

American History

Since 1877



An aerial photograph of a modern skyscraper complex, likely the One World Trade Center in New York City, featuring a series of interconnected towers with a distinctive stepped design. The image is overlaid with a large, bold, orange number '1939' in the center. A thin purple horizontal line is visible near the top of the image. The background shows a blue sky with scattered white clouds and some greenery at the base of the buildings.

1939

1939

- The “New Deal” has reached a dead end
- Unemployment
 - 1932: 25%
 - 1938: 25+%
 - 1939: 25%
- Going to the movies: the violence in Europe



1939

- **May: Henry Morgenthau (Treasury Secretary) told Congressional Democrats**
- *“We have tried spending money. We are spending more than we have ever spent