Great Depression & The New Deal Video Notes

FROM BOOM TO BUST
Coolidge was a hands off president... Prosperity soared... Americans had money and
time to spend.
Unequal distribution of wealth - few have a lot.
Inventories piled up and manufacturers were cutting back.
People were pouring money into the stock market
   On margin buying - led to instability in stock market
   Speculation brought a boom that led to a crash.
       Inflated price of stocks way beyond their real value
   Stockbrokers loaned out billions of dollars to their customers -
       never to be seen again.

THE GREAT CRASH & MR. HOOVER
Ohio was hit extremely hard (job-wise) - HUGE unemployment!
Hoover was an activist president for the time.
He WAS trying to end the Depression, but no one really knows how to end the
Depression AND Hoover was a disaster as far as public opinion and use of the media
(& convincing the American public that he cares).
Hoovervilles popped up around the U.S.
   Turned out pockets - Hoover flag
   Newspaper - Hoover blanket
Strikes and riots ensued.
Farmers prices fell drastically.
Hoover set up public works programs.
Didn’t believe in helping people directly.
Reconstruction Finance Corporation
Public Works programs
Believed in Trickle-down economics

THE FIRST NEW DEAL
FDR rallies Americans and from the beginning lets them know he’s going to give them
action to fix the Depression.
BIGGEST Difference between Hoover & FDR: FDR has terrific radio personality and
way of getting across to the people... Let’s people know he’s on their side.

FDR wins all but 6 states in the election.
Hundred Days - Legislation that formed the core of the New
Likened himself to a football quarterback... Try one play... If it doesn’t work, try another.

First Action - Closed banks - Bank Holiday
   Pushed through laws that increased government controls to save financial
   system (banking)

Economic Recovery - Repair nation’s industry
Morale Building + Increased role of Federal Government
Manufacturing had been cut in ½.
National Industrial Recovery Act

Failing American Farm
Overproduction made prices plummet.
Farmers forced to abandon their land because they couldn't pay back loans

Dust Bowl - Storms and Droughts (and High Winds) ravaged the Great Plains.
Ruined farms... People headed West...

Okies and Mexican Americans were forced to be migrant workers.

Agricultural Adjustment Administration
Paid farmers to limit their production to increase prices.

FDR established widespread federal relief.
Federal Emergency Relief Act
Gave federal money to states and local agencies to distribute to the unemployed..
CCC & WPA - Public Works jobs to put people to work.
Alphabet Soup Agencies employed millions!
FDR favored rewarding public works jobs over direct cash relief even though they were more expensive.

A REVOLUTION IN SIGHT & SOUND
Fireside Chats - Powerful and effective; Unified Americans

PR movies showed projects through the country or what was happening (like the Dust Bowl) in other parts of the country.
(Kind of like "news" but since there wasn’t TV, they showed the clips at the movies.)

AFRICAN AMERICANS AND THE GREAT DEPRESSION
Eleanor Roosevelt big advocate for the poor and down-trodden (under-dog).
Black Cabinet formed due to Eleanor’s influence (ER helped African Americans gain access to FDR) - advised the president about African American issues.
NRA Blue Eagle Codes allowed employers to fire blacks and replace them with white people.
Blacks called the NRA the “Negro Removal Act”
New Deals “relief” didn’t reach African Americans.
FDR didn’t support blacks as much as Eleanor
Refused to support anti-lynching bill
Thought it would lose him support - especially in the South.
Thought Southerners would block his measures.
THE FIRST NEW DEAL UNDER FIRE
May 27, 1935 - Black Monday - Supreme Court knocking down parts of New Deal as unconstitutional.
NRA unconstitutional - violated Commerce Clause - Congress can regulate commerce between states but not within them.

Other (other than the Supreme Court) New Deal Critics:
American Liberty League - Coalition of Rich businessmen - though New Deal was Socialist
Communists thought the Depression could be fixed with Communism and that capitalism did NOT work
Communist Party attracted a wide-variety of Americans
  Why should businesses be privately owned?

THE SECOND NEW DEAL
New round of legislation to meet goals: Relief, recovery, reform.

Social Security Act
  Unemployment compensation, old age pensions, protection of children, prevention of ill health
  Farm workers and domestic employees excluded

Wealth Tax Act - increase taxes on rich
FDR supported Wagner Act
  Federal government protected rights of workers for the first time.

Sit Down Strikes - Unions won recognition by GM and other industrial giants.

Union members voted for FDR.

AAA declared unconstitutional from First New Deal

SS Act & Wagner Act threatened by Supreme Court

THE COURT PACKING PLAN
FDR took a hit when he tried to increase the size of the Supreme Court.
  (He wanted to take it from 9 to 15.)

US plunged back into a deep depression (just as Court Packing fiasco had reached its peak.).
  FDR had tried to start balancing budget - started cutting back federal funds and programs.
LEGACY OF THE NEW DEAL
FDR abandon balancing budget
  Used pump priming - quick injection of government funds into public works projects.
  Deficit Spending
  Fair Labor Standards Act - Created national minimum wage

When WWII started, US started pulling out of the Depression.

After the New Deal the government’s role was greatly expanded.

Deficit spending was one of the greatest legacies of the New Deal.