

Stock Market Crash

Election of 1929

- *Herbert Hoover* won the Election of 1928 in unanimous fashion



Economic Slowdown

- There were *four* warning signs that pointed to an economic slowdown in 1929:
 - The prices of farm products stayed low / never recovered
 - Consumers were buying less and less goods
 - Overproduction of manufactured goods
 - The demand for new homes declined

A Crashing Economy

- Many investors had bought stock on margin.
- By late October, brokers asked investors to pay the money they still owed on the stock.
- Investors who could not afford to pay had to sell their stock.
- This caused prices drop even more.

A Crashing Economy

- Between October 24 and October 29, desperate people tried to **unload** millions of shares of stock.

“Black Tuesday”

- Tuesday, October 29, 1929 is known as ***“Black Tuesday”***.
- It is referred to this because it's the day ***the prices of stock plummeted because there were no buyers.***
- ***Many “fortunes” were lost on this day.***



“Black Tuesday”

- The people who had invested fortunes in stocks suddenly had ***nothing left.***
- Following the stock market, the economy slid into a ***SEVERE*** depression.



The Great Depression

The Great Depression

- The economic hard times that lasted from 1929 – 1941 are known as

The Great Depression.



The Great Depression

- One of the chief causes of the Great Depression was overproduction.
- During the 1920s, Factories and farms were producing more goods that people were buying.



The Great Depression

- Another cause of the Great Depression was weaknesses in the **banking system**.
- Many banks were forced to close because **loans were not being paid back to the banks**.

Failure in the Banking System

- *As a result, the banks did not have the money it needed to give back to their depositors and were forced to go “out of business”.*



Failure in the Banking System

- If persons/families did not make it to the bank to withdraw the money they had deposited before it went “out of business *it was “LOST” – for good!!!*



The Great Depression

- During the Great Depression, one disaster triggered another.
- Production cutbacks led to wage cuts and employee layoffs.



The Great Depression

- In the end, many businesses went bankrupt which pushed the Great Depression to spread to other nations; leading to a world-wide economic collapse.



Unemployment

- By the early 1930s,
1 out of every 4 (25%)
American workers were
unemployed.



Family Life

- During the depression, families suffered.
- Marriage and birth rates dropped.
- The pressure of such hard times led to some families having to split up.

Unemployment During the Great Depression

Average rate of unemployment in 1929: 3.2% in 1930: 8.9% in 1931: 16.3% in 1932: 24.1% in 1933: 24.9% in 1934: 21.7% in 1935: 20.1% in 1936: 16.9% in 1937: 14.3% in 1938: 19.0% in 1939: 17.2%

Is Help on the Way?

- *Relief* means giving help to the needy.
- At first, President Hoover was *against* government relief programs.
- Hoover called on businesses to work together to end the downslide, and also on *private charities* to help Americans in need.



Is Help on the Way?

- The number of needy Americans soon overwhelmed private charities.
 - President Hoover then set up public work programs, which hired workers to construct government projects.
 - Examples of public work programs include:
 - dams,
 - bridges,
 - hospitals,
 - schools
- Its goals were to provide employment, and revive the economy.

Public Work Programs

- By providing ***jobs*** these government programs would help people ***earn money***.
- The people could then spend their money on ***goods***.
- The increased demand for goods, it was hoped, would cause ***business*** to expand and lead to economic recovery.

The Depression Worsens

- President Hoover's efforts had very little effect.
- The depression grew worse!
- Many people blamed President Hoover for doing too little / too late.



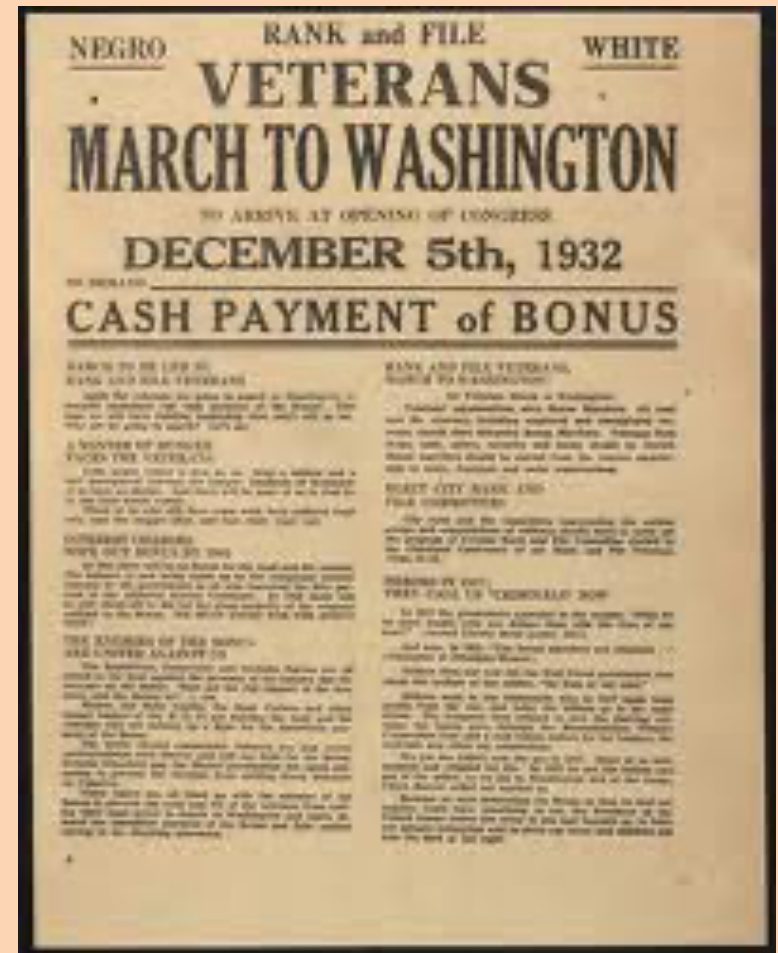
Protests Against the Government

- As time went on, protests erupted against the government.
- Even the veterans of World War I took action.



Veteran's Financial Bonus

- After the war, Congress had agreed to give veterans a ***financial bonus***, or sum of money, to be paid in 1945.
- In 1932, more than ***20,000*** jobless veterans marched to Washington D.C. to demand their bonus right away.



The Bonus Army March

- For 2 months, the “*Bonus Army*”, as the veterans were called, camped in a tent city along the *Potomac River* in Washington, D.C.



The Bonus Army March

- In the end, the Senate rejected a bill to pay the bonus to the veterans immediately.
- Many veterans packed up and went home.
- Thousands of others remained, vowing to stay until 1945 if necessary.



The Bonus Army March

- After attempts by the local police to force the “Bonus Army” to leave failed, President Hoover ordered *General Douglas Mac Arthur* to clear the veterans out.



The Bonus Army March

- Using cavalry, tanks, machine guns, and tear gas General Mac Arthur burned the camp to the ground.



A New Leader

- After the attack on the “Bonus Army”, *President Hoover* lost what little support he had left and Americans turned to a new leader in 1932.

