

APUSH
1932-1941
GREAT DEPRESSION &
NEW DEAL
REVIEWED!

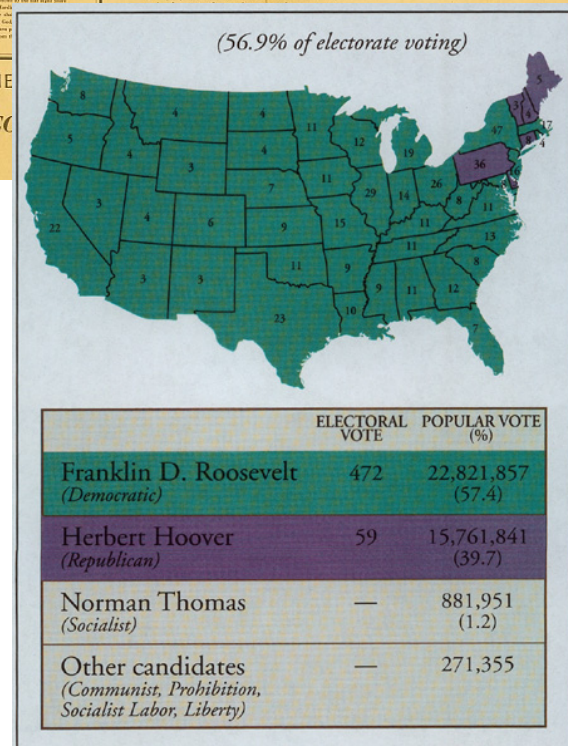
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ELECTION OF 1932

- **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



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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



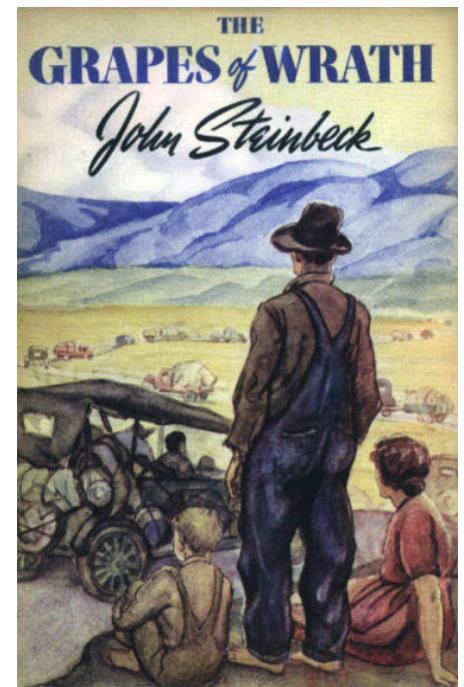
Industrial & Agricultural Recovery

- **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

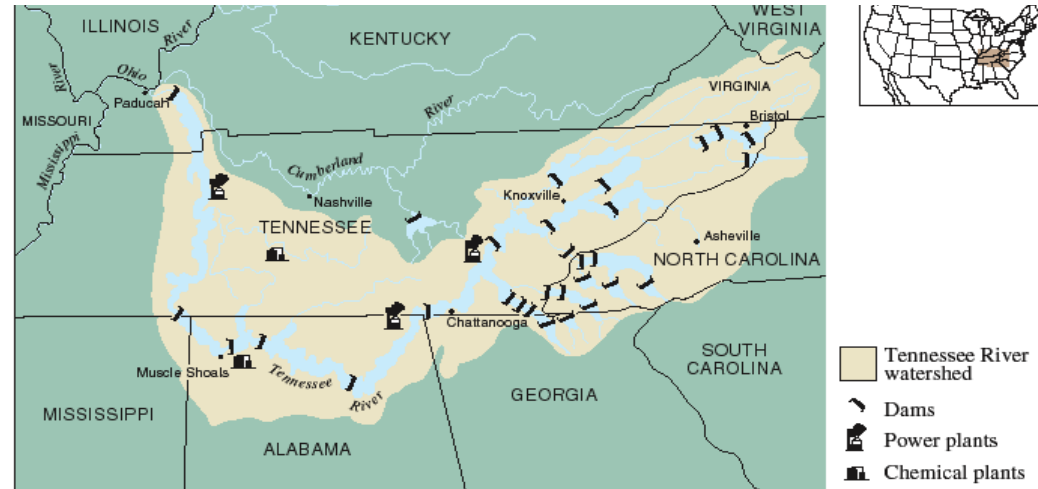


The Dust Bowl



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

MORE SECURITY FOR THE AMERICAN FAMILY



WHEN AN INSURED WORKER DIES, LEAVING DEPENDENT CHILDREN AND A WIDOW, BOTH MOTHER AND CHILDREN RECEIVE MONTHLY BENEFITS UNTIL THE LATTER REACH 18.

FOR INFORMATION WRITE OR CALL AT THE NEAREST FIELD OFFICE OF THE
SOCIAL SECURITY BOARD

National Labor Relations Act: Wagner Act

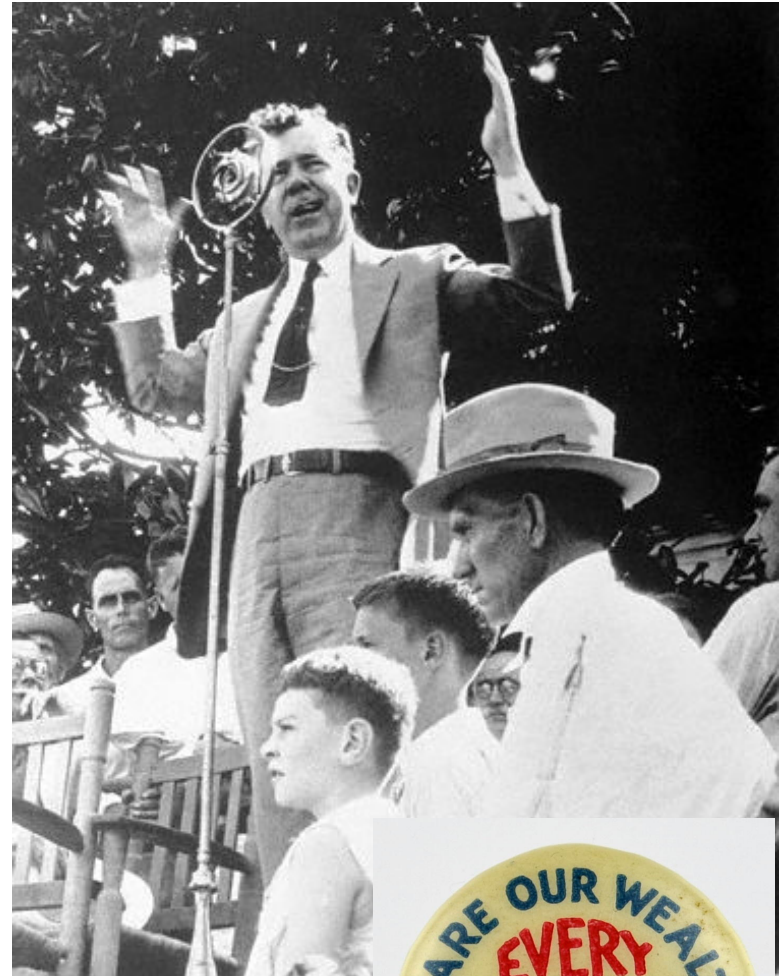
- **Wagner Act (1935)** guaranteed the rights of **organized labor**
- **Protected the right to join a union and to bargain collectively**
- **Created the National Labor Relations Board to enforce the labor laws**



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



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