

Power Notes: 1920's and Great Depression

LEARNING OBJECTIVE: Understand the general character of the United States during the first two decades of the 20th century.

- 1) The "New Immigration" caused great concerns and conflict. In 1882 Chinese barred. In 1908, under the "Gentlemen's Agreement," Japanese immigration restricted. In 1917 a literacy test established for immigrants. In 1921 and 1924 quota systems for countries were established that favored immigrants from Northern and Western Europe.
- 2) The modern Ku Klux Klan was formed in 1915. It was anti-Catholic, anti-black, anti-immigrant, and anti-Semitic.
- 3) Prohibition was an attack on the immigrant and urbanization. In 1919 the 18th Amendment forbade the selling of intoxicating liquors. The 21st Amendment (1933) ended prohibition.
- 4) Fundamentalism, as illustrated by the 1925 Scopes trial, was another attempt to preserve traditional American values.
- 5) Per capita income rose from \$480 to \$567 from 1900 to 1920, but wealth was mal-distributed.
- 6) Electricity, the phonograph, radio, movies, and the automobile had a great effect on American culture. Young people were significantly affected and traditional values were questioned. The popularity of jazz and the Harlem Renaissance are two examples of changing cultural values.

Importance: Whenever a dominant culture believes that it is under attack, it will respond with measures that it hopes will protect its fundamental values. The America of the 1920s was no exception to this rule.

LEARNING OBJECTIVE: Understand the Red Scare of 1919-1920.

- 1) The success of the 1917 Communist revolution in Russia, increased immigration, the desire to use the fear of radicals to gain political power by some politicians (especially Attorney General A. Mitchell Palmer), and post World War I labor unrest all helped cause the first Red Scare.
- 2) The failure of unions after the war to gain power, immigration restriction, the excesses of politicians, and the strength of organizations like the Klan caused the Red Scare to decline.

Importance: The Red Scare of the 1920s foreshadows the Red Scare of the 1950s and illustrates the fear of Communism that permeated America.

LEARNING OBJECTIVE: Understand American national politics during the 1920s.

- 1) Republicans controlled the national government → Conservative and pro-business. Democrats split over the cultural issues of the day (prohibition, religion, race and immigration). In the 1928 presidential race the Republican Herbert Hoover defeated the Democratic Al Smith, the first Catholic candidate for president. This election personified the cultural issues of the era.
- 2) Under President Warren G. Harding (1921-1923) corruption prevailed. The Teapot Dome scandal was the worst of several incidents.
- 3) President Calvin Coolidge (1923-1929) got rid of corruption, and was very pro-business. The policies of his administration helped cause the Great Depression.

Importance: The economic and political policies of the Republican Party in the 1920s illustrate the cultural conflicts of the decade. Republican policies are blamed for the stock market crash of 1929, and the party suffered because it was in power when the Great Depression started.

LEARNING OBJECTIVE: Understand the causes of the Great Depression.

- 1) The Great Depression was triggered by the U.S. stock market crash of 1929.
- 2) Reasons for the Great Depression: a) World War I caused countries to increase their industrial capacity thereby reducing post-war trade; b) high tariffs inhibited trade; c) wealth was mal-distributed--the masses had inadequate purchasing power; d) too many people invested in the stock market without adequate capital to cover losses; e) there was no government regulation of the stock market; f) the money supply was inadequate to sustain economic growth; and g) the interdependent nature of world-wide loans caused the depression to spread throughout the world from the U.S.

Importance: After the crash, politicians and economists changed many of the nation's economic policies because of the factors that led to the Great Depression. The Republican party was blamed for the Great Depression and it lost political power because of that perception.

LEARNING OBJECTIVE: Understand the presidency of Herbert Hoover.

- 1) While Hoover did attempt to respond to the depression, his actions were too little, too late to halt the continuing economic decline.
- 2) Hoover's order to the army to drive the veterans of the Bonus Army out of Washington, DC in the summer of 1932 illustrated his lack of rapport with the people.
- 3) In the 1932 presidential election the governor of New York, Democrat Franklin D. Roosevelt, easily defeated the Republican Hoover.

Importance: Hoover's inability to deal with the depression during his four years in office further weakened the Republican Party.

LEARNING OBJECTIVE: Understand the New Deal during the first term of FDR.

- 1) Roosevelt immediately began attacking the causes of the depression. He had Congress reorganize the banking industry, give government loans and subsidies to farmers (AAA), start relief through government subsidized jobs (FERA, WPA, CCC), create the Tennessee Valley Authority, save people's homes with the Home Owner's Loan Corporation, guaranteed bank deposits (FDIC), and establish federal regulation of the stock market (SEC).
- 2) In 1935, to help his reelection campaign, rural America was electrified (REA), and under the National Labor Relations (Wagner) Act unions were guaranteed the right to collective bargain and strike. The Social Security Act insured workers against unemployment, injury on the job and old age.

Importance: The programs of the New Deal fundamentally changed the role of government in America. The popularity of these programs with many people strengthened the Democratic party.

LEARNING OBJECTIVE: Understand the presidential election of 1936.

- 1) Conservatives in the Liberty League and wealthy businessmen hated FDR. Roosevelt used anger at them because of the depression to his political benefit.
- 2) Senator Huey Long (D-LA) led the fight on the Left against FDR. He started *Share the Wealth* Clubs that had great appeal to the most downtrodden members of American society. Assassinated in 1935.
- 3) Father Charles Coughlin was a Catholic priest with a popular radio show who attacked Roosevelt for his refusal to inflate the money supply. Censured by the Vatican.
- 4) Dr. Francis Townsend rallied the elderly with his proposal of a monthly payment of \$200 to all Americans over the age of 60. Social Security undercut his appeal.
- 5) Roosevelt easily defeated the Republican nominee Kansas governor Alf Landon.
- 6) This election created the New Deal Democratic political coalition that kept Democrats in power until the 1960s: urban ethnic groups, northern blacks, union members, small farmers, and Southern whites.

Importance: The election of 1936 encouraged FDR to pass several liberal programs in order to “steal his opponents thunder.” It made the Democratic Party the country’s majority party.

LEARNING OBJECTIVE: Understand why the New Deal ended.

- 1) The court packing scheme, in which FDR tried to add members to the Supreme Court, caused Roosevelt to lose public support, and allowed politicians who opposed his policies to safely attack them.
- 2) Sit down strikes in 1937 caused middle class Americans to fear for the safety of private property.
- 3) The recession of 1937 caused people to lose faith with the New Deal.
- 4) Conservatives in Congress began to seriously oppose FDR’s programs—the 40 hour week & minimum wage (40 cents an hour) increased alienation. Roosevelt tried to purge Southern conservative Democrats from Congress; when he failed a Southern Democratic-Republican conservative coalition controlled Congress after the 1938 elections--FDR could get little legislation passed.
- 5) World War II, which began in 1939, ended the Great Depression and the demand for new domestic social and economic programs.

Importance: These events show the inherent conservative nature of most Americans. When the economic crisis ended they did not welcome social or economic change.

LEARNING OBJECTIVE: Understand the impact of the New Deal on American society.

- 1) With the creation of the Executive Office of the Presidency the President significantly increased his power.
- 2) The federal government became much more involved in people's lives.
- 3) Interest groups increased their influence on government.
- 4) The government guaranteed most of its citizen’s minimum economic standards (a “safety net”).
- 5) It helped protect America from a radical takeover during the 1930s.

Importance: Before the New Deal the federal government played a minor role in most people’s lives. The New Deal greatly increased the power of the presidency and the national government. For the first time the federal government became seriously involved in social and economic justice.