Three Core Questions of the Era | 3.1

HIST 202 B - Lecture 3: The Twenties, the Great Depression, and the New Deal.



What was new about the prosperity of the 1920s?



Why did the 1929 economy collapse and stay down?

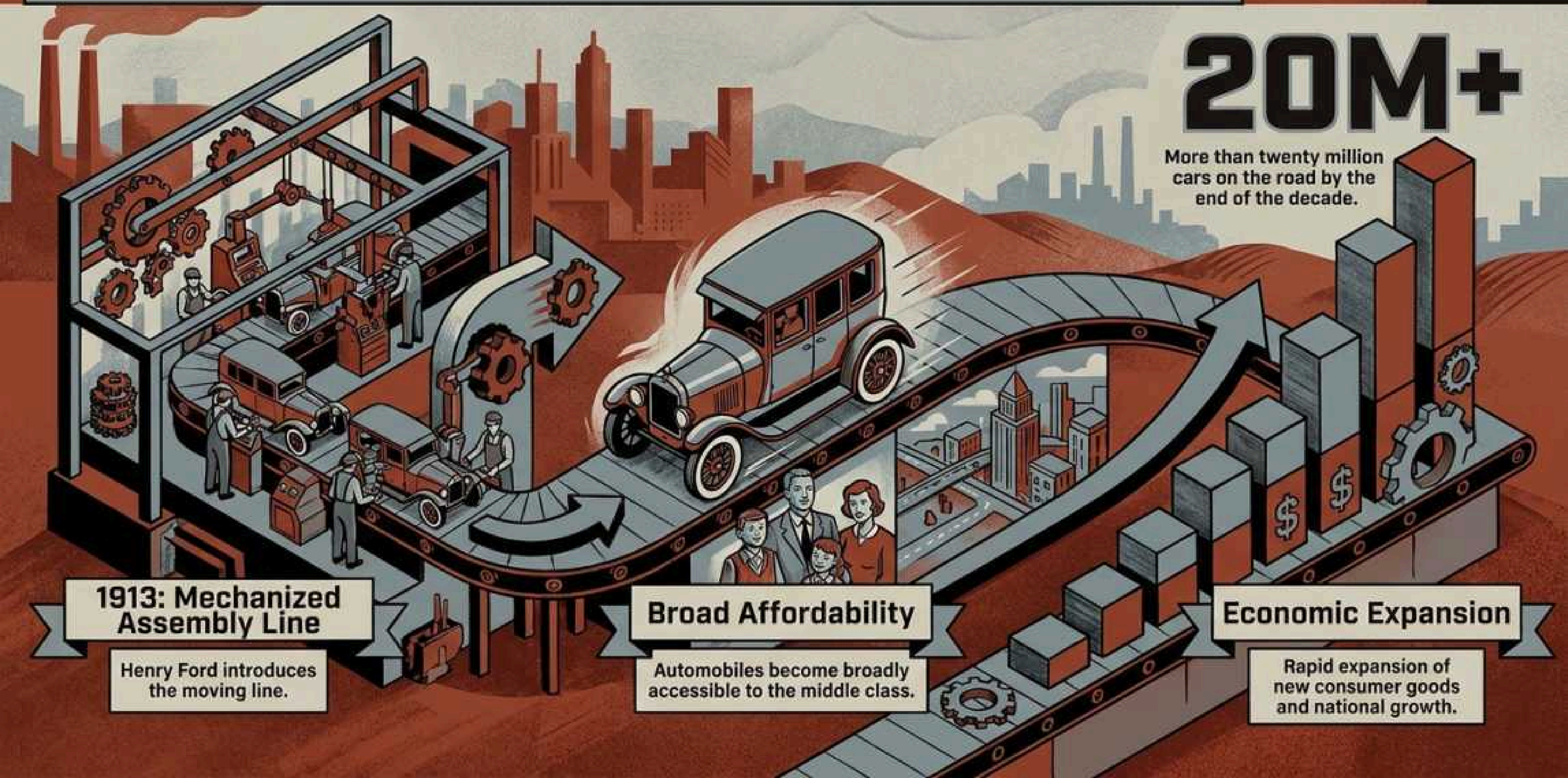


How did the New Deal try to respond?

CATALOG NUMBER

3.2

THE ENGINE OF THE 1920s: CONSUMER GROWTH



20M+

More than twenty million cars on the road by the end of the decade.

1913: Mechanized Assembly Line

Henry Ford introduces the moving line.

Broad Affordability

Automobiles become broadly accessible to the middle class.

Economic Expansion

Rapid expansion of new consumer goods and national growth.

BUSINESS-FRIENDLY POLITICS

3.3

Taxes cut, light regulation favored by the Republican White House.



WARREN HARDING

Admiinistration scarred by scandal.

