Chapter 23 Study Guide

The Great Depression

I. The Coming of the Great Depression

The Great Crash:

* A widespread speculative fever that grew steadily more intense, partic. Once brokerage firms began encouraging the mania by recklessly offering easy credit
* 16 million shares of stock were traded and the industrial index dropped 43 points

Causes:

* 1. Lack of diversification in the American economy: depended on automobiles and construction; newer industries like petroleum, chemicals, plastics oriented toward the expanding market for consumer goods but had not yet developed enough strength to compensate for the decline in other sectors
* 2. Maldistr. Of purchasing power and a weakness in consumer demand which was too small to create an adeq. Market for the goods the econ. Was producing

 -Too poor to buy the goods they were producing

* 3. Credit structure of the economy; farmers were in debt and their land mortgaged, crop prices too low to allow them to pay off what they owned; large banks were in trouble and were investing recklessly in the stock market and making unwise loans
* 4. Position in intern. Trade: Euro. Demand for American goods started to decline b/c of tariffs; and some were having finance troubles and could not afford the goods; nations owed money to US and reparations would help them pay off war debt

 -American gov’t refused to forgive or reduce the debts; began making loans to Euro. Gov’t which they paid off their earlier loans; high American protective tariffs were making it difficult for them to sell their goods in American markets

Progress of the Depression:

* More than 900 banks either went bankrupt or closed their doors to avoid bankruptcy; depositors lost over 2.5 billion and the declining money supply meant a decline in purchasing power, and thus deflation
* Began reducing prices, cutting back on production, and laying off workers
* Fed. Reserve Board inc. interest rates which contracted the money supply even further

II. The American People in Hard Times:

Unemployment and Relief:

* Americans were taught to believe that unemployment and poverty were signs of personal failure
* Private charities attempted to supplement the public relief efforts, but the problem was far beyond their capabilities as well
* State gov’t felt pressure to expand their own assistance to the unemployed but tax revenues were declining along with everything else and state leaders balked at placing add. Strains on already tight budgets
* Public officials believed that an extensive welfare system would undermine the moral fiber of its clients
* Farm income declined by 60% between 1929 and 1932; stretching north from Texas into the Dakotas was a natural disaster that was called the Dust Bowl

 -Steady decline in rainfall and increase in heat; great dust storms swept across the plains, blotting out the sun and suffocating livestock as well as people unfortunate enough to stay outside

* Even with these conditions, farm econ. Continued to produce far more food than consumers could afford to buy; farm prices fell so low and few growers made any profit on their crops
* Hundreds of families from the Dust Bowl often known as Okies since many came from Oklahoma traveled to California where they found conditions little better; picking fruit and other crops at starvation wages
* Families lived in shacks constructed of tin cans, scraps of wood, abandoned crates, and other debris

African Americans and the Depression:

* Unemployed whites in the South believed that they had first claim to all work and began to take positions as janitors, street cleaners, and domestic servants, displacing AA’s who formerly had these jobs
* Black Shirts Campaign with the slogan “No Jobs for Niggers Until Every White Man Has A Job!” whites used violence to drive blacks from jobs and over half of AA’s in the South were without employment
* 400,000 AA’s traveled to the North and in NY black unemployment was 50% or more
* Scottsboro case: two white women accused 9 black teenagers of raping them and convicted the boys and sentenced 8 of them to death; S.C. overturned the conviction in 1932 and a series of new trials began that attracted national attention
* International Labor Defense came to the aid of accused youths and began to publicize the case; the last of Scottsboro defendants did not leave prison until 1950
* NAACP began to work to win a position for blacks within the emerging labor movement, supporting the formation of the Congress of Industrial Organizations and helping to break down racial barriers within labor unions

Mexican Americans in Depression America:

* White Anglos demanded jobs from Hispanics and Mexican unemployment rose quickly to levels far higher than those for Anglos
* Officials removed Mexicans from relief rolls or transported them across the border; most relief programs excluded Mexicans from their rolls or offered them benefits far below those available to whites
* Mexicans moved to LA where they lived in poverty comparable to that of urban blacks in the South and NE

Asian Americans in Hard Times:

* Often lost jobs to white Americans and farm workers suffered from the increasing competition for even these low paying jobs from white migrants from the Great Plains
* Organized Japanese American Democratic Clubs in Cali. To make laws to protect racial and ethnic minorities from discrimination; tried to overcome obstacles by encouraging other Japan. Amer. To become more “American”

 -Formed Japanese American Citizens League in 1930 to promote their goals and had nearly 6,000 members

Women and the Workplace:

* Largest new group of female workers consisted of wives and mothers; 20% more women at the end of the depression were working than had been doing so in the beginning contrasting popular belief that men should work and women should stay in the home
* Professional opp. Declined b/c unemployed men began moving into professions, such as teaching and social work, that had previously been women’s work; more likely to be laid off or to experience wage cuts than their male counterparts in industry jobs
* White women that held jobs as sales clerks and stenographers were less likely to disappear than the predom. Male jobs in heavy industry and many men did not ask for these jobs (advantage for white women)
* Black women suffered massive unemployment b/c of a great reduction of domestic service jobs; 38% black women were employed at the end of the 1930s compared to 24% of white women (black women were more likely to work)

Depression Families:

* Decline in divorce rate and more common was the informal breakup of families, partic. The desertion of families by unemployed men bent on escaping the humiliation of being unable to earn a living
* Marriage and birth rates declined for the first time since the early 19c

III. The Depression and American Culture:

Depression Values:

