

Chapter 12 – Section 4

Surviving the Great Depression



- Even those who recovered enough to live a very comfortable life **never forgot it**
- **Continued to “pinch pennies”** as if financial ruin was just around the corner
- **Many stopped buying on credit** and instead saved cash for years for needed items



The “Depression Generation”

- People started stuffing **money under their mattresses** and hiding it around the house rather than **putting it in the bank**
- **Afraid the banks would lose it again**



Lost Trust in the Banks

- **People pulled together and helped each other out during the Depression,** particularly those that they saw as worse off than themselves



Neighbor helping neighbor

- Suddenly they **gained in popularity during the Depression**
- They offered new solutions to the country's problems and **promised a fairer distribution of wealth**



Communists & Socialists

- Unlike Americans who remained law-abiding and peaceful, **Europeans reacted to their economic problems by rioting and calling for radical change**



Riots in Europe

- Many political cartoons in newspapers tried to make people laugh at their troubles
- Terms like “**Hoovervilles**”, “**Hoover blankets**” (old newspapers) and “**Hoover flags**” (empty pockets turned inside out) tried to make light of the situation



How did humor help people through the Depression?

- In 1933, **after 14 years, prohibition was repealed** (overturned)
- Most saw it as an end to a **failed social experiment**
- Believed it **would stop the gangsters** who profited from bootlegging

21st Amendment



- Begun in 1930, it was seen as **a symbol of hope**
- Up to 4,000 people/day worked on it
- At the time the **world's largest building**



The Empire State Building

- 1931 – Al Capone sent to prison
- 1932 – Charles Lindbergh's son kidnapped and murdered
- 1933 – Calvin Coolidge – the President during the good times of the Roaring Twenties dies
- 1935 – Babe Ruth retires from baseball
- Henry Ford now seen as an enemy of workers/unions rather than a genius

***5 Signs it was the end of an Era**

Chapter 12 – Section 5

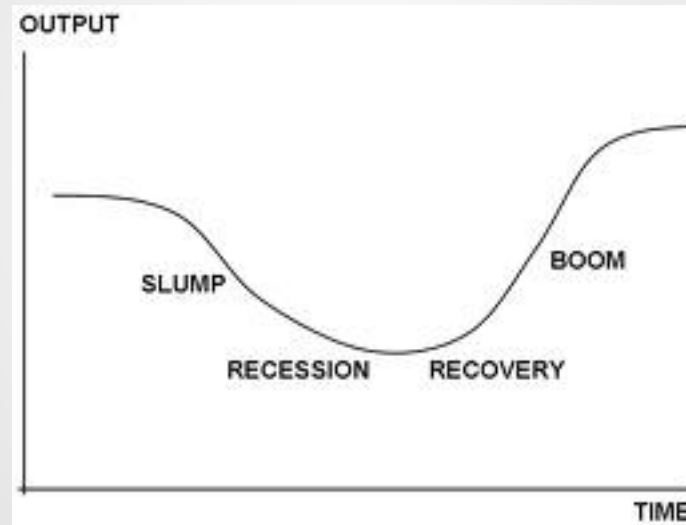
The Election of 1932

- **Blamed the Depression on “world-wide economic problems beyond our control”** rather than on problems within the US economy



Hoover's Excuse

- He believed **we just had to remain confident and things would improve themselves soon** (business cycle)



Why didn't he do anything?

- **Spent more on projects like buildings, roads and parks**
- **Built the Hoover Dam**



What did the government finally do to help create jobs?

- The **highest import tax in history to protect industries at home**
- Backfired because Europeans raised their tariffs which almost stopped international trade and hurt the economy even more



Hawley-Smoot tariff

Reconstruction Finance Corporation (RFC)

- **Gave govt. money to bankers so that they could give loans**
- Theory was that prosperity at the top would help the economy as a whole (**trickle down economics**)
- Hoover viewed by many as **only helping the rich**



- Hoover said **it would destroy people's self-respect and create a large bureaucracy** (a complex disorganized system)
- People **started to see Hoover as cold-hearted**



Why not give direct help to the poor?

- British economist who said that **massive govt. spending could help a collapsing economy** and encourage more private spending



John Maynard Keynes

- **Went against the “American way”**
- Philosophy of **capitalism says govt. should stay out of business and let it fix itself** (laissez faire)



Why weren't his ideas popular at first?

- In summer of 1932, **20,000 WWI vets** marched to Washington, set up camps, and **demande**d the **pension bonus now** that they had been promised they would get in 1945



The Bonus Army

- **Sent in our own military against them** using guns, tanks, and tear gas vs. bricks and stones
- **Made Hoover look even worse**



Hoover's response?

- Governor of NY who ran for President in 1932
- **Promised the American people a “New Deal”**



FDR – Franklin Delano Roosevelt

- **FDR's wife**
- An **outspoken** person **on behalf of women and the poor**



Eleanor Roosevelt

- Even though **FDR was rich**, he **wanted to help those less fortunate** and **didn't like the gap between the rich and the poor**
- Was **paralyzed by polio** in the 1920's - **made him more like those he wanted to help** (even though no one ever saw this)



In touch with the "ordinary man"

- **Could and should the govt. try to fix people's problems or not**
- **Democrats and FDR said YES -**
Republicans said NO



**What was the election of 1932
“really about”?**

- **Govt. took on more responsibility for taking care of those who couldn't make it on their own**
- **Govt. became their only hope**



FDR changes the role of the President and the Govt. forever

- FDR's famous line... **"The only thing we have to fear is fear itself"**



FDR's Inaugural address

Notebook Check Tomorrow!