

APUSH **1932-1941** **GREAT DEPRESSION &** **NEW DEAL** **REVIEWED!**

- **Watch the video “**American Pageant Chapter 33**” and annotate the slides**
- **Read pages **462-523** in “The Americans” and add additional notes**

ELECTION OF 1932

- **Herbert Hoover runs for reelection as the Republican candidate**
 - Reconstruction Finance Corp.
- **Franklin Roosevelt is chosen as the Democratic party candidate**
 - Promises a “New Deal”
 - No clear plan laid out
- **25% unemployment rate & growing frustration with limited response of federal government bring FDR the victory**



Franklin Roosevelt (FDR)



- **Roosevelt came from a wealthy, privileged family**
- **Polio had left him paralyzed from the waist down.**
- **Eleanor Roosevelt will recreate the position of First Lady**
 - **Advocated for various underserved groups**
- **Brain Trust were his diverse group of trusted advisors that help develop his New Deal programs**
 - **Sec. of Labor Frances Perkins 1st woman in presidential cabinet**

OF COURSE WE MAY HAVE TO CHANGE REMEDIES IF WE DON'T GET RESULTS

NRA

FDR

COP

CRA

AAA

CONGRESS

Charles Jones

- **New Deal was not an organized, preplanned set of programs**
- **New laws, programs and agencies created by the federal government-willingness to experiment**
- **The 3 R's**
- **Relief- for people struggling**
- **Recovery- for the economy**
- **Reform – so this situation never happens again**
- **Alphabet Agencies**
- **“Fireside Chats”: used the radio to communicate to the American people**

100

Starting on March 4, 1933 Congress (at the request of President Roosevelt) pass a large number of laws designed to deal with the Great Depression

DAYS

Finance and Banking

- **Well into 1933 many banks were failing**
- **FDR calls for a “Bank Holiday”
March 1933**
 - **Wanted to restore confidence**
 - **Explained his actions in Fireside Chat on March 12th 1933**
- **Emergency Banking Relief Act (1933) : only banks that were financially stable could reopen**
- **Glass-Steagall Act regulated banks**
 - **Restricted how banks could invest a customers deposits**
 - **Established the Federal Deposit Insurance Corporation (FDIC) which insured bank deposits**
- **Securities & Exchange Commission (SEC): regulate stock market**

Unemployment Relief

- In 1933 millions of people remained unemployed
- New Deal created jobs to provide relief to the unemployed
 - Hope this job creation would provide relief and lead to recovery
- Federal Emergency Relief Act: gave fed \$ to states & local govt. for relief services
- Civilian Conservation Corps (CCC): Employed jobless men in reforestation projects, park maintenance and other jobs
- Public Works Administration (PWA): fed \$ to state/local govt. for public works projects



