called Hoover Dam). At 726 ft. high and 1,244 ft. long it would be the world's tallest dam and the second largest. In addition to providing electricity and flood control, the dam also provided a regular water supply, which enabled the growth of California's massive agricultural economy. Today, the dam also helps to provide water for cities such as Los Angeles and Las Vegas.

**DEMOCRATS WIN IN 1930 CONGRESSIONAL ELECTIONS** As the country's economic difficulties increased, the political tide turned against Hoover and the Republicans. In the 1930 congressional elections, the Democrats took advantage of anti-Hoover sentiments to win more seats in Congress. As a result of that election, the Republicans lost control of the House of Representatives and saw their majority in the Senate dwindle to one vote.

As Americans grew more and more frustrated by the Depression, they expressed their anger in a number of ways. Farmers stung by low crop prices burned their corn and wheat and dumped their milk on highways rather than sell it at a loss. Some farmers even declared a "farm holiday" and refused to work their fields. A number blocked roads to prevent food from getting to market, hoping that food shortages would raise prices. Some farmers also used force to prevent authorities from foreclosing on farms.

By 1930, people were calling the shantytowns in American cities "Hoovervilles"—a direct slap at the president's policies. Homeless people called the newspapers they wrapped themselves in "Hoover blankets." Empty pockets turned inside out were "Hoover flags." Many Americans who had hailed Hoover as a great humanitarian a few years earlier now saw him as a cold and heartless leader.

MAIN IDEA

**Making Inferences**

B Why do you think people blamed Hoover for the nation's difficulties?

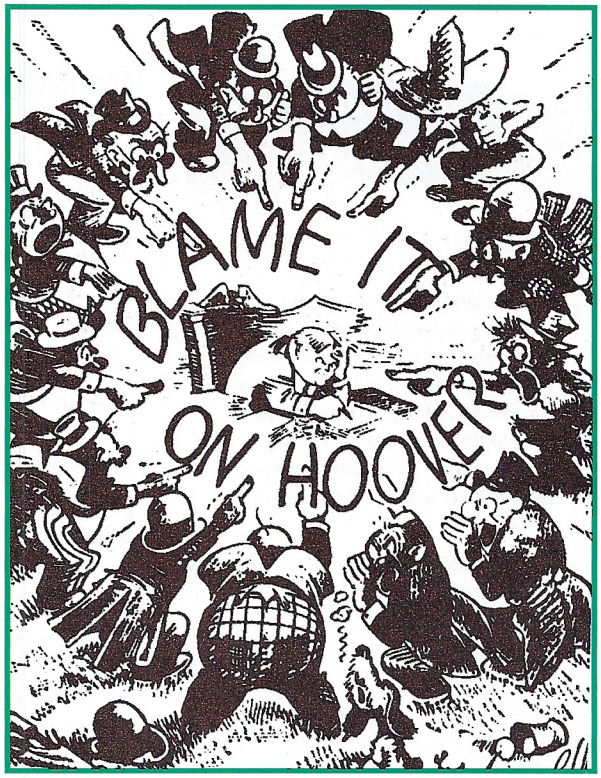
Despite public criticism, Hoover continued to hold firm to his principles. He refused to support direct relief or other forms of federal welfare. Some Americans were going hungry, and many blamed Hoover for their plight. Criticism of the president and his policies continued to grow. An anonymous ditty of the time was widely repeated. B

> "Mellon pulled the whistle
> Hoover rang the bell
> Wall Street gave the signal
> And the country went to hell."

## Hoover Takes Action

As time went on and the depression deepened, President Hoover gradually softened his position on government intervention in the economy and took a more activist approach to the nation's economic troubles.

**HOOVER BACKS COOPERATIVES** In Hoover's view, Boulder Dam was a model of how the federal government could encourage cooperation. His attempts to relieve the depression involved negotiating agreements among private entities, again reflecting his belief in small government. For example, he backed the creation of the Federal Farm Board, an organization of farm cooperatives. The Farm Board was intended to raise crop prices by helping members to buy crops and keep them off the market temporarily until prices rose.




▲ In this cartoon, Americans point their fingers at a beleaguered President Hoover.

In addition, Hoover tried to prop up the banking system by persuading the nation's largest banks to establish the National Credit Corporation. This organization loaned money to smaller banks, which helped them stave off bankruptcy.

**DIRECT INTERVENTION** By late 1931, however, many people could see that these measures had failed to turn the economy around. With a presidential election looming, Hoover appealed to Congress to pass a series of measures to reform banking, provide mortgage relief, and funnel more federal money into business investment. In 1932, Hoover signed into law the **Federal Home Loan Bank Act,** which lowered mortgage rates for homeowners and allowed farmers to refinance their farm loans and avoid foreclosure. It was not until Hoover's time in office was over that Congress passed the Glass-Steagall Banking Act, which separated investment from commercial banking and would, Congress hoped, prevent another crash.