The Teapot Dome affair (secret leases of naval oil reserves).



CALVIN COOLIDGE

The ideological voice of the era.

"The chief business of the American people is business."



HERBERT HOOVER

Continued the trajectory of deregulation and pro-business tax policy leading to the decade's close.

A Lively, Roaring Culture

3.4

National Spread

Jazz music and radio broadcasting sweep the nation.

Flappers actively challenge older ideas of conduct and gender norms.



The Harlem Renaissance

A profound literary and artistic explosion.

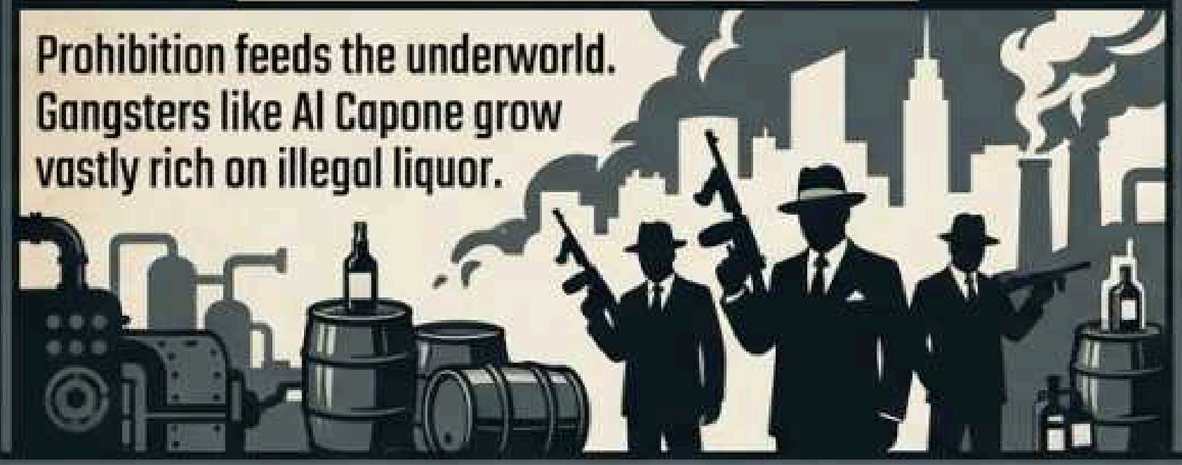
- Langston Hughes (Poetry)
- Zora Neale Hurston (Stories)

THE BACKLASH TO CHANGE

3.5

ORGANIZED CRIME

Prohibition feeds the underworld. Gangsters like Al Capone grow vastly rich on illegal liquor.



FUNDAMENTALISM

The 1925 Scopes Trial in Tennessee pits the teaching of evolution directly against fundamentalist religious belief.



NATIVISM

The Immigration Act of 1924 sets strict national-origins quotas, sharply cutting immigration from southern and eastern Europe, and barring most Asians.



