

# The Great Depression

*Washington State History*  
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## *What was the Great Depression?*

- Worldwide economic downturn. The worst in US history.
- Lasted about 10 years: 1929-1939(ish)

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## *Causes of the Great Depression*

- Stock Market crash, 1929.
- Bank failures.
- Bad government policy.
- Overproduction (farms and factories).
- Dust Bowl.

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## *Causes of the Great Depression*

### **Stock Market Crash**

- "Black Tuesday," October 24<sup>th</sup>, 1929
- Stock market lost 30% of its value in 2 weeks.
- By 1932, stock market had lost 90% of its value.

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## *Causes of the Great Depression*

### **Bank Failures**

- Panic run on banks, as too many people wanted to get their money out at once. Banks short of cash.
- By 1932, over 5000 banks had closed.
- Many people lost their life's savings.

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## *Causes of the Great Depression*

### **Government Policies**

- Hoover increased tariffs, which resulted in dramatic decrease in international trade.
- Very little regulation of banks or stock market.
- Federal Reserve raised interest rates, which made it worse, not better.

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## *Causes of the Great Depression*

### **Overproduction**

- Factories and farms had become more efficient, making it easier to produce more.
- Made or grew too much, and couldn't sell it all.

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## *Causes of the Great Depression*

### **Dust Bowl**

- Severe drought that lasted 3-8 years in central plains states (OK, KS, TX, etc.), starting in the mid-1930s.
- Soil erosion.
- Tens of thousands of farms lost.

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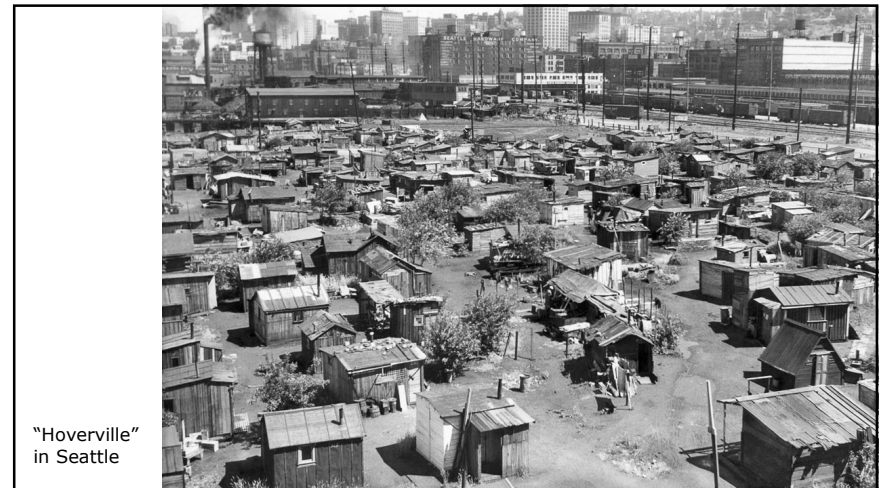


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## *Effects of the Great Depression*

- Highest unemployment in US history. (25% unemployed by 1932.)
- Wages fell more than 40%.
- Many people lost all savings and retirement.
- Thousands of businesses closed.
- "Okies" migrated west.
- Hoover voted out. Roosevelt (FDR) elected.

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"Hovertown"  
in Seattle

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