**Vocabulary**

**refinance:** to provide new financing; to discharge a mortgage with a new mortgage obtained at a lower interest rate

Hoover's most ambitious economic measure, however, was the **Reconstruction Finance Corporation** (RFC), approved by Congress in January 1932. It authorized up to $2 billion for emergency financing for banks, life insurance companies, railroads, and other large businesses. Hoover believed that the money would trickle down to the average citizen through job growth and higher wages. Many critics questioned this approach; they argued that the program would benefit only corporations and that the poor still needed direct relief. Hungry people could not wait for the benefits to trickle down to their tables.

MAIN IDEA

**Evaluating Decisions**

C What were some of the projects proposed by Hoover, and how effective were they?

In its first five months of operation, the RFC loaned more than $805 million to large corporations, but business failures continued. The RFC was an unprecedented example of federal involvement in a peacetime economy, but in the end it was too little, too late. C

**DIFFICULT DECISIONS**

### HOOVER AND FEDERAL PROJECTS

On the one hand, President Hoover opposed federal welfare and intervention in the economy. On the other, he felt that government had a duty to help solve problems and ease suffering. The question was, What kind of assistance would be proper and effective?

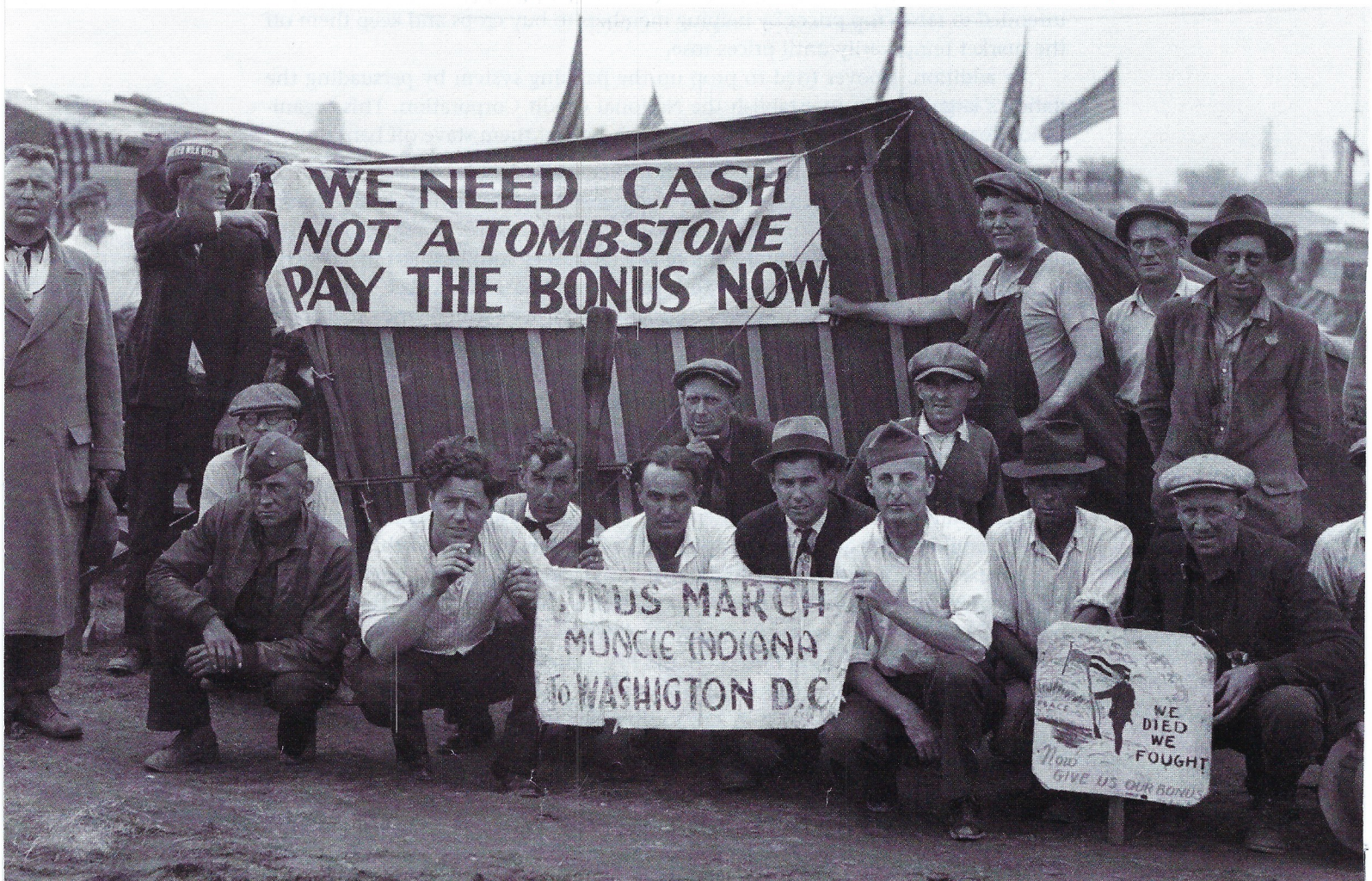
1. Consider the pros and cons of Hoover's actions during the Depression. Did he do enough to try to end the Depression? Why or why not?
2. If you had been president during the Great Depression, what policies would you have supported? Explain the approach you would have taken.

