



BANKING SYSTEM
 BANKS were badly hit by the Wall Street crash. They were overexposed and had become involved in the speculation which had hit their own customers.

Up to **10,000** went bankrupt by 1939!
 This led to loss of tens of thousands of people's deposits and led to a **loss of confidence** in the banking system

This in turn led to **RUNS ON THE BANKS** ... where speculation and rumours caused people to suddenly queue up to remove their deposits.. thereby putting the banks out of business. This happened to the **Bank of the United States** in 1933- leading to **400,000** people losing their savings. This happened a number of times between 1930-33

The Government was forced to declare a **four day BANK HOLIDAY** in March 1933 Banking inspectors **audited** the banks and made sure they were **financially stable before reopening**. This was an unprecedented step and shows what a poor shape the banking system was in. **President Roosevelt** used a **radio broadcast** to **reassure** people and both these two steps led to an **end of the banking crisis** and injected confidence back into the American economy.

INDUSTRIAL PROBLEMS
 As you know, American industry had been suffering problems even before 1929.

- There had been huge **OVER-PRODUCTION** and **UNDER-CONSUMPTION**
- Industrial production fell **46%**
- Over **400,000** businesses closed
- Unemployment rose to **13 million** people (1 in 4 of the working population!)
- Women, unskilled workers and African Americans were particularly badly effected. Up to **75%** of African Americans were unemployed in some Southern towns
- There was **little welfare** for unemployed so this increased poverty and destitution
- Average wages fell by **60%**

- Textile industry further declined by **16%**
 - Cement production declined by **62%**
 - Car production was down by **64%**
 - iron and steel down by almost **60%**

In some industrial towns reliant on one industry such as steel, unemployment rates lay at about **80%**!

POVERTY
 The level of poverty in the US quickly became evident
 The USA was based on a spirit of rugged individualism. This meant that **welfare provision was very minimal**. This allowed it to have the very low taxes apparent throughout the 1920's. However, it also left it very exposed to the calamity of the Great Depression.

- **13 million** people **UNEMPLOYED**.
- **SOUP KITCHENS** became commonplace. They were run by **charities**. The government believed in **VOLUNTARISM** - in charity and other volunteers helping to alleviate poverty rather than the US government intervening. The so called **BREADLINES** became a commonplace sight across the USA. **AL CAPONE** even set up his own in Chicago.
- **CITIES** like **Philadelphia** quickly became overwhelmed by the scale of the problem. It ran a scheme to hand out basic weekly groceries to over **50,000** families. The money quickly ran out and the scheme was **frozen for 10 weeks**.
- **BEGGING AND HOMELESSNESS** became common. Men sometimes had **placards** pleading for jobs or food.
- **HUNGER MARCHES** **45** People starved to death in New York. People began to protest by marching. These were often met with **force**. The 1932 hunger March to Ford in Detroit saw **3** people killed. One March in **Seattle** was met by **Vigilante** (local 'defence' groups) armed with **machine guns**.

HOOVERVILLES
 Soon **shanty towns** started to be created. They were constructed of **tin, cardboard and pieces of rubbish**. They symbolised the great poverty in the USA.
 These were built across the USA and were nicknamed **Hoovervilles** in mockery of **President Hoover** and his failure to deal with the situation.

One Hooverville in **SEATTLE** had over **500** dwellings and lasted until **1941**. Some Hoovervilles soon began to form **committees** and even elected '**mayors**' They developed their own **soup kitchens** such as the **Welcome Inn** in **St Louis**.

One Hooverville was set up within sight of the **US Congress and White House**. It was attacked and burnt down on the orders of **President Hoover** in **1932**.

These tended to house **single men** and some even **bought and sold their shacks**. It is worth noting though that millions of people simply slept rough in the open across the USA.

THE BONUS ARMY
 At the height of the boom in 1924, the US Congress agreed to provide **First World War** veteran soldiers with a '**bonus**' based on their length of service up to a maximum of **\$625**.

This was due to be paid in **1944**. However, due to the calamity of the depression, many unemployed veterans wanted it earlier

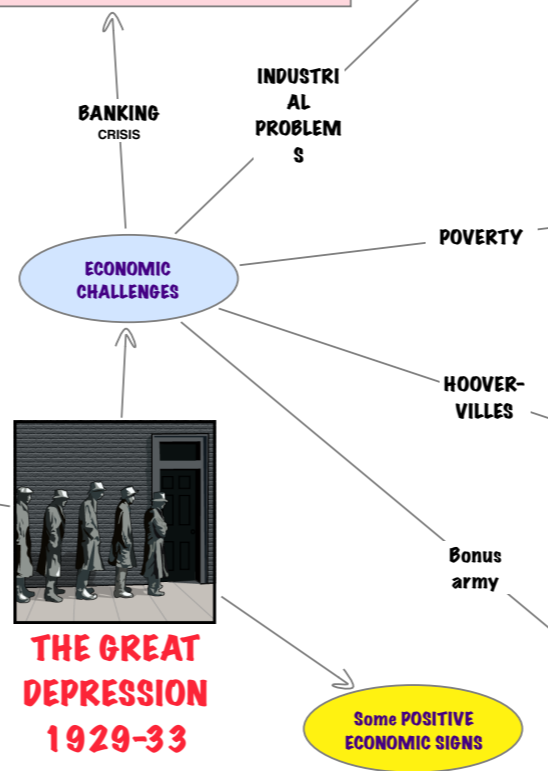
They formed a **BONUS ARMY** and in **Jan 1932** they **marched to Washington DC** to gain publicity for their cause. They set up their own **Hooverville** there and impressed with their **daily parades, their tidy camp and their strict hygiene**.

