

Depression & New Deals

The 1930s

The Party's Over!

- The prosperity of the “jazz age” comes to a somewhat abrupt end with the Stock Market Crash of October 24-29, 1929
- Stock values free-fell almost overnight as panicked investors sold their investments: popular triple-digit dollar value stocks to single-digit dollar values, and some of the biggest personal fortunes were reduced to fractions - JD Rockefeller’s record breaking fortune lost **80%** of its value!
- Less than 3% of Americans invested in the stock market, but the crash depleted the resources of “big” investors and bank reserves.
- Average Americans didn’t gross the 75% uptick in income that the wealthiest investors raked in during the boom, but they did rely on the roaring economy for jobs: the average US per capita income increased by 10% during the 1920s.

The Party's Over!

- The early 1930s saw a massive economic “correction” after a decade of government policies that encouraged wealthy individuals and businesses to invest via low interest rates, easy credit, and low taxes
- Speculative bubbles burst as risky investments fail to pay off, and easy credit is no longer available to fill the breach - higher interest rates mean debt is more expensive, and creditors are less willing to extend credit to those who need it to pay off other debts

The Party's Over!

- Climate events and soil erosion combined with decreased international demand for US ag goods, a retraction in available credit, and some pretty heavy existing debt bankrupted small farmers in the heartland
- Pres. Hoover's ag tariffs (Smoot-Hawley, 1930) were designed to promote US products at home, but sacrificed foreign markets as other nations enacted retaliatory tariffs of their own!
- Rise in manufacture of durable goods meant that markets were eventually saturated with items consumers already had - cars, appliances, radios. Surpluses meant factory layoffs...and unemployment
- 1920s unemployment rate was never super-low (it was around 7%; today, 4-5% is considered pretty good), things got much worse: 25% in 1932!!!!

The Great Depression

- It wasn't immediately clear how deep or long the depression would be
- Herbert Hoover was a "laissez-faire" Republican interested in promoting a rather "hands off" approach to business and avoidance of direct government investment in American lives
- General Republican view was that the economy corrected for a reason, failed businesses were a necessary byproduct of these corrections, that the unemployed could be served by private charity for temporary relief, and that remaining businesses would eventually hire time as market growth returned

Hoover's Failures

- But that's not what happened - charities were tapped out and business wasn't rebounding.
- Neither could "pick up the slack," so the Federal government attempted to inject some capital into the economy via the Reconstruction Finance Corporation in 1932, which provided loans to banks and industries to get the economy growing again
- VERY uncharacteristic for Hoover Republicans, but he was desperate to win reelection
- Didn't work - the RFC was seen by many as a bailout for the wealthy that didn't help average Americans
- Bonus Army fiasco of the same year made Hoover look like a jerk as poor WW1 veterans were denied early payment of their service bonuses, and those who stuck around DC to protest in "Hooverville" camps were forced out by the military in an ugly showdown

The New Deal

- *Laissez-faire* isn't working. Some sort of major investment in the economy is required for growth to occur. Private business can't do it. Who will?
- NY Governor Franklin Delano Roosevelt steps in to save capitalism, winning the 1932 presidential election by a LOT
- He's elected a whopping FOUR TIMES, building a new Democratic coalition over the next decade+ that combines the traditional southern Dem base (for a time) with working class people of many races
- Keynesian economics = when the private sector can't invest in growth and create employment, the government should step in; where there is employment, people spend money, and the economy will improve
- Welfare state liberalism = classically liberal, capitalist economic values + economic regulation + a social safety net

The New Deal

- First Inaugural Address, 1933: “This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself - nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.”
- Plans to stem the bleeding in the short-term (“First 100 Days”) and look toward rebuilding the economy in the longer-term:
 - Emergency Banking Act and Glass-Steagall Banking Act = tougher bank regulations to promote safer deposits and stabilize banking institutions against 1929-style bank runs
 - Jobs and natural conservation promoted via Civilian Conservation Corps
 - Federal Emergency Relief Administration provided Federal funding to state agencies serving unemployed Americans
 - Tennessee Valley Authority built a series of much-needed hydroelectric dams along the Tennessee River - power, water, farmland!