## Gassing the Bonus Army

In 1932, an incident further damaged Hoover's image and public morale. That spring, between 10,000 and 20,000 World War I veterans and their families arrived in Washington, D.C., from various parts of the country. They called themselves the Bonus Expeditionary Force, or the **Bonus Army**.

**THE PATMAN BILL DENIED** Led by Walter Waters, an unemployed cannery worker from Oregon, the Bonus Army came to the nation's capital to support a bill under debate in Congress. The Patman Bill authorized the government to pay a bonus to World War I veterans who had not been compensated adequately for their wartime service. This bonus, which Congress had approved in 1924, was supposed to be paid out in 1945 in the form of cash and a life insurance policy, but Congressman Wright Patman believed that the money—an average of $500 per soldier—should be paid immediately.

Hoover thought that the Bonus Marchers were "communists and persons with criminal records" rather than veterans. He opposed the legislation, but he respected the marchers' right to peaceful assembly. He even provided food and supplies so that they could erect a shantytown within sight of the Capitol. On June 17, however, the Senate voted down the Patman Bill. Hoover then called on




**In 1932, these veterans from Muncie, Indiana, decided to remain in the capital until their bonus was paid to them.**

MAIN IDEA

**Summarizing**
D What did the Bonus Army want?

the Bonus Army marchers to leave. Most did, but approximately 2,000, still hoping to meet with the president, refused to budge. D

**HOOVER DISBANDS THE BONUS ARMY** Nervous that the angry group could become violent, President Hoover decided that the Bonus Army should be disbanded. On July 28, a force of 1,000 soldiers under the command of General Douglas MacArthur and his aide, Major Dwight D. Eisenhower, came to roust the veterans. A government official watching from a nearby office recalled what happened next.

**A PERSONAL VOICE** A. EVERETTE MCINTYRE

**"The 12th infantry was in full battle dress. Each had a gas mask and his belt was full of tear gas bombs. . . . At orders, they brought their bayonets at thrust and moved in. The bayonets were used to jab people, to make them move. Soon, almost everybody disappeared from view, because tear gas bombs exploded. The entire block was covered by tear gas. Flames were coming up, where the soldiers had set fire to the buildings to drive these people out. . . . Through the whole afternoon, they took one camp after another."**

—quoted in *Hard Times*

In the course of the operation, the infantry gassed more than 1,000 people, including an 11-month-old baby, who died, and an 8-year-old boy, who was partially blinded. Two people were shot and many were injured. Most Americans were stunned and outraged at the government's treatment of the veterans.

Once again, President Hoover's image suffered, and now an election was nearing. In November, Hoover would face a formidable opponent, the Democratic candidate Franklin Delano Roosevelt. When Roosevelt heard about the attack on the Bonus Army, he said to his friend Felix Frankfurter, "Well, Felix, this will elect me." The downturn in the economy and Hoover's inability to deal effectively with the Depression had sealed his political fate.

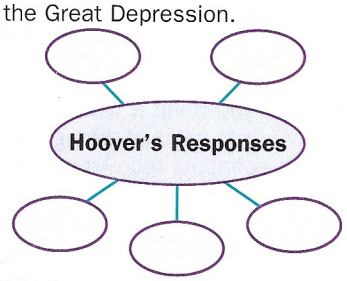
## SECTION 3 ASSESSMENT

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- **Herbert Hoover**
- **Boulder Dam**
- **Federal Home Loan Bank Act**
- **Reconstruction Finance Corporation**
- **Bonus Army**

### MAIN IDEA

**2. TAKING NOTES** (11.6.2)
In a cluster diagram, record what Hoover said and did in response to the Great Depression.




Which response was most helpful? Explain your choice.