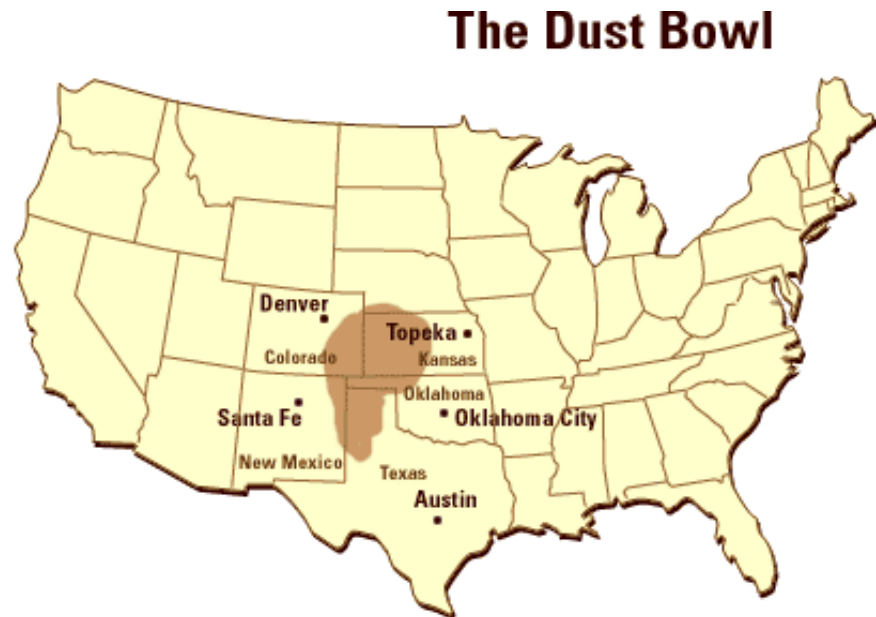
Industrial & Agricultural Recovery

- National Recovery Act (NRA) was headed by Hugh Johnson
- Goals 1) industrial recovery 2) fair wages & hours for workers
- Federal govt. and biz drafted codes for industries
 - Set production limits
 - Codes for wages and hours worked
- Section 7(a) allowed workers to form unions (no more yellow dog contracts)
- Agricultural Adjustment Act (AAA) paid farmers to cut production
 - this would increase prices
- Farmers received subsidies (payments) in return for cutting production



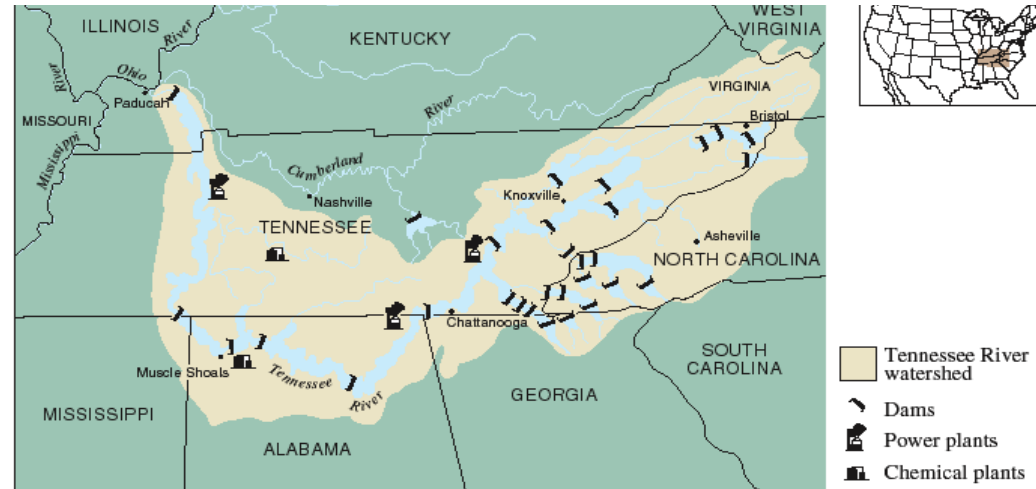
Dust Bowl

- Horrible drought in the 1930s added to farmers problems on the Great Plains
 - Overuse of the land and high winds caused dust storms
- Thousands of “Okies” fled to places such as CA looking for work
- “The Grapes of Wrath” by John Steinbeck documented this experience



Tennessee Valley Authority

- Govt agency built dams, electric power plants, controlled flooding and erosion in the Tennessee Valley area
- Big change since the TVA was the federal government helping develop a region and selling electricity at reduced rates.



Second New Deal

- **First couple years of the New Deal focused on recovery**
 - **Some success**
- **Starting in 1935 the Second New Deal goes further with reform and direct relief**
- **Works Progress Administration (WPA) spent billions of dollars employing millions of unemployed.**
- **Resettlement Administration provided assistance (loans) to sharecroppers, tenant farmers, and small farmers**
 - **The AAA hurt non-land owning farmers by taking land out of production**



Social Security

- **Social Security Act of 1935** would have the greatest impact on future generations
- **Social Security established the principal of federal responsibility for social welfare**
- **Money taken from payroll of employee and employers**
- **People aged 65 & above would receive money (pensions)**
- **Others eligible for aid:**
 - **Mothers with dependent children**
 - **Unemployment insurance**
 - **disabled**



