Chapter 23
The Great Depression and the New Deal, 1929-1939
The Early Years of the Depression, 1929-1932

Down and Out: Life in the Great Depression

- Worst national crisis since the ________.
- First options were private charity and religious institutions
  - No public support
- Male favoritism
- Germany’s depression in 1928
- North had worse conditions

Herbert Hoover Responds

- “Success went to those who deserved it”
- Limited government
- $700 million for public works= more jobs
  - Reconstruction Finance Corporation (RFC)
Rising Discontent
• “Hoovervilles”
• Violent industrial strikes
• Bonus Army (1932)

The 1932 Election
• Franklin Roosevelt (D) won easily
• Americans wanted something new
• 1933 was the worst year of the “Depression”
The New Deal Arrives, 1933-1935

Roosevelt and the First Hundred Days

• Had an intimate presence with the American people (radio)
  • “He gave me a job”
• Broadened presidential powers. How?
  • “Brain Trusts”
• 1932 Democrats swept House and Senate
• “Hundred Days”: banking, agriculture overproduction, business slump, and unemployment

Banking Reform

• Bank failures hurt 9 million families
• Emergency Banking Act reopened banks once Treasury Dept. did an investigation confirming they had sufficient cash reserves.
• 4000 banks closed in 1933; Only ______ closed in 1934.
• Glass-Steagall created the **FDIC (Federal Deposit Insurance Corporation)**
Agriculture and Manufacturing

• **Agricultural Adjustment Act (AAA)** regulated the farm industry
  • Mostly benefited owners of large and medium sized farms

• **National Recovery Administration (NRA)** created private associations in 600 industries to agree on code of prices and production quotas

Unemployment Relief

• **Federal Emergency Relief Administration (FERA)**- provided federal funds for state relief programs

• **Public Works Administration (PWA), Civil Works Administration, and Civilian Conservation Corps (CCC)** provided millions of jobs for Americans.

Housing Crisis

• Between 1930 and 1932 half a million Americans lost their homes. **Home Owners Loan Corporation (HOLC)** refinanced home mortgages
The New Deal under Attack

• Wall Street Reform
  • Securities Exchange Commission (SEC)

Critics on the Right

• Republican business leaders objected to “reckless spending” and “socialist” reforms of the New Deal

Critics on the Left

• Many ordinary Americans felt that the New Deal didn’t do enough
The Second New Deal and the Redefining of Liberalism, 1935-1938

- As attacks on New Deal increased, Roosevelt and his advisors moved to the left.
- Revenue Act - substantial tax increases on corporate profits and higher income and state taxes on the wealthy

The Welfare State Comes into Being

- Second New Deal emphasized social justice and creation of a safety net (old, disabled, unemployed)
- Welfare-

The Wagner Act and Social Security

- Wagner Act-
- Social Security Act-

New Deal Liberalism

- Opposed laissez-faire economics
- Government must assist the needy and guarantee basic welfare of citizens
- Both southern racists and northern and westerners who opposed it were in same party
From Reform to Stalemate

The 1936 Election

- Works Progress Administration (WPA) employed 8.5 million Americans between 1935 and 1943
- New voters joined the Democratic Party
- Many demographics related to unemployment and old age reform
- Democrats held on to the votes of white southerners
- One of the most decisive victories in American history

Court Battle and Economic Recession

- Supreme Court reshaped by timely resignations
- Congress cut of funding from WPA
- Stock Market dropped and unemployment went up to 19%
- Deficit spending-
The New Deal’s Impact on Society

A People’s Democracy

Organized Labor
• Unionized workers tripled to 23% of nonagricultural workforce
• Long lasting alliance with the Democratic Party

Women and the New Deal
• Did not directly challenge gender inequalities
• Frances Perkin
• Eleanor Roosevelt

African Americans and the New Deal
• 18% of WPA jobs
• Widely benefited from programs
• 71% vote support by Northern blacks
• Roosevelt administration appointed many AA to federal office
• “black cabinet”
• Mary McLeod Bethune
• Segregation continued: no anti-lynch law
• White southern Democrats were pacified so they would not block his other reforms in retaliation to civil rights legislation
Indian Policy

- Indian Reorganization Act of 1936 reversed the Dawes Act of 1887 by promoting Indian self-government through formal constitutions and democratically elected tribal councils
- Semi sovereign dependent nations
- Congress did not stop interfering in internal Indian affairs and retained financial control of reservation government

Struggles in the West

- “repatriation” of Mexican citizens
- Between 1929 and 1937 half a million people of Mexican descent were deported
- More than 60% of these were LEGAL U.S. citizens, making the government’s actions unconstitutional
- People of Mexican descent took relief in worst years of depression
- New Deal programs did not improve the migrant farm labor system
- CA prohibited Chinese and Japanese from owning land in 1913
- Heavy job discrimination in CA against Japanese Americans (20% returned to Japan)
- Chinese Americans barred from most industrial jobs
- Few Chinese benefited from New Deal
- Repeal of Exclusion Act in 1943
- Tydings-McDuffie Act of 1934
Reshaping the Environment

- Conservationists in the tradition of Theodore Roosevelt
- National policy stressed scientific management of the land and ecological balance

The Dust Bowl

- Years of misuse of soil caused massive drought and wind erosion in OK, TX, NM, CO, AK, and KS.
- 350,000 had to relocate to CA as massive deadly dust storms swept the region
- U.S. department of Agriculture lent their expertise to establishing sound farming practices in the plains.
Tennessee Valley Authority

- Integrated flood control, reforestation, inexpensive electricity generation, and agricultural and industrial development, including production of chemical fertilizers

- The Rural Electrification Administration (REA), established in 1935, promoted nonprofit farm cooperatives that offered loans to farmers to install power lines. By 1940 only 40% of the nation’s farms had electricity; a decade later, 90% did.

Grand Coulee

- Boulder Dam (Hoover Dam) completed in 1935 with PWA funds; the dam generated power for the region’s growing cities such as Las Vegas, Los Angeles, and Phoenix

- Coulee Dam was the largest electricity producing structure in the world. The project was completed in 1941. And its 150 mile lake provided irrigation for WA’s major crops
The New Deal and the Arts

- The Federal Arts/Music/Writers’ Project, an arm off the WPA, gave work to many young artists who would become the 20th century’s leading artists and writers
  - Jackson Pollock, Alice Neel, Willem de Kooning
  - Zora Neale Hurston, Richard Right
  - Orson Welles, John Huston, Arthur Miller

The Legacies of the New Deal

- More than one-third of the population received direct government assistance from federal programs
- New legislation regulated the stock market and regulated business corporations
- Franklin Roosevelt’s magnetic personality and innovative programs brought millions of voters into the Democratic fold