### CRITICAL THINKING

**3. ANALYZING ISSUES** (11.5.1)
How did Hoover's belief in "rugged individualism" shape his policies during the Great Depression?
**Think About:**

- what his belief implies about his view of people
- how that translates into the role of government
- Hoover's policies

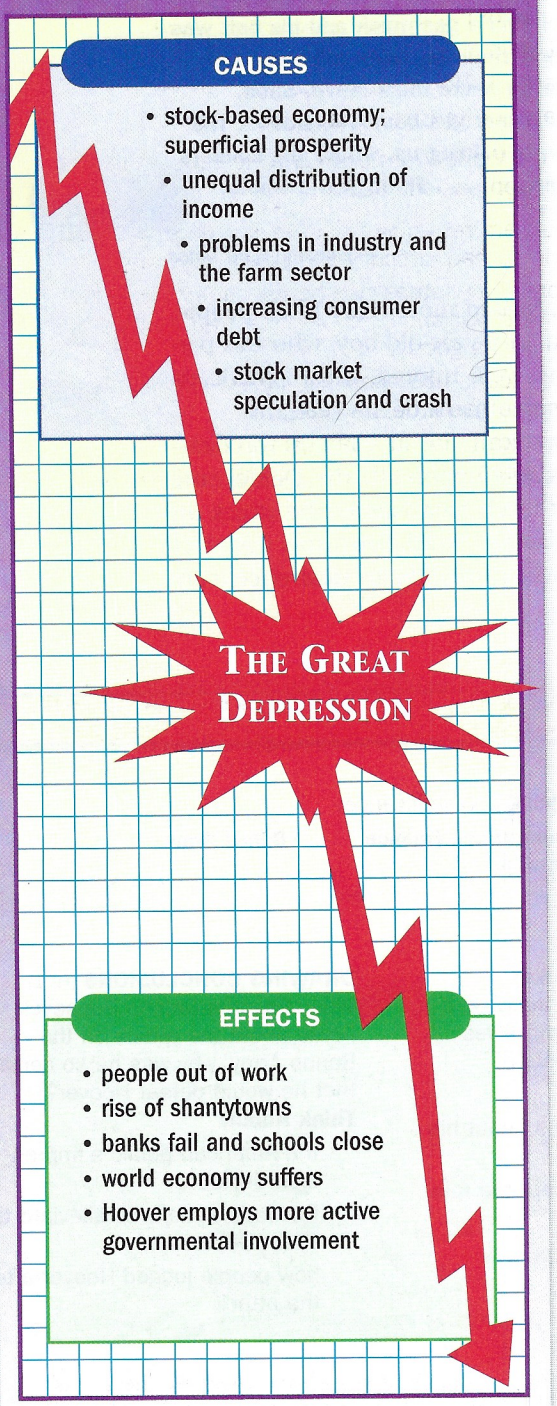
**4. DRAWING CONCLUSIONS** (HI 1)
When Franklin Delano Roosevelt heard about the attack on the Bonus Army, why was he so certain that he would defeat Hoover?
**Think About:**

- the American public's impression of Hoover
- Hoover's actions to alleviate the Great Depression
- how people judged Hoover after the attack

# CHAPTER 14 ASSESSMENT

## VISUAL SUMMARY

### THE GREAT DEPRESSION BEGINS




## TERMS & NAMES

**For each term below, write a sentence explaining its connection to the period 1929–1933. For the person below, explain his role in the events of the period.**

1. credit
2. speculation
3. buying on margin
4. Black Tuesday
5. Dow Jones Industrial Average
6. Great Depression
7. Dust Bowl
8. direct relief
9. Herbert Hoover
10. Bonus Army

## MAIN IDEAS

**Use your notes and the information in the chapter to answer the following questions.**

### The Nation's Sick Economy *(pages 464–471)*

1. How did what happened to farmers during the 1920s foreshadow events of the Great Depression? (11.6.1)
2. What were some of the effects of the stock market crash in October 1929? (11.6.2)

### Hardship and Suffering During the Depression *(pages 472–477)*

3. How were shantytowns, soup kitchens, and bread lines a response to the Depression? (11.6.3)
4. Why did minorities often experience an increase in discrimination during the Great Depression? (11.6.3)
5. What pressures did the American family experience during the Depression? (11.6.3)

### Hoover Struggles with the Depression *(pages 478–483)*

6. How did Hoover's treatment of the Bonus Army affect his standing with the public? (HI 2)
7. In what ways did Hoover try to use the government to relieve the Depression? (11.6.2)

