

The Great Depression and the New Deal



What caused the Great Depression?

- Stock Market Crashes of 1929
 - \$87 billion to \$55 billion
 - 4 million owned stock
 - (10% of households)
- 9,000 Bank Failures
 - Uninsured deposits
 - life savings lost
 - Impact on middle-class and elderly
- Cautious investment strategies
 - Fell by 88% between 1929-1932
 - 100,000 Businesses failures
- GNP declined from \$103.1 billion in 1929 to \$58 billion in 1932



Wall St., 1929

International Depression

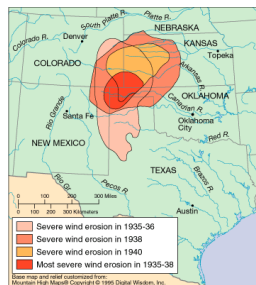
- Dawes Plan (1924)
 - Loans to Germany
 - reduction in amount of reparations owed to Allies
 - purchase U.S. manufactured goods and agricultural products
- European economies collapsed by 1931
 - Reduction in demand for U.S. goods
 - Inability to repay reparations and loans

Unequal Distribution of Wealth

- Top .1% hold aggregate income equal to the bottom 42%
- Bottom 71% annual incomes below \$2500
- 80% have no savings
- Lag in Consumer Power
 - Expenditures fell by 18% between 1929-1932
- Unemployment
 - 3.2% in 1929 to 25% by 1933

Structural Weaknesses

- Farmers – ¼ of employed workers
- Default on mortgage payments and risk foreclosures
- Avg. income \$273 compared to \$750
- The Dust Bowl (1930 to 1941)
 - Ecological and human-made disasters
 - Draught
 - Top-soil erosion
 - 350,000 relocated West in 1930s



Making Do in Hard Times

- “Mass unemployment is both a statistic and an empty feeling in the stomach....To fully comprehend it, you have to both see the figures and feel the emptiness.”
 - Cabell Phillips, writer
- “What is going to become of us?...I’ve lost twelve and a half pounds this last month, just thinking. You can’t sleep, you know. You wake up at 2 a.m. and you lie and think.”
 - Man in Arizona
- “The Country had been in the throes of the Depression for two years before the Negroes in Stamps knew it. I think that everyone thought the Depression, like everything else, was for the white folks.”
 - Maya Angelou
- Downward mobility and “newly” poor

Depression and the Family

- Marriage rates fell
 - 10.14/1000 in 1929 to 7.87 in 1932
 - “Do you realize how many people in my generation are not married?...It wasn't that we didn't have a chance. I was going with someone when the Depression hit. We probably would have gotten married. He was a commercial artist and had been doing very well...Suddenly he was laid off. It hit him like a ton of bricks. And he just disappeared.
 - family economy as strategy
- Divorce rates fell
- Birth rates decline
 - 14% decrease (1930-1933)
 - Birth control becomes legal in all states, except Mass. and Conn. (after 1936)
- Increase in high school attendance
 - Less than half in 1930 to ¾ in 1940

Renegotiating Gender Roles

- Men's declining status as breadwinners
 - Greater impact of depression on “male” industries
 - Steel industry, mining, and manufacturing
- “Lady, you just can't know what it's like to have to move your family out of the nice house you had in the suburbs, part paid for, down into an apartment, down into another apartment, smaller and in a worse neighborhood, down, down, down, until finally you end up in the slums.”
 - Unemployed man in Pittsburgh
- Women's increased responsibilities as breadwinners
- “pink ghettoes” suffered less from economic contraction
 - Clerical, sales, service and trade occupations
 - 50% increase in married women in work force (11 million by 1940)
- Women's increased responsibilities as homemakers
 - Consumer to Producers
 - Emotional work
 - “The men, cut adrift from their usual routine, lost much of their sense of time and dawdled helplessly and idly about the streets; while in the homes the women's world remained largely intact and the round of cooking, housecleaning, a do mending became if anything more absorbing.” Study of Middletown (Muncie, Indiana), 1937



“Migrant Mother”
by Dorothea Lange

Who deserves assistance?



- Legal prohibitions against married women working
 - “Few of the people who opposed married women's employment...seem to realize that a coal miner or steel worker cannot very well fill the jobs of nursemaids, cleaning women, or the factory and clerical jobs now filled by women.”
- Public Works Administration (PWA)
 - \$3.3 billion for construction of roads, bridges, public buildings, etc.
 - Jobs for men
- Civilian Conservation Corps (CCC)
 - 250,000 young men live in segregated camps
 - Reforestation and conservation
 - Planted 2 billion trees by 1941 (12/very American)

Eleanor Roosevelt and the Women's Network

- From Progressivism to New Deal Politics
- Frances Perkins, Secretary of labor
 - 1st woman named to a cabinet post
- Molly Dewson, women's Division of the Democratic National Committee
- Eleanor Roosevelt
 - “Conscience of the New Deal”
 - “My Day”
 - Whitehouse Conference on Emergency Needs of Women (1933)

The New Deal Coalition

- African Americans
 - FDR opposed national lynching law
- Mary McLeod Bethune
 - National Association of Colored Women (1924-28)
 - National Council of Negro Women (1935)
 - National Youth Administration (1935-1944)
- “Black Cabinet”
 - The Federal Council of Negro Affairs
- 1936 election
 - 71% outside of the South voted for FDR

Social Security (1935)

- Federal responsibility for welfare
- Old-age pensions
 - Failed to cover domestics, farm workers, casual laborers or public employees
- Unemployment insurance
- Categorical Assistance
 - Aid to blind, deaf, disabled and to dependent children

Rights for Laborers

- National Labor Relations Act (or Wagner Act)
 - 1st time federal government guaranteed the right of workers to join or form independent labor unions
 - Farm workers not covered
- Outlawed unfair labor practices
 - Firing or blacklisting workers for union activities
- Established National Labor Relations Board
 - Conduct elections to determine union representation
 - Enforce guarantee of collective bargaining
- Unionized workers tripled to 9 million (23% of nonfarm work force)
- Congress of Industrial Organizations (1935-1938)
 - Industrial unionism vs. craft unionism
 - Sit-down strikes
 - Attract Mexican Americans, Blacks, and women
- Fair Labor Standards Act (1938)
 - 1st federal min. wage (.25/hour)
 - Max. work week (44 hours) for interstate commerce
 - Outlaws child labor
 - Lower wages for women for same jobs

How to Assess the New Deal?

- Economics, family, and gender roles
- Gender and legislation
- Women and labor activism
- Progressivism to New Deal
 - Institutionalization of political domesticity
 - Welfare state for all
 - dilution of women's political agenda
 - Less deserving of economic citizenship