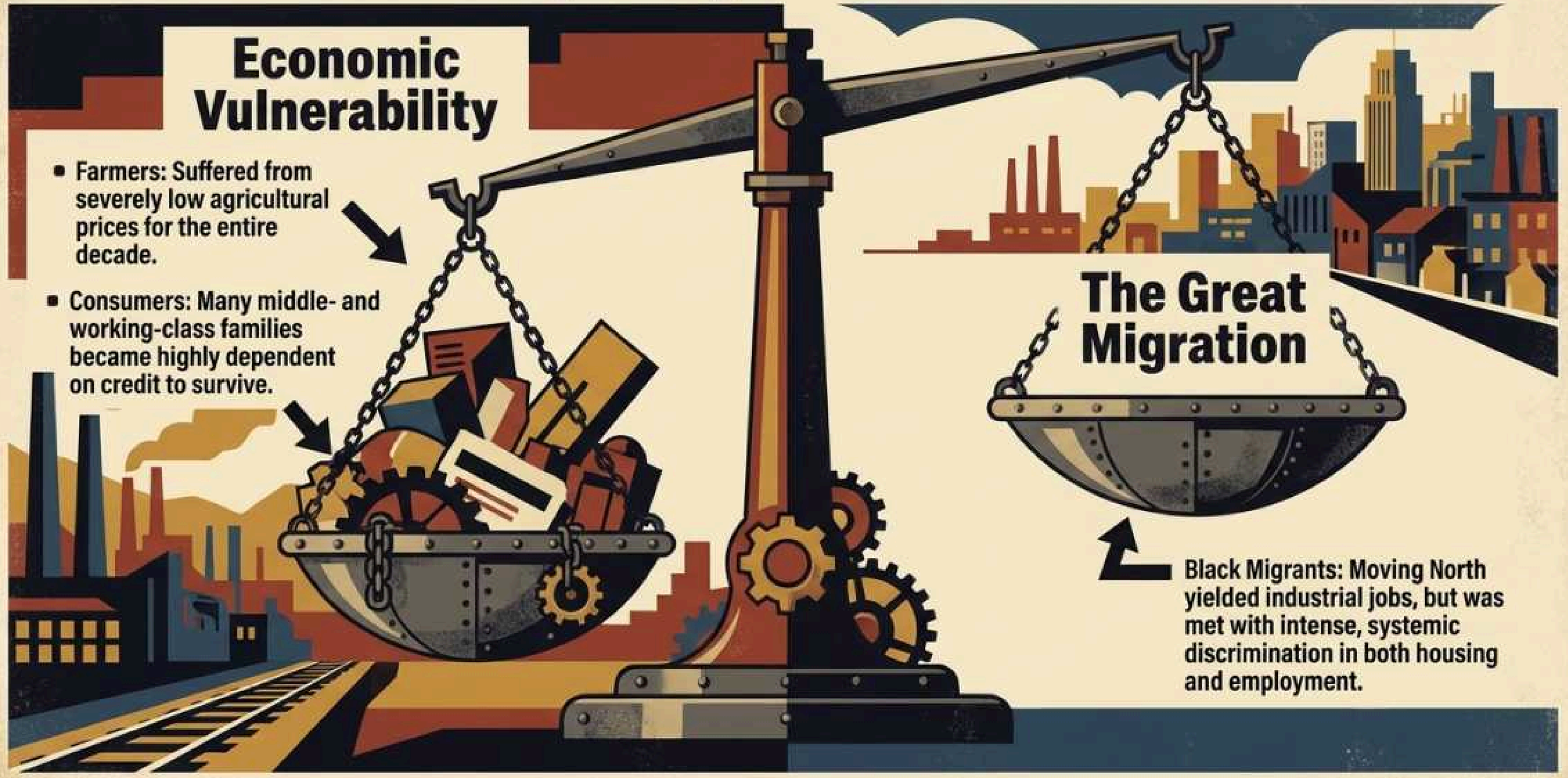
EXTREMISM

Revival of the Ku Klux Klan, reaching millions of members across the nation in the mid-twenties.



