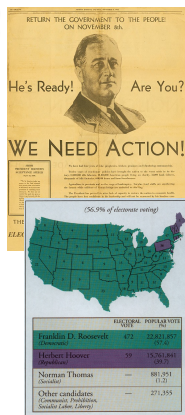


APUSH 1932-1941 GREAT DEPRESSION & NEW DEAL REVIEWED!

American Pageant (Kennedy) Chapter 33
American History (Brinkley) Chapter 23-24
America's History (Henretta) Chapter 23

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



NEW DEAL



- **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



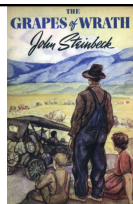
Industrial & Agricultural Recovery

- **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



The Dust Bowl

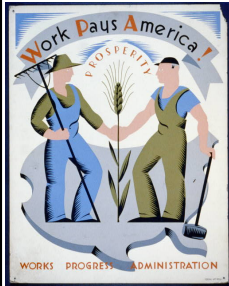


Tennessee Valley Authority

- **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



National Labor Relations Act: Wagner Act

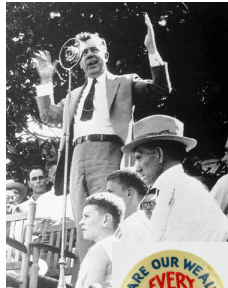
- **Wagner Act (1935)** guaranteed the rights of **organized labor**
- Protected the right to **join a union and to bargain collectively**
- Created the **National Labor Relations Board** to enforce the labor laws



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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