

# Apush notes: great depression

[History](#)



A. The Great Depression was caused by an economic system out of balance. There was too much supply with little demand. This situation was created by monopoly pricing, unsound banking practices, overproduction, high tariffs, and tightening of money supply by Federal Reserve Board. B. A slump in economic activity with over speculation in stock and buying stocks on margin caused the stock market to crash in October 1929. The stock market crash marked the beginning of Great Depression. C.

The Depression was characterized by high unemployment, foreclosures on homes, farms and businesses, closing of banks, and the drying up of credit, low purchasing power, and hunger. Many people grew concerned that capitalism had failed and democracy couldn't provide solutions to problems.

D. President Hoover, a strong advocate of "rugged individualism" believed in minimal government interference to deal with Depression. He based his policy upon supplying optimism, expanding works, and loaning money and struggling banks.

E. In 1932 summer, 20000 impoverished veterans from the First World War marched on Washington demanding early payment of a financial bonus that was due in 1945. After the bonus failed in Congress, President Hoover ordered the US army to evacuate the marching veterans from DC. The army, led by Douglas MacArthur, drove the veterans out. The army's handling the Bonus March ended Hoover's chance for reelection and fostered a growing fear of revolution in America. F.

President Hoover and his Republicans were blamed for Depression in election of 1932. Franklin Roosevelt was elected president, promising to save capitalism, help common man, and to provide work. Roosevelt was vague on

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his plans, except he would try anything. G. FDR's plan to get nation out of Depression was called the New Deal. New Deal had policies of relief for the poor, recovery from Depression, and reform of the economic system. The first New Deal as passed during the first 100 days of his presidency.

The left wing of politics liked the idea and passed the idea through Congress. Economy fell back into recession. Black Tuesday The day the stock market crashed. No buyers. Rugged individualism Social outlook promoting one's goals and desires of independence. Hooverville This name was based on Hoover's blame for depression. Families lost their homes because they couldn't pay mortgages. Hawley-Smoot Tariff, 1930 Tax increase by Republican congress.

Purpose was to satisfy US business leaders who a higher tariff would protect their markets from foreign competition. In retaliation, European countries made higher tariffs against US goods which reduced trade. Reconstruction Finance Corporation To prop up faltering railroads, banks, life insurance companies, and other financial institutions. Emergency loans would stabilize these businesses. The benefits would go down to smaller businesses and bring recovery. Democrats scoffed at this measure, saying it would only help the rich.