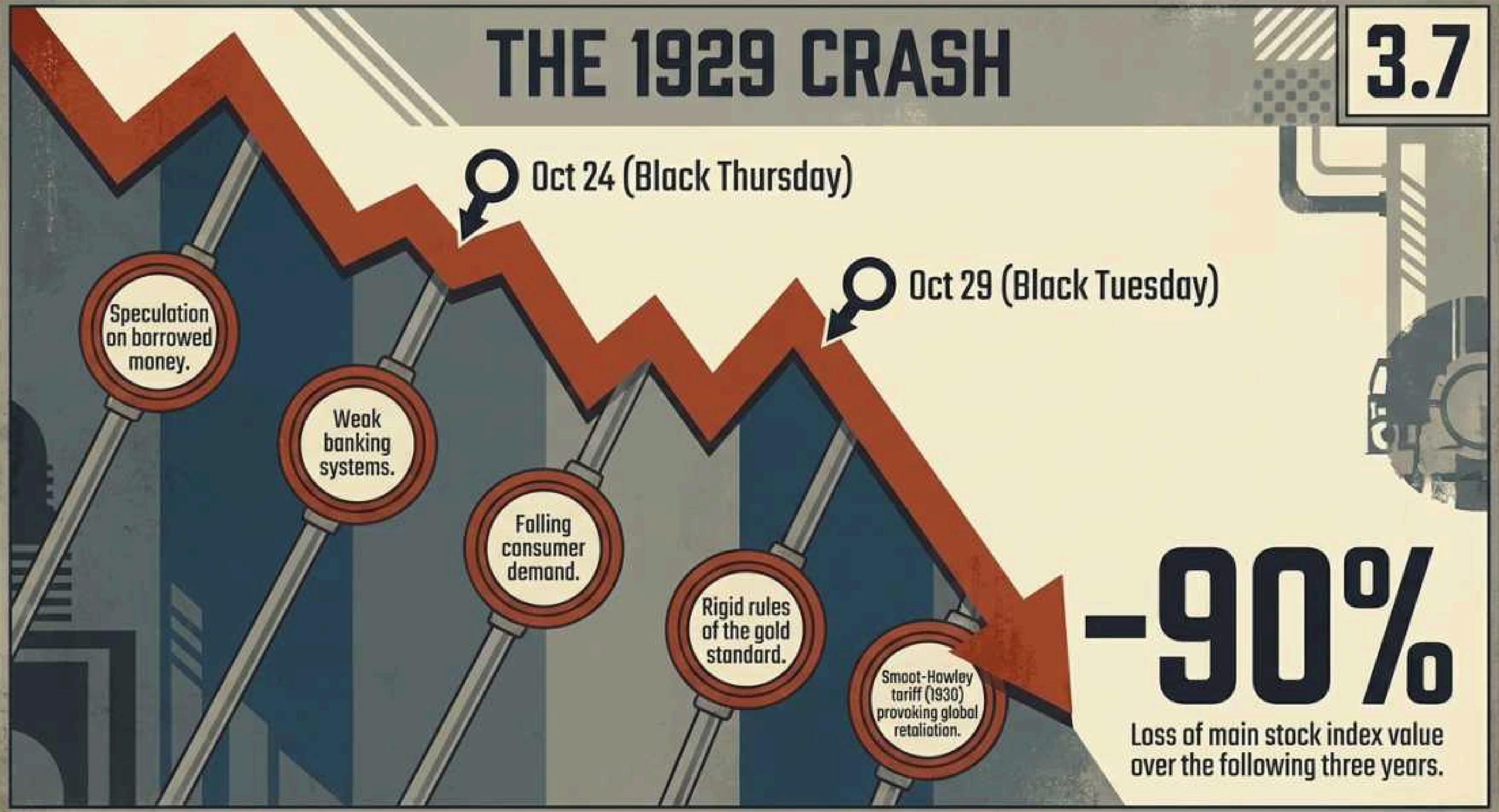
Prosperity Was Uneven

3.6



THE 1929 CRASH

3.7



-90%

Loss of main stock index value over the following three years.

The Worst Depression in American History

3.8

25%

By 1933, about 1 in 4 workers was unemployed.

9,000

Banks failed between 1930 and 1933, completely wiping out family savings.

-30%

Drop in total national economic output.

Hoover's Restrained Response

3.9

Believed in voluntary cooperation and balanced budgets. Resisted large federal relief.

Supported limited action, including the Reconstruction Finance Corporation in 1932.

Summer 1932: The Bonus Army

Thousands of veterans camped in Washington demanding early service bonuses. The US army drove them out with tear gas, severely damaging Hoover's reputation.

FDR and The First 100 Days

3.10

Following his 1932 landslide victory:
The only thing we have to fear is fear itself.

Emergency Banking Act: Steadied failing banks.

Glass-Steagall Act: Created federal deposit insurance.

Agricultural Adjustment Act: Aimed to raise farm prices.

Tennessee Valley Authority (TVA): Built dams to bring power to poor regions.

Securities and Exchange Commission (1934): Established to police the stock market.

RELIEF THROUGH WORK

3.11

CIVILIAN CONSERVATION CORPS (CCC)



Put young men to work in the nation's forests and parks.

WORKS PROGRESS ADMINISTRATION (WPA)



Created in 1935. Employed ~8 million people. Built roads, schools, and airports. Crucially, also funded artists and writers.

The Second Burst of Reform (1935-1938)

3.12

Setting up lasting institutions.

Social Security Act (1935)

Created old-age pensions and unemployment insurance, funded systematically by payroll taxes.



Wagner Act

Protected the legal right of workers to organize and bargain collectively; established the National Labor Relations Board (NLRB).