However, **President Hoover** regarded the camp as an embarrassment and was not prepared to give in to their demands.

In **July 1932** he ordered one of America's most famous generals- **General McArthur** to **storm the camp with over 600 soldiers**.

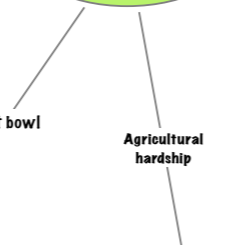
The veterans initially thought the soldiers were supporting them and cheered. However, in the subsequent attack **2 veterans were killed alongside a baby who died from gas inhalation**.

The American public were **horrified** and Hoover was voted out as President later that year.
 His successor, **Roosevelt**, granted the bonus in **1936**



THE GREAT DEPRESSION 1929-33

EFFECTS OF DEPRESSION ON AGRICULTURE



CONTINUED HARDSHIP
 As you know, agriculture suffered throughout the 1920's boom. Therefore, the depression was the last straw for many.

The (**even greater**) fall in demand led to further collapse of prices It became **cheaper to burn** **wheat** as fuel than transport it to market at a loss.

Many farmers suffered greatly from the Wall Street crash as they had relied on **credit** to mechanise during the early 1920's. The rural banks were so exposed to the downturn that **hundreds of them went bankrupt** leaving many areas with **no bank**

As you know government intervention made things much worse:

The **TARIFFS** has been aimed at protecting farmers but instead they reduced export markets and made overproduction worse.

The rise in **interest rates** crippled farmers finances. For some it rose from **6% interest** in a loan to **36%!**

SHARECROPPERS were particularly badly hit. **Cotton prices had collapsed by 70%**
 They were in debt due to the nature of **SHARECROPPING**
White labourers, out of work, now wanted their jobs
 White landowners reduced the rates for their produce to force the black farmers off the land. In **Georgia 50% of black farmers lost their land**.

MID WEST DUST BOWL
 In the Great plains of the Mid West the 1930's brought huge hardship as it combined economic with environmental catastrophe

- **Record droughts and high temperatures**
- A '**plague**' of **insects** like grasshoppers destroyed what crops there were.
- **1935**, the year it did **rain**, saw it come at **harvest time** destroying the crops.

In an attempt to overcome low prices in the 1920's, many farmers had **over seeded their fields**. This had the effect of **robbing the soil of its nutrients**
 This combined with the **hot dry drought** caused devastation

Between **1933 and 1936** a **Dust Bowl** existed which blew clouds of soil so high into the air and so far, that it was seen by ships in **New York harbour**
 On **Black Sunday April 1935**, **300 million tonnes** of top soil was blown by strong winds into a cloud so thick that it **killed cattle, blocked wells and blinded someone**.

For many farmers it was the last straw. Thousands **packed up and left** their farms with their families.



OAKIES AND HOBOS
 Many farmers were driven off their land by the hardships of the 30's

Thousands headed to west to **CALIFORNIA** in search of work
 They were nicknamed **Okies** due to **Oklahoma** being particularly badly effected. There was **labour intensive low wage jobs** in **California** fruit picking and labouring. They lived in terrible conditions on the journey, building **shanty towns** beside **irrigation ditches**. Often this was used for **sewage and water supply** and many died from **disease**

Some became **HOBOS**, walking from **farm to farm** in search of any work. Trying to jump on trains for transport. '**Riding the rails**' or simply walking '**padding the hoof**'

There were up to **1.5 million hobos** in the depression, including an estimated **200,000** children.

Many hobos developed their own culture and language. They lived in **bunkhouses** (shared) **fophouses** (cheap hotels) or **with the moon** (outside)



FARMERS RESIST
 Some farmers were not prepared to let the depression overcome them. They decided to fight against the system and it is unjust.

IOWA FARM WAR 1932
 Farmers acted collectively declaring a **FARMERS HOLIDAY** stopping supply in an effort to **force up prices** to a more sustainable level. Some **roads were blocked** to stop supplies and some produce such as **milk poured into ditches**

NEBRASKA PENNY AUCTIONS
 in an effort to stop foreclosure sales of farms, the farmers in Nebraska turned up to an auction of a local farmer and bid only **5 cents**. **No one else was allowed to bid** and in the end the sale only made just over **\$5!** The Nebraska state government was forced to **stop these foreclosure sales**.

CROPPERS AND FARM WORKERS UNION (CFWU)
 This **communist** inspired organisation demanded better rates for cotton. It had **800 members**
 However they were **attacked by white mobs and the police**

LIVE AT HOME CAMPAIGNS
 North Carolina governor **Gardner** realised that his rural agricultural state was actually importing food! Farmers were instead growing **tobacco and cotton!**
 He **encouraged farmers to grow their own food** on their farms making them more sustainable.