## CRITICAL THINKING

1. **USING YOUR NOTES** In a chart like the one shown below, show Hoover's responses to the Great Depression. Indicate how his philosophy changed and the reasons for that change. (CST 2)

**Herbert Hoover's Philosophy**

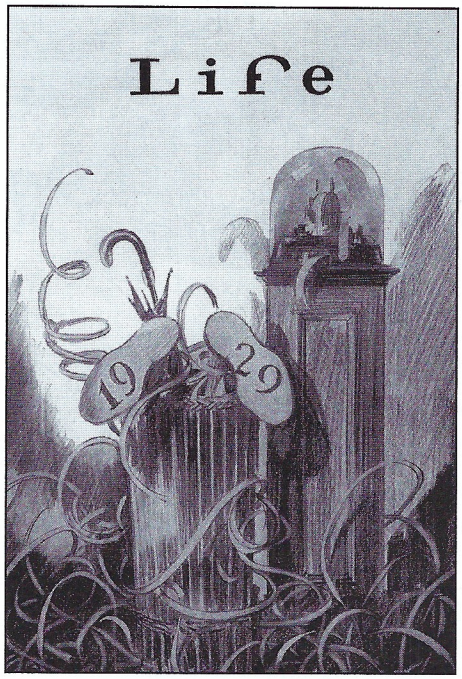
| Initial Response | → | Change (reasons) | → | Secondary Response |
|---|---|---|---|---|
| | | | | |

2. **ECONOMIC OPPORTUNITY** Do you think it would have been difficult for individuals to recover financially during the Depression without the entire economy recovering? Why or why not? (HI 6)

3. **DEVELOPING HISTORICAL PERSPECTIVE** How do you think the Great Depression changed Americans' view of themselves? Consider the roles of men, women, and children in society and in the family. (HI 3)

## Standardized Test Practice

**Use the cartoon and your knowledge of U.S. history to answer question 1.**




1. The cartoon illustrates which event leading to the Great Depression? (11.6.2)

   **A.** bank failures
   **B.** Black Tuesday
   **C.** Bonus March
   **D.** the election of Herbert Hoover

2. In the 1930s, some areas of the country suffered from especially harsh environmental conditions. Thousands of farmers and sharecroppers were forced to abandon their land and look for other work. In which of the following areas were these conditions worst? (HI 1)

   **A.** parts of Idaho, Wyoming, and Oregon
   **B.** parts of Missouri, Illinois, and Iowa
   **C.** parts of Florida, Alabama, and Georgia
   **D.** parts of Kansas, Texas, and Oklahoma

3. How did World War I contribute to causing the Great Depression? (HI 2)

   **A.** Soldiers returning from the war were unskilled and so had difficulty finding employment.
   **B.** Foreign countries had borrowed heavily to pay for the war and so could not afford to buy American goods.
   **C.** Americans had spent their money on war bonds and so had little savings.
   **D.** American industry was geared for producing weapons and could not retool to produce consumer goods.

**ADDITIONAL TEST PRACTICE, pages S1–S33.**

**TEST PRACTICE** CLASSZONE.COM

## ALTERNATIVE ASSESSMENT (11.6.3, HI 3)

1. **INTERACT WITH HISTORY** Recall your discussion of the question on page 463:

   ***What would you do to feed your family?***

   Suppose the year is 1930 and you are the head of your household. Write a letter to a relative overseas in which you describe your family's situation and how you handled the crisis. Discuss the challenges created by the Great Depression and what you've learned as a result of enduring such hardships.

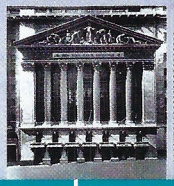
2. **VIDEO** **LEARNING FROM MEDIA** View the American Stories video *Broke, but Not Broken.* Discuss the following questions in a small group:

   - What choices did Ann Marie Low's family make during the Depression? Do you agree with their choices?
   - What did you learn about the relationship between the government and the farmers?
   - What did the older Ann Marie Low's comments add to your understanding of the Great Depression?
   - Share your conclusions with the rest of the class.

CHAPTER 15

# THE NEW DEAL

The Civilian Conservation Corps put unemployed young men to work during the Great Depression.






**1933** Franklin Delano Roosevelt is inaugurated.

**1934** Congress creates the SEC to regulate the stock market.

**1934** Indian Reorganization Act is passed.

**1935** Congress passes the Social Security Act.

**1936** President Roosevelt is reelected.

**USA**

**WORLD**

**1933** | **1934** | **1935** | **1936**

**1933** Hitler and the Nazi party come to power in Germany.



**1935** Mussolini leads Italian invasion of Ethiopia.

**1935** British Parliament passes the Government of India Act.

**1936** Civil war begins in Spain.