* Crisis began to undermine the trad. Success ethic in America and many people looked to the gov’t for assistance and blamed corp. monguls, international bankers, and other for their distress; others blamed themselves
* Dale Carnegie’s self help manual was not of the best selling books b/c message was that not only that personal initiative was the route to success but the best way for people to get ahead was to fit in and make other people feel important

Artists and Intellectuals in the Great Depression:

* Roy Stryker, Walker Evans, Arthur Rothstein, Ben Shahn, Margaret White, Dorothea Lange, and others produced memorable studies of farm families and their surroundings, studies often designed to reveal the savage impact of a hostile environ. On its victims
* Wright Native Son exposed the plight of residents of the urban ghetto and Steinbeck portrayed the trials of workers and migrants in California

Radio:

* Soap operas and entertainment programs became widely seen
* First direct access to important public events, and radio news and sports divisions grew rapidly to meet the demand
* Created the possibility of shared experiences and common access to culture and info. escapist programming from the stress of the depression

Movies:

* Less expensive entertainment option and at the end of the decade in color were becoming more appealing
* Some movies celebrated the virtues of the small town and decency of the common people in contrast to the selfish, corrupt values of the city and the urban rich
* Films designed to divert audiences from their troubles and indulge their fantasies about quick and easy wealth
* Walt Disney began to produce animation and children’s films

Popular Literature and Journalism:

* Gone with the Wind and Anthony Adverse were most famous
* Magazines focused on fashion, stunts, scenery, and the arts than on the social conditions of the nation; *Life* became successful and was known for stunning photos of sporting and theater events
* Other writing was openly challenging to the values of American culture like *Miss Lonelyhearts*

The Popular Front and the Left:

* Popular Front did much to enhance the rep. and influence of the Communist Party; offered an escape from the lonely and difficult stance of detachment and alienation they had embraced in the 1920s
* Spanish Civil War pitted the fascists of Franco against the existing republican gov’t; attracted young Americans who formed the Abraham Lincoln Brigade and traveled to Spain to join the fight against the fascists
* Hemingway spent his time as a correspondent in Spain during the conflict of how the war provided Americans with a part in something which you could believe in wholly in which you felt brotherhood with others
* Communist Party members staged a hunger march in DC and took a firm stand in racial justice and allied itself with the aspirations of AA’s
* Followed party line of Soviet Union; when Stalin signed a nonaggression pact with Nazi Germany, Moscow sent orders to the American Communist Party to abandon the Popular Front and return to its old stance of harsh criticism of American liberals and they obeyed
* Socialist Party under Thomas cited the crisis as evidence of failure of capitalism and sought to wins support for its own program
* Southern Tenant Farmers Union supported the party and organized by Mitchell to create a coalition of sharecroppers, tenant farmers, and others to demand econ. Reform
* State and local gov’ts harried and sometimes imprisoned communist organizers
* Grapes of Wrath exploited the agrarian life in the West and also a tribute to the endurance of his main characters of the spirit of the community

IV. The Unhappy Presidency of Herbert Hoover

The Hoover Program:

* Urged white house to adopt a program of voluntary cooperation for recovery and implored businessmen not to cut production or lay off workers; voluntary cooperation failed
* Gov’t spending was not enough in the face of the problems and he became less willing to increase spending, worrying instead about creating large gov’t deficits
* Proposed the Agric. Marketing Act which est. the first major gov’t program to help farmers maintain prices; Farm Board would make loans to national marketing cooperatives or est. corps to buy surpluses and thus raise prices
* Hawley Smoot Tariff of 1930 increased protection on 75 farm productions but neither the act or tariff helped American farmers and the tariff harmed the agric. Econ. By stifling exports of food
* Many Americans blamed the president and began calling the shantytowns that unemployed people est. on the outskirts of cities “hoovervilles”; democrats urged the president to support more vigorous programs of relief and public spending
* In may 1931 one of the largest banks in American collapsed and panic gripped the financial inst. Of neighboring countries and econ. Rapidly delinked to new lows
* Reconstruction Finance Corp. was a gov’t agency whose purpose was to provide federal loans to troubled banks, railroads, and other businesses and even made funds available to local gov’t to support public works projects and assist relief efforts
* New agency failed to directly deal with the real problems of the econ. To produce any recovery and lent funds only to financial inst. With sufficient collateral and to large corps.

Popular Protest:

* Farmers’ holiday Association endorsed the withholding of farm products from the market and began in western Iowa and failed
* Many veterans wanted their bonus money from serving in WWI but Hoover rejected appeal to get the bonus immediately; 20,000 veterans of the Bonus Army marched into Washington and promised to stay until Congress approved legislation to pay the bonus; Congress voted down
* Hoover ordered police to clear the marchers where they have stayed and two died; hoover considered the incident evidence of growing violence and radicalism and he ordered the Army to assist the police in clearing out the buildings
* Macarthur took the proceedings and led the 3rd cavalry, two infantry regiments, a machine gun detachment, and 6 tanks down Penn Ave. in pursuit of the Bonus Army; veterans fled in terror; more than 100 were injured

The Election of 1932:

* Democrats nominated FDR and became a well-known figure in the party; avoided cultural issues as religion and prohibition and emphasized the econ. Grievances that most Democrats shared
* Flew to Chicago to address the convention in person and accepted the nomination; hoover’s unpopularity ensured his election
* Roosevelt won and Democrats won majorities in both houses of Congress

The Interregnum:

* Public confidence in the banks were ebbing and depositors were withdrawing their money in panic and one bank after another was closing its doors and declaring bankruptcy
* Hoover asked Roosevelt to give prompt public assurances that there would be no tinkering with the currency and no heavy borrowing or unbalancing of the budget but he refused