The New Deal

- The Agricultural Adjustment Administration offered cash to farmers to limit their production of certain crops and stop the cycle of flooded markets and low prices
- The National Industrial Recovery Act created the National Recovery Agency, which regulated competition in various markets. Businesses enjoyed certain exemptions from antitrust laws IF they met wage minimums, limited work hours, eliminated child labor, and allowed workers to unionize
- Eventually, the Civil Works Administration, Works Progress Administration, and Public Works Administration would employ workers on projects developed to address the needs of local governments, & with the latter, provide grants for local infrastructure projects that would employ those in need of work

Second New Deal

- In 1935, the National Labor Relations Act established the right of collective bargaining, AKA unionization, and the Fair Labor Standards Act (Federal minimum wage) in 1938
- Also in 1935, the Social Security Act provided for retirement pensions and unemployment insurance

Second Inaugural Address, 1937

- The New Deal is a success in many ways, and FDR handily wins reelection
- In his *Second Inaugural Address*, he outlines the values of the New Deal...what are they?
- What type of economic “order” has he envisioned? How is this different from what existed before?
- Why does he feel his policies are so vitally important for Americans’ well-being? What does he perceive as the alternative?
- What are his goals for all Americans? What does he wish for them?

Second Inaugural Address

- A functioning economy that works for everyone is a key element of a healthy democracy
- The goal was to create a stronger economic system, based in regulated capitalism, that would be protected from both exploitive highs and devastating crashes
- No exploitation or abuse of economic power
- Morality and “good feeling”
- “Among men of good will, science and democracy together offer an ever-richer life and ever-larger satisfaction to the individual. With this change in our moral climate and our rediscovered ability to improve our economic order, we have set our feet upon the road of enduring progress.”

