

1. Great Depression

A. Causes

- tariffs and war debt policies cut down the foreign market for American goods
- a crisis in the farm sector
- the availability of easy credit
- an unequal distribution of income

B. Effects

1. Facts

- 1 in 7 businesses
- 13 million unemployed
- 400,000 farms were foreclosed

2. Cities

- built shantytowns
- soup kitchens
- breadlines

3. Rural

- Dust Bowl (1933-1936)
 - began with severe drought in the 1930's
 - results: Dust storms, Okies (migrants from Oklahoma to the West Coast)

4. Human

a. Minorities

- highest unemployment rates
- Mexican-Americans were either deported or left voluntarily in the 1930s

b. Families

- strengthened family ties
- nights spent playing board games and listening to the radio
- increased some family tensions

c. Men

- 300,000 "hoboes" wandered the country looking for work

d. Women and Children

- forced to work to provide for families
- some schools closed
- child labor increased
- "wild boys": thousands of teenage boys and some girls left home looking for work and adventure

e. Emotional Health

- 1929 to 1932 suicide rates increased by 30%
- families helped each other and developed habits of saving and thriftiness
- state mental hospital patients increased

C. Hoover's Initial Response

a. Urge all Americans to remain calm and optimistic

b. Why?

- depressions are common and the economy will fix itself
- role of government is to be a mediator not a fixer
 - "Federal bureaucracy would be too expensive and stifle individual liberty"

c. Foster cooperation between business, banking, and labor to find solutions

d. Results

- economy continues to shrink

- unemployment continues to rise
- Democrats gain control of the House in midterm elections of 1930
- Hoover is seen as cold and heartless
- Hooverisms:
 - shantytowns: Hooverilles
 - newspapers used as covering: Hoover blankets
 - food served at soup kitchen: Hoover stew
 - empty pocket turned inside out to show poverty: Hoover flag

e. Hoover takes some action

- moves toward more direct involvement
- negotiated agreements among private enterprises
 - Federal Farm Board: buy up crops to help farmers -> hoping to crease farm goods and help farmers gain money
 - National Credit Corporation: big banks give loans to smaller banks
- some direct involvement before the election of 1932
 - Federal Home Loan Bank Act: help refinance loans so more people don't lose their home -> lower mortgage rates
 - Reconstruction Finance Corporation: "trickle-down approach"; authorized 2 billion dollars for emergency financing for banks, life insurance companies, railroads, and other businesses
- these acts still have very little direct impact

f. Bonus Army

- 10-20,000 WWI vets and their families march to Washington DC
- support the Patman Act
 - act that wanted to give the vets their "bonus" earlier than 1945
- the act was rejected and most went home
- about 2,000 remained
- Hoover orders General Douglas MacArthur and Dwight D Eisenhower to use troops to remove them
- using tear gas they dispersed the crowd
- many were injured and 11 month old baby died
- Americans were stunned and outraged
- Hoover now had no hope of being reelected in 1932

2. New Deal

A. Roosevelt's plan to help alleviate the problems of the Great Depression

B. Fireside Chats

- FDR's radio chats about issues of concern

C. Created by the "Brain Trust"

- hand-picked professors, lawyers, and journalists

D. 3 General goals:

- 1) relief for the needy
- 2) economic recovery
- 3) financial reform

E. First 100 Days (March 9 - June 16, 1933)

- more than 15 major pieces of legislation passed
- significantly expanded the American Governments role

F. New Deal Legislation and Programs

New Deal Legislation and Programs

	WHO DID IT HELP?	INTENT OF PROGRAM?	RELIEF, RECOVERY, OR REFORM?	LEVEL OF SUCCESS?	STILL EXISTS TODAY?
CIVILIAN CONSERVATION CORPS (CCC) 1933	unmarried + unemployed men	provide jobs in conservation projects	relief	very successful	no
AGRICULTURAL ADJUSTMENT ACT (AAA) 1933	farmers	reduced crop production and raised prices	recovery	little success prices rose a little struck down by the Supreme court	no
NATIONAL INDUSTRIAL RECOVERY ACT (NIRA) 1933	unemployed men	provide money to states. create jobs through construction projects	recovery	low success struck down by the Supreme court	no
FEDERAL DEPOSIT INSURANCE CORP (FDIC) 1933	banks and the people who use them	insure bank deposits (up to \$5000)	reform	very successful	yes
WORKS PROGRESS ADMINISTRATION (WPA) 1935	unemployed Americans (women, minorities, men)	bring more jobs. Spent \$11B to create 8mil jobs	relief	moderate success	no
SOCIAL SECURITY ACT (SSA) 1935	retirees	pension for retired workers	relief	successful	yes
SECURITY AND EXCHANGE COMMISSION (SEC) 1934	investors in the stock market	supervise the stock market and eliminate dishonest practices	reform	very successful	yes
TENNESSEE VALLEY AUTHORITY (TVA) 1933	people living in the Tennessee valley	provide jobs and electricity (by building dams on the river)	recovery	very successful	yes
FEDERAL HOUSING ADMINISTRATION (FHA) 1934	home owners	loans for building and repairing	recovery	very successful	yes

