

<p>The United States was not the only country gripped by the Great Depression. Much of Europe, for example, had suffered throughout the 1920s. European countries trying to recover from the ravages of World War I faced high war debts. In addition, Germany had to pay war reparations—payments to compensate the Allies for the damages Germany had caused. The Great Depression compounded these problems by limiting America’s ability to import European goods. This made it difficult to sell American farm products and manufactured goods abroad.</p> <p>In 1930, Congress passed the Hawley-Smoot Tariff Act, which established the highest protective tariff in United States history. It was designed to protect American farmers and manufacturers from foreign competition. Yet it had the opposite effect. By reducing the flow of goods into the United States, the tariff prevented other countries from earning American currency to buy American goods. The tariff made unemployment worse in industries that could no</p>	<p>longer export goods to Europe. Many countries retaliated by raising their own tariffs. Within a few years, world trade had fallen more than 40 percent.</p> <p>As the American economy collapsed, so too did Europe’s. The world’s nations had become interdependent; international trade was important to most countries. However, when the U.S. economy failed, American investors withdrew their money from European markets.</p> <p>To keep U.S. dollars in America, the government raised tariffs on goods imported from other countries. World trade dropped. Unemployment rates around the world soared. Germany and Austria were particularly hard hit. In 1931 Austria’s largest bank failed. In Asia, both farmers and urban workers suffered as the value of exports fell by half between 1929 and 1931. The crash was felt in Latin America as well. As U.S. and European demand for Latin American products like sugar, beef, and copper dropped, prices collapsed.</p>
Main Idea:	

<p>Although historians and economists differ on the main causes of the Great Depression, most cite a common set of factors, among them:</p> <ul style="list-style-type: none"> • tariffs and war debt policies that cut down the foreign market for American goods • a crisis in the farm sector • the availability of easy credit • an unequal distribution of income <p>These factors led to falling demand for consumer goods, even as newly mechanized factories produced more products.</p>	<p>The federal government contributed to the crisis by keeping interest rates low, thereby allowing companies and individuals to borrow easily and build up large debts. Some of this borrowed money was used to buy the stocks that later led to the crash.</p> <p>At first people found it hard to believe that economic disaster had struck. In November 1929, President Hoover encouraged Americans to remain confident about the economy. Yet, the most severe depression in American history was well on its way.</p>
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<p>Although the suffering of the 1930s was severe for many people, it was especially grim for African Americans. Hard times were already a fact of life for many blacks, as one African-American man noted:</p> <p>“The Negro was born in depression. It didn’t mean too much to him, The Great American Depression. . . . The best</p>	<p>he could be is a janitor or a porter or shoeshine boy. It only became official when it hit the white man.”</p> <p>Nonetheless, the African-American community was very hard hit by the Great Depression. In 1932, the unemployment rate among African Americans stood at over 50 percent, while the overall unemployment rate was approximately 25 percent.</p>
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<p>Statistics such as the unemployment rate tell only part of the story of the Great Depression. More important was the impact that it had on people's lives: the Depression brought hardship, homelessness, and hunger to millions.</p> <p>In cities across the country, people lost their jobs, were evicted from their homes and ended up in the streets. Some slept in parks or sewer pipes, wrapping themselves in newspapers to fend off the cold. Others built makeshift shacks out of scrap materials. Before long, numerous shantytowns—little towns consisting of shacks—sprang up. An observer recalled one such settlement in Oklahoma City: “Here were all these people living in old, rusted-out car bodies. . . . There were people living in shacks made of orange crates. One family with a whole lot of kids were living in a piano box. . . . People were living in whatever they could junk together.”</p> <p>Every day the poor dug through garbage cans or begged. Soup kitchens offering free or low-cost food and bread lines, or lines of people waiting to receive food provided by charitable organizations or public agencies, became a common sight. One man described a bread line in New York City.</p>	<p>“Two or three blocks along Times Square, you’d see these men, silent, shuffling along in a line. Getting this handout of coffee and doughnuts, dealt out from great trucks. . . . I’d see that flat, opaque, expressionless look which spelled, for me, human disaster. Men . . . who had responsible positions. Who had lost their jobs, lost their homes, lost their families . . . They were destroyed men.” Hubert Shumlin in <i>Hard Times</i></p> <p>Conditions for African Americans and Latinos were especially difficult. Their unemployment rates were higher, and they were the lowest paid. They also dealt with increasing racial violence from unemployed whites competing for the same jobs. Twenty-four African Americans died by lynching in 1933.</p> <p>Latinos—mainly Mexicans and Mexican Americans living in the Southwest—were also targets. Whites demanded that Latinos be deported, or expelled from the country, even though many had been born in America. By the late 1930s, hundreds of thousands of people of Mexican descent relocated to Mexico. Some left voluntarily; others were deported by the federal government.</p>
Main Idea:	

<p>Life in rural areas was hard, but it did have one advantage over city life: most farmers could grow food for their families. With falling prices and rising debt, though, thousands of farmers lost their land. Between 1929 and 1932, about 400,000 farms were lost through foreclosure—the process by which a mortgage holder takes back property if an occupant has not made payments. Many farmers turned to tenant farming and barely scraped out a living.</p> <p>The drought that began in the early 1930s wreaked havoc on the Great Plains. During the previous decade, farmers from Texas to North Dakota had used tractors to break up the grasslands and plant millions of acres of new farmland. Plowing had removed the thick protective layer of prairie grasses. Farmers had then exhausted the land through overproduction of crops, and the grasslands became unsuitable for farming. When the drought and winds began in the early 1930s, little grass and few trees were left to hold the</p>	<p>soil down. Wind scattered the topsoil, exposing sand and grit underneath. The dust traveled hundreds of miles. One windstorm in 1934 picked up millions of tons of dust from the plains and carried it to East Coast cities.</p> <p>The region that was the hardest hit, including parts of Kansas, Oklahoma, Texas, New Mexico, and Colorado, came to be known as the Dust Bowl. Plagued by dust storms and evictions, thousands of farmers and sharecroppers left their land behind. They packed up their families and few belongings and headed west, following Route 66 to California. Some of these migrants—known as Okies (a term that originally referred to Oklahomans but came to be used negatively for all migrants)—found work as farmhands. But others continued to wander in search of work. By the end of the 1930s, hundreds of thousands of farm families had migrated to California and other Pacific Coast states.</p>
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