Second Inaugural Address

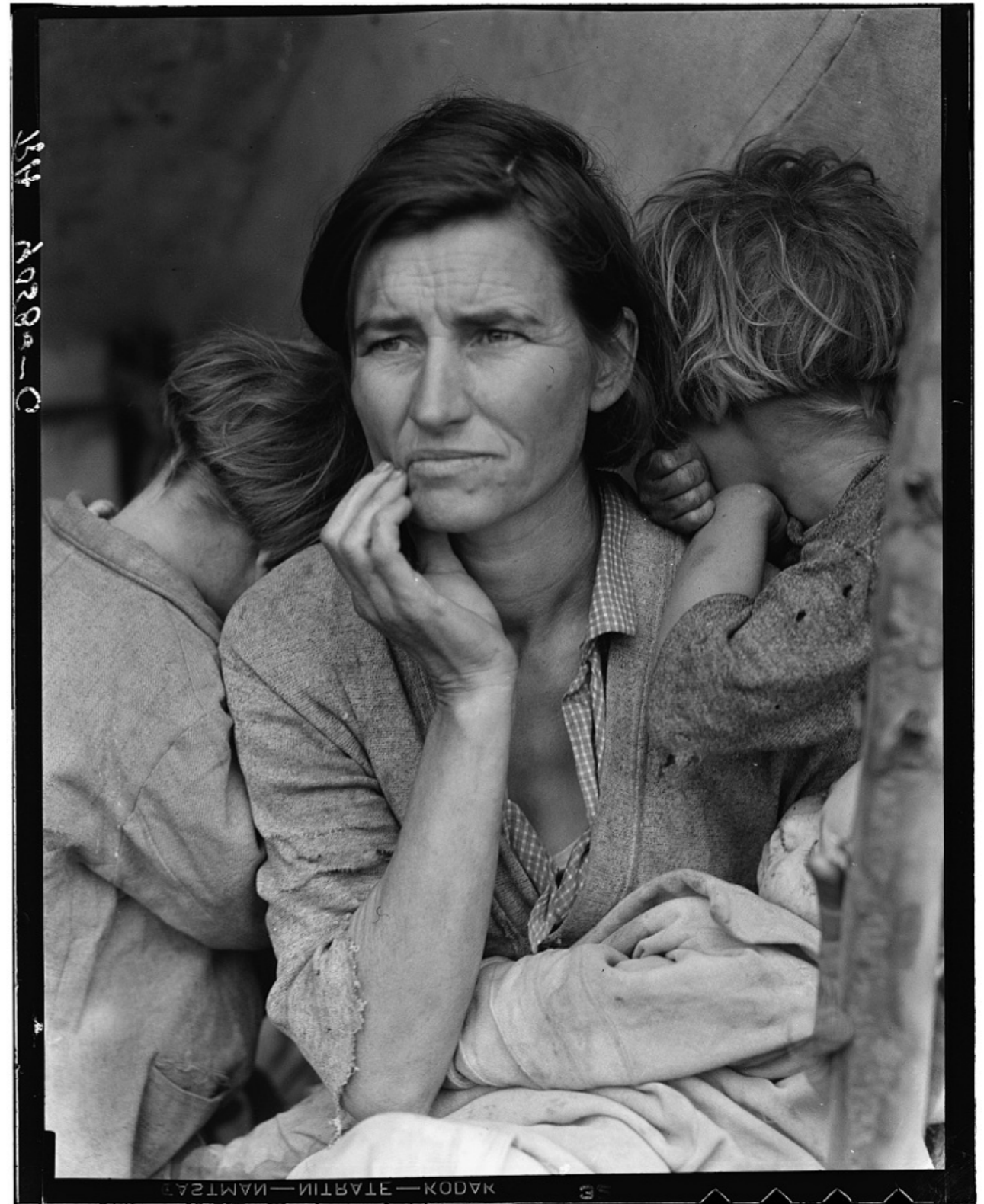
- Protecting Americans from disaster and despair
- Safety, education, recreation, productiveness, health
- “We are determined to make every American citizen the subject of his country’s interest and concern; and we will never regard any faithful law-abiding group within our borders as superfluous. The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

Challenges

- Conservative SCOTUS declares some New Deal legislation unconstitutional, so in 1937, FDR and Democratic Congress try to protect SS from the court with new legislation to “pack the court” with friendly justices - it ends up working, to a point, but also gives New Deal critics something to complain about
- The political impossibility of balancing southern Dem cultural interests with minority and women’s rights goals in the “New Deal Coalition”
- Did the New Deal Actually fix the economy? Or was it WW2?

Indelible Images of Poverty

- “Hooverville” encampments & the Bonus Army
- Agricultural migrations - “Dust Bowl” conditions in the central United States meant that thousands of small farmers lost their shirts and felt compelled to move west to find work
- Okies, Arkies, Texies on the move to and within California
- Moving from job to job, camp to camp
- Dorothea Lange’s photography: Florence Owens Thompson was “Migrant Mother,” Nipomo, 1936



Art Imitates Life

- In California, Okie migrants, black Americans, and Mexican immigrants all face discrimination
- Employed by the WPA to document the rural crisis, artists and writers chronicle everyday life among agricultural workers, humanizing them and drawing attention to their plight
- Dorothea Lange's photography and John Steinbeck's reports and novels, including *The Grapes of Wrath* (1939)

The Grapes of Wrath

- The bestselling novel wins a Pulitzer Prize, and is adapted into a film in 1940, directed by John Ford and starring Henry Fonda - nominated for several Academy Awards
- Chronicles the lives and challenges of the Joad family as they migrate from Dust Bowl Oklahoma to find work in California
- A somewhat accurate adaptation with a more hopeful ending than the novel; some scenes out of order; certain scenes and characters reduced or cut altogether for content or time