G. Opposition to the New Deal

a) Deficit Spending

- spending more than what you have
- central tenet of Keynesian Economics (temporary)
- FDR saw it as a necessary evil

b) Supreme Court

- struck down the NIRA (1935) and the AAA (1936)
- “Court-Packing Bill”: a bill to add 6 new Supreme Court Justices
 - bill was struck down and unnecessary
 - FDR would appoint 7 new new justices in the next 4 years due to resignations

3. Second New Deal (1935-1936)

H. Second 100 days

-Why?

- economy had only improved slightly
- unemployment was still high
- GDP (gross domestic product) was still at pre 1920's levels

4. World War II

A. Rise of Totalitarianism

- government tries to exert complete control over its citizens
- idea that individual has no rights; only the rights the government gives them
- all opposition is suppressed by a variety of means
- government is led by a dictator who has full control of the military

1. Italy: Benito Mussolini

- established Fascist Party (1921)
- stresses nationalism and the interests of the state over the individual
- going to convince the Italian people that power must rest in a single strong leader and a small group of loyal party members
- anticommunists
- “Il Duce” ruled from 1922-1943

2. Russia: Joseph Stalin

- became leader in 1924 after the death of Lenin
- transformed Russia into a great industrial nation
- human cost was between 8-13 million people
- many more died of starvation
- by 1939 Russia was a complete totalitarian state

3. Germany: Adolf Hitler

- head of the Nazi Party
- Nazism was another form of facism
- appointed chancellor (Prime Minister) in 1933
- dismantled the Weimar Republic and replaced it with the Third Reich
- anticommunist

4. Japan: Hideki Tojo

- Prime Minister in 1941
- Emperor Hirohito becomes a powerless figurehead
- also head of the military
- wanted more land and resources

B. Roosevelt Verses Congress

-Roosevelt:

- cautiously reaches out to the world
- recognize the Soviet Union in 1933
- Good Neighbor Policy
 - withdrew troops from Latin America
- Reciprocal Trade Agreement Act
 - more power to negotiate trade deals and lower tariffs

-Congress:

- Isolationists
- Neutrality Act
 - outlawed sales or loans to nations at war and involved in a civil war

C. Steps to War

1) "Cash and Carry" Policy (1939)

- revision of the Neutrality Acts
- allowed nations at war to buy U.S. arms in cash only and to transport goods in their own ships
- passed after 6 weeks of debate in Congress
- over 580,000 rifles and machine guns and over 50 old destroyers would be provided to G.B.

2) Tripartite Act (1940)

- mutual defense treaty between Germany, Italy, and Japan (Axis Powers)
- a war on one meant war on all
- this would mean a two-ocean war!

3) Getting defensive (1940)

- Congress increases defense spending
- Selective Training and Service Act:
 - first peacetime military draft
 - one year service in the Western Hemisphere

4) Lend Lease Plan (March 1941)

- Britain simply had no more money
- FDR proposed a new idea:
 - U.S. would lend or lease arms and other supplies to "any country whose defense was vital to the United States"
- isolationists tried to defeat this bill but most Americans are in favor
- under this plan we would also provide aid to Russia after it was invaded by Hitler

5) Atlantic Charter (August 1941)

- FDR and Churchill meet secretly aboard the USS Augusta
- both countries make pledges that will become the basis for the war aims for the Allies
- FDR does not pledge military support
- this begins an undeclared naval war with Germany in 1941
- Senate repeals an act that banned the arming of merchant ships

6) Final Step (December 7, 1941)

- Japan attacks the US at Pearl Harbor in Hawaii
- in two hours:
 - 2,403 Americans were killed
 - 300 aircraft were badly damaged or destroyed
 - 21 ships are sunk or damaged
- December 8th: Congress declares war on Japan
- December 11th: Germany and Italy declare war on US
- isolationism is dead and war has begun

D. American Reaction

- Executive Order 9066 (Feb. 19, 1942)

- led to the forced relocation of approximately 120,000 Japanese Americans living on the West Coast (thought they could be potential spies)
- about 2/3rds were American born
- could be arrested or fined if they didn't go