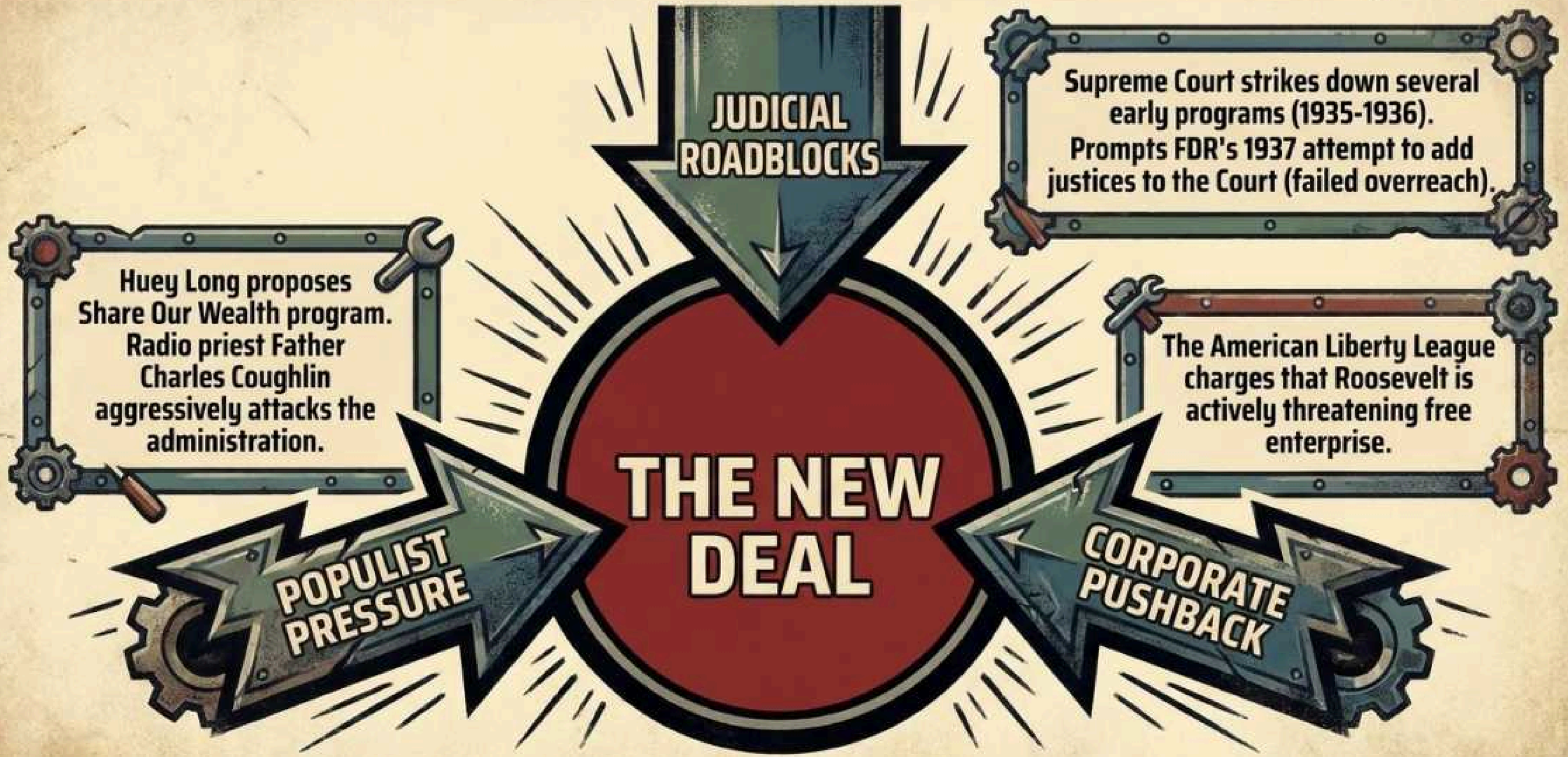
Fair Labor Standards Act (1938)

Set the first federal minimum wage, established a maximum workweek, and federally restricted child labor.