The Grapes of Wrath

- This is a very different film than *Our Dancing Daughters* in so many ways. What do you think accounts for the major differences in theme and tone? How is each very much a product of its era?
- What does the film seem to indicate is the “answer” to the plight of the Joads, Okie migrants in general, and unemployed workers of the Great Depression?
- How does the story - as presented in the film - seem to address the values of the New Deal? Does it represent the stated goals of the New Deal in FDR’s *Second Inaugural Address*?
- Do you think that this an odd message for a film produced (Darryl F. Zanuck) and directed (Ford) by political conservatives? Why or why not? To quote Roger Ebert, it’s a “message movie, but not a recruiting poster...”

My Man Godfrey

- Another change in mood! A 1936 “screwball” comedy starring William Powell and Carole Lombard, directed by Academy Award-nominated director Gregory La Cava
- A farcical film that mixes elements of depression-era reality with escapist fantasy
- Screwball comedy = sophisticated characters/situations + romantic tension + intellectual sparring/strong female lead + slapstick/chaos + irony/satire
- Order (capitalism, tradition) is challenged, but ultimately upheld

Hays Code

- Screwball comedies a reaction against the (Will H.) “Hays Code” - Motion Picture Production Code - introduced in 1930 and enforced by the Motion Picture Association of America (and its predecessors) from 1934-1968
- The “Code” was a self-regulation attempt to make Hollywood “respectable” in American eyes *and* - most importantly - to help the industry avoid having their films banned in various localities
- In the 1920s, high profile scandals in Hollywood inspired politicians to pass local and state “decency” laws targeting the industry.
- In the *Mutual Film Corporation v. Industrial Commission of Ohio* (1915) decision, SCOTUS had ruled that the first amendment didn’t extend to films - that moviemaking was a “business,” not a conduit for protected speech

Censorship

- Decency/obscenity laws a legal gray area for a long time, and they still are to an extent
- SCOTUS precedent is 1973's *Miller v. CA*, which leaves obscenity policy to localities to decide when - and only when - the work in question "lacks serious artistic, literary, political, or scientific value," "appeals to prurient interest," and deals with "patently offensive sexual conduct" that is specifically delineated via state law and meets "contemporary community standards" and "hypothetical reasonable persons" tests
- In the 1970s, pornographic films with high production values and "morality tale" storylines brought the "stag film" industry into the mainstream

How to “get around” the Code?

- Lots of stuff to avoid (or carefully approach), from nudity and suggested nudity to men and women sleeping in the same bed to profanity, drug activity, prostitution, “excessive” kissing, miscegenation, violence, disrespecting the flag/law enforcement, and much, much more
- Screwball comedies offered sexual tension without overtly sexual situations, and a silly way to poke fun at traditional institutions

Discussion

- How does the film follow the “screwball” formula we discussed the other day?
- How does this movie seem to “skirt around the Code”?
What could be considered mildly controversial about it?
What “saves” it from getting into trouble, in your opinion?
- We talked about how *Grapes* is a “message movie.” Is there any message in *Godfrey*?

VR 3/4 (50 points)

- Write until the end of the period; you can take this home and finish there. This will be due at the beginning of class this Thursday, 10/4.
- How do *The Grapes of Wrath* and *My Man Godfrey* seem to comment on the Great Depression and the hardships Americans faced during that time? What is similar? What is different? Be sure to consider...
 - The challenges to American life and values that the films illustrate or address. Do they present solutions? If so, what are they?
 - The intended purpose of each film. To which “genre(s)” does each seem to belong? How much common ground do they share?
 - Does *Godfrey* have more in common with *The Grapes of Wrath* or with *Our Dancing Daughters*? Explain your opinion.
 - Remember to include examples from the films, the primary source for the unit (and previous primary sources/films, if/when they apply), and the textbook