National Labor Relations Act: Wagner Act

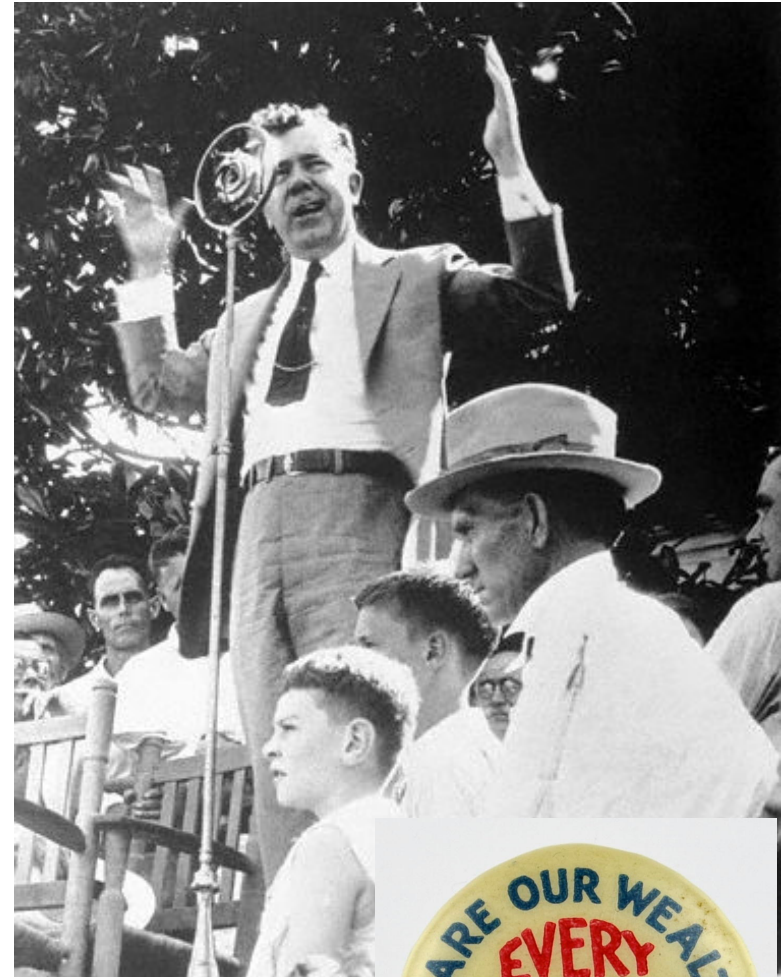
- **Wagner Act (1935) guaranteed the rights of organized labor**
- **Protected the right to join a union and to bargain collectively**
- **Created the National Labor Relations Board to enforce the labor laws**



HUGE BOOST TO THE LABOR MOVEMENT

Challenges to the New Deal

- By 1936 the New Deal did improve the economy, but it still remained unstable
- Conservatives & business owners tended to dislike him
 - Did not like the government regulation and increase in size of the govt.
 - Critical of deficit spending
- FDR followed policies of British economist John Maynard Keynes
 - Deficit spending was needed to stimulate economic growth
- Liberal critics: New Deal was not doing enough for minority communities & poor
- Various demagogues challenge FDR & the New Deal
- Dr. Francis Townsend: every person over 60 would receive \$200 a month
- Senator from LA Huey Long advocated for the “Share Our Wealth” program



COURT PACKING PLAN

- Supreme Court ruled two key New Deal programs unconstitutional
 - NRA (Schechter v. U.S.) 1935
 - AAA
- FDR proposed a plan that would allow him to appoint additional judges
- Critics see this as a “court packing plan”
- Both Democrats and Republicans see this as an assault on checks and balances
- FDR suffers a rare political defeat



IMPACT

- **New Deal Democratic Coalition of farmers, urban Immigrants, union members, African Americans, & women**
- **Established federal responsibility for society (safety net)**
- **The New Deal does not end the Great Depression (WW2 does)**
- **Continued debate about deficit spending & the welfare state**
- **Recession in 1937**
 - **Reduce government spending on public works and relief programs**
- **Keynesian Economics: government spending helps promote economic growth**
- **Limited impact on racial & gender issues**

