**STUDY GUIDE 1930s AMERICA: The Great Depression**

**UNIT OUTCOMES:**

1. Causes of the Great Depression

2. Herbert Hoover and Rugged Individualism

3. Franklin Roosevelt and The New Deal

4. The New Deal

**UNIT OUTLINE:**

**I. *CAUSES of the Great Depression***

A. Credit Economy created illusion of wealth, increasing personal debt

B. Farm Economy had problems ever since WW I ended.

C. Industrial over-expansion & overproduction

D. Rising Unemployment

E. Unequal Distribution of Wealth (Rich vs. Poor)

F. Stock Market Problems / Weaknesses

G. Banking Problems / Weaknesses

H. Govʼt. Inaction - Ignores signals of weakening economy

- Depression viewed as natural part of “Business Cycle”

- Bad Tariff Policies

**II. *IMPACTS on Americans***

A. **Economic:** unemployment, lost fortunes, foreclosures, etc.

B. **Social:** family stress, famine, lost faith, mass migration, etc.

C. **Political:** demand for govʼt. action; call for “Bigger Govʼt.”; emergence of “welfare state”

**III. *APPROACHES to solving the problems of the Great Depression***

A. **Herbert Hoover (R)** - Uses traditional, ***“hands off”*** govʼt. approach

1. Laissez-faire is best; “Prosperity is Just Around the Corner”

2. ***“Rugged Individualism”*** - puts burden on individuals (private sector)

B. **Franklin Roosevelt (D)** - Uses active ***“hands on”*** govʼt. approach

1. ***New Deal Program*** - based on Keynesian (J.M. Keynes) philosophy (“Pump-Prime”)

2. Plans provide immediate & long-term answers (3 Rʼs - Relief, Recovery, Reform)

3. ***New Deal controversy & critics***:

a. Alternative Plans emerge as:

- Communist & Fascist movements grow world-wide.

- Demagogues propose radical solutions.

b. FDR battles the U.S. Supreme Court (1937)

**REQUIRED READING: *The Americans:* Chpt. 14 pp. 462-485 The Great Depression Begins Chpt. 15 pp. 486-523 The New Deal**

**KEY PEOPLE**

Herbert Hoover

Alfred E. Smith

Franklin Roosevelt (FDR)

Dorothea Lange

John Maynard Keynes

Huey Long

Dr. Francis Townsend

Father Charles Coughlin

Eleanor Roosevelt

Frances Perkins

Brain Trust

**KEY CONCEPTS / EVENTS**

Black Tuesday

Bonus Army (March)

Rugged Individualism

Hawley-Smoot Tariff Act

Reconstruction Finance Corporation

New Deal (3 Rʼs)

First Hundred Days

Direct vs. Indirect Relief

Court Packing Affair

21st Amendment

**\*Specific New Deal Programs will be examined through activities.**

**VOCABULARY**

Bank Holiday

Black Tuesday

Bonus Army

Buying on Margin

Deflation

Deficit Spending

Demagogue(s)

Depression

Dow Jones Industrial Average

Dust Bowl

Direct Relief

Fireside Chats

Foreclose(ure)

Great Depression

Inflation

New Deal

Parity

Price Support

Prosperity

Shanytowns (Hoovervilles)

Repeal

Speculation

Supply & Demand

**CONSTRUCTIVE RESPONSE QUESTIONS**

**1.** Explain the factors leading to the Great Depression. (i.e. causes)

**2.** Describe Hooverʼs philosophy toward & attempts at solving the problems of the Great Depression.

**3.** Describe FDRʼs philosophy toward & attempts at solving the problems of the Great Depression.

Consider the long term impact of the New Deal.

**4.** Describe the difference between a relief, recovery, and reform program in FDRʼs New Deal and

provide one example of each including what the program provided.