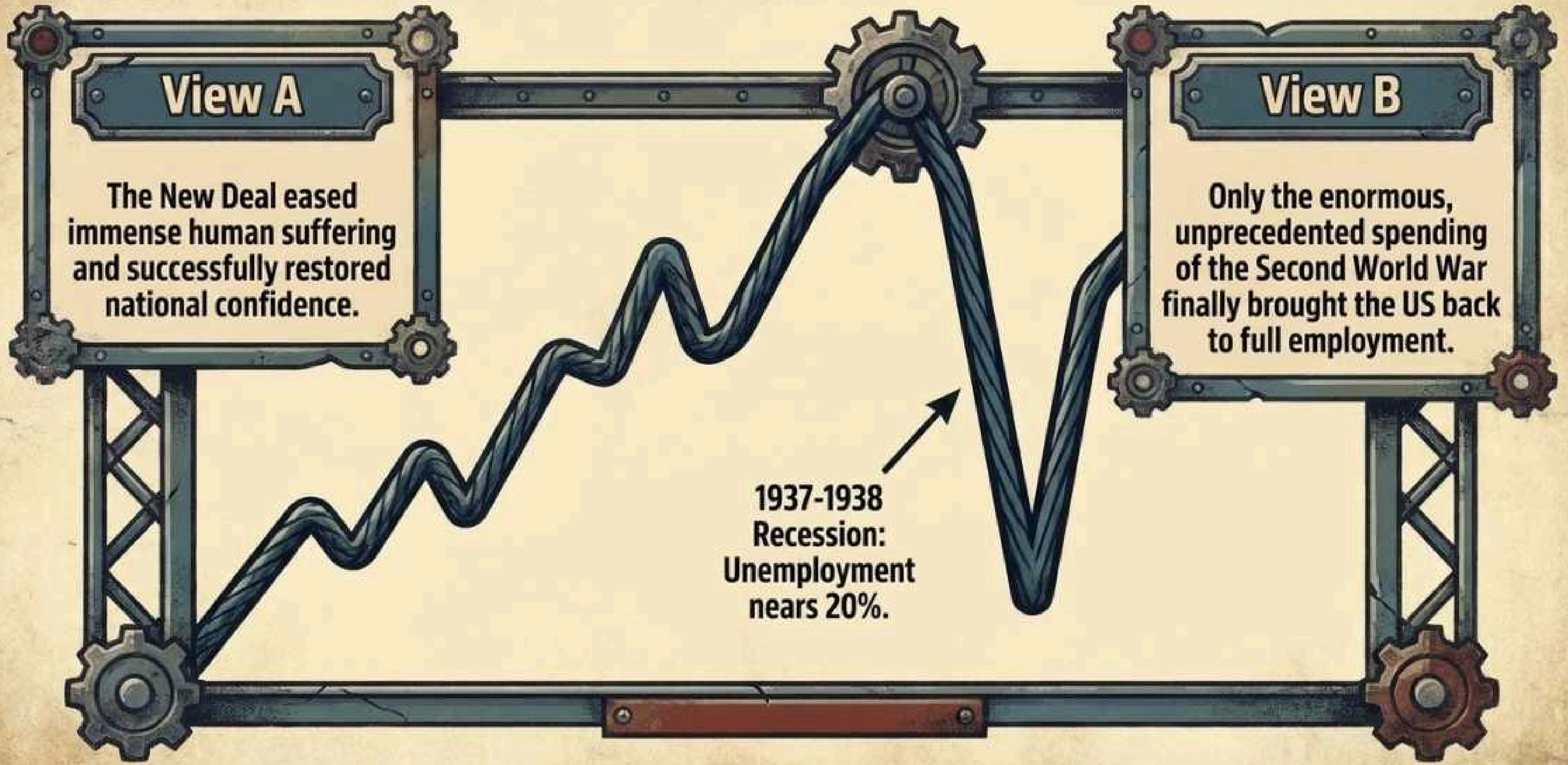
THE NEW DEAL UNDER FIRE

3.13



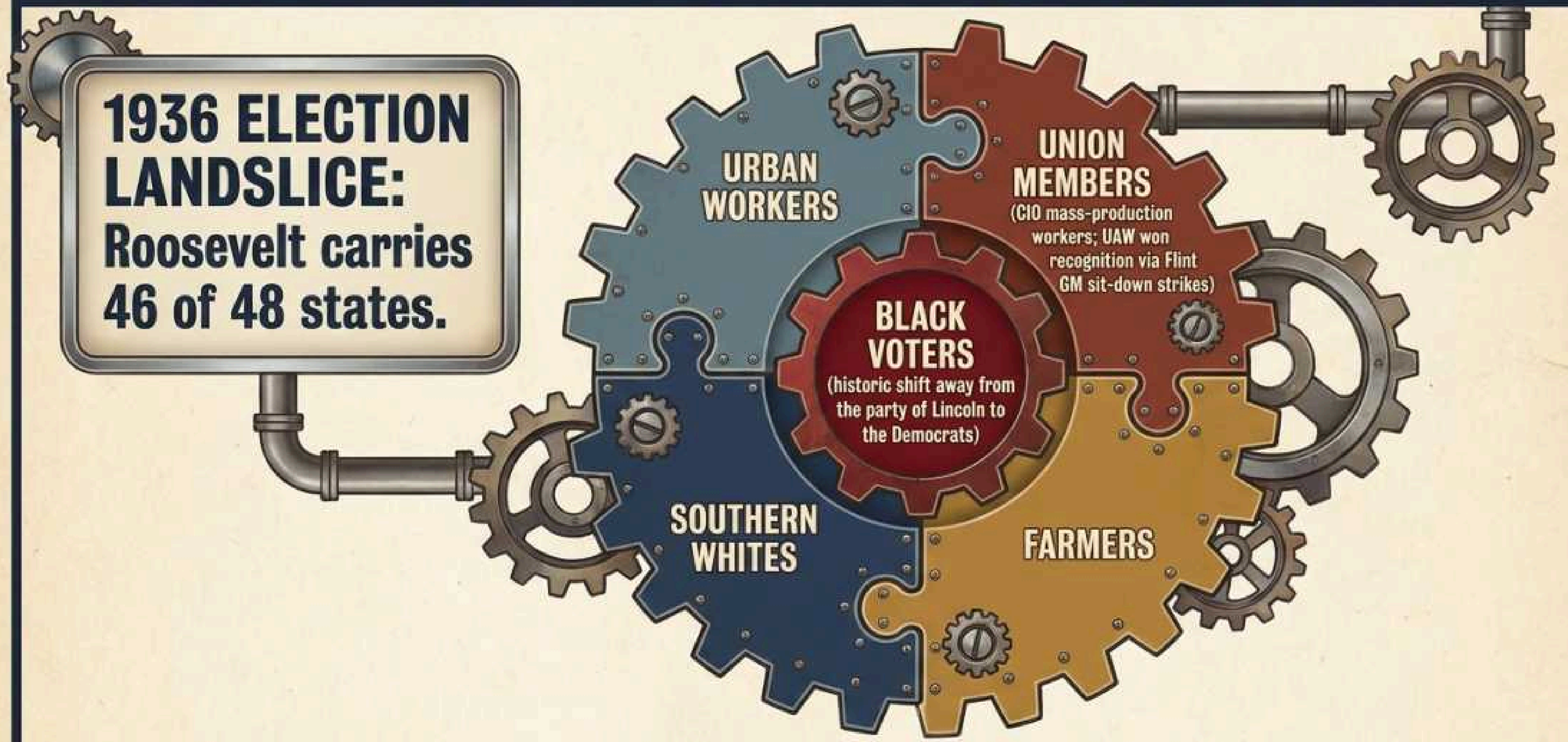
Recovery Was Slow and Incomplete

3.14



BUILDING A LASTING DEMOCRATIC COALITION

1936 ELECTION LANDSLICE:
Roosevelt carries 46 of 48 states.



WHO WAS LEFT OUT

3.16

LEGISLATIVE EXCLUSIONS

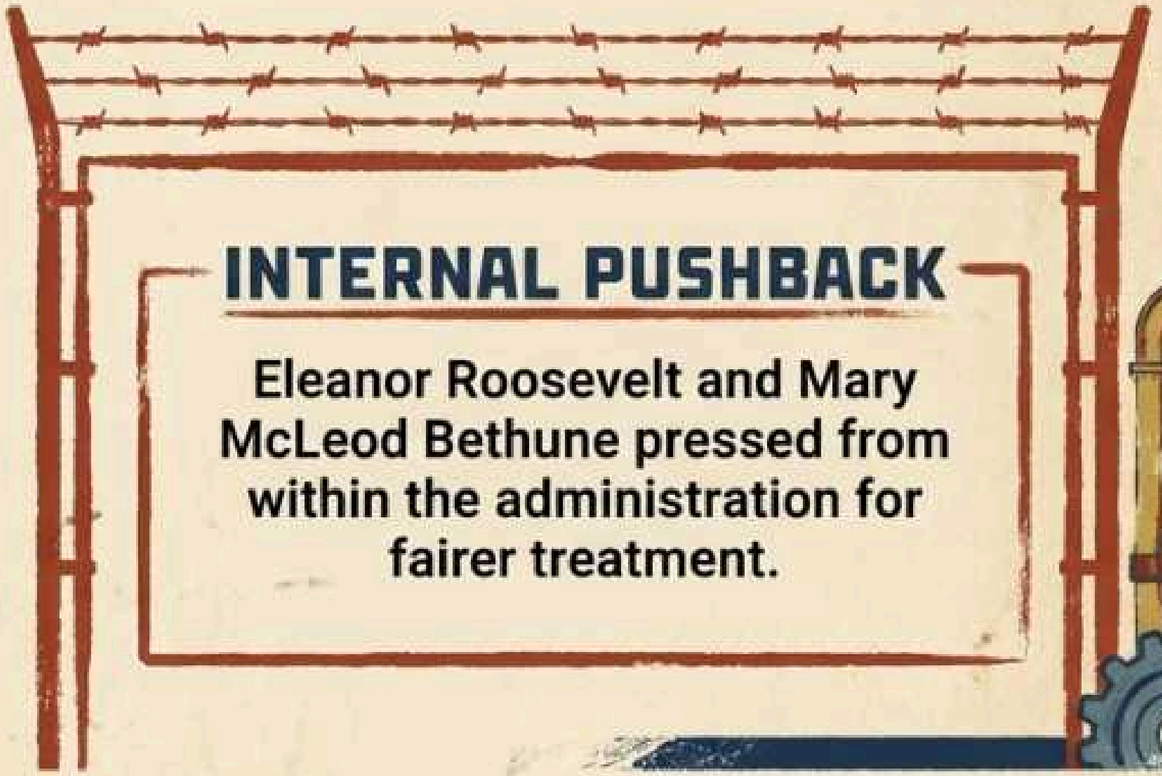
Agricultural and domestic workers (disproportionately Black and Latino) were explicitly excluded from Social Security and the Wagner Act initially.

SYSTEMIC REDLINING

Federal housing agencies drew maps marking Black neighborhoods as bad risks. Southern Democrats shaped programs to protect segregation.

DISPLACEMENT

Hundreds of thousands of Mexican Americans (many US citizens) were pressed to leave the country.



INTERNAL PUSHBACK

Eleanor Roosevelt and Mary McLeod Bethune pressed from within the administration for fairer treatment.

THE CULTURE OF THE DEPRESSION



Photography

Dorothea Lange's *Migrant Mother* (1936)



Literature

John Steinbeck's *The Grapes of Wrath* (1939)

These works functioned as mirrors, making the suffering of displaced farm families visibly undentiable to the entire nation.

FOREIGN POLICY TURNS INWARD

3.18



As aggression mounts abroad, a fierce national argument erupts between isolationists (stay out) and internationalists (engage).

THE LARGER PICTURE: LEGACY OF THE NEW DEAL

3.19

THE REALITY

Did not end the Great Depression by itself.

THE LASTING CREATIONS

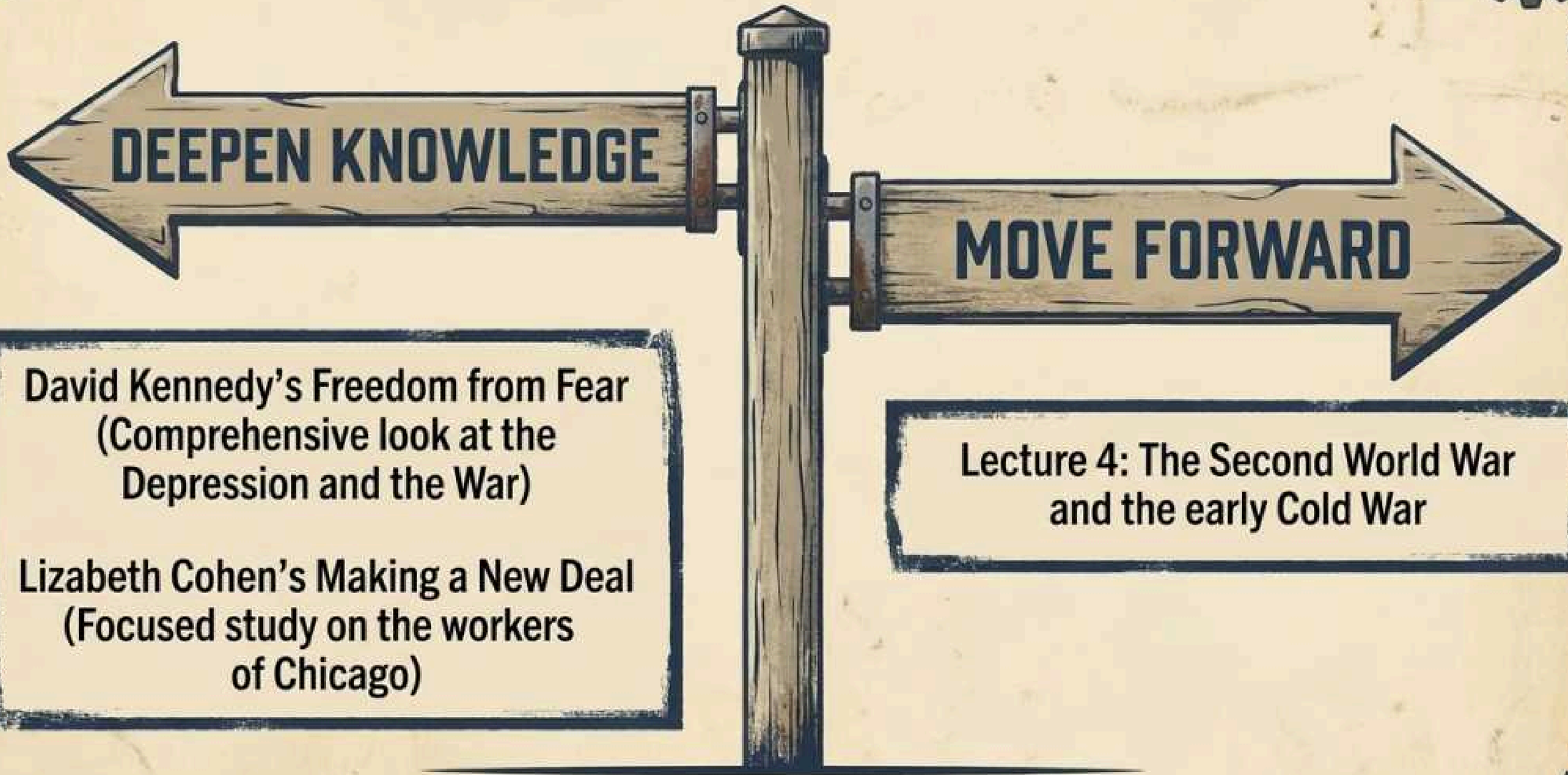
Permanently established Social Security, deposit insurance, securities regulation, the minimum wage, and the legal right to organize. Set the terms of American politics for decades.

THE UNRESOLVED DEBATE

Historians continue to argue: Did the New Deal save capitalism, expand it, or fall short of the radical transformation that was possible?

FURTHER READING & NEXT STEPS

3.20



David Kennedy's Freedom from Fear (Comprehensive look at the Depression and the War)

Lizabeth Cohen's Making a New Deal (Focused study on the workers of Chicago)

Lecture 4: The Second World War and the early Cold War

End of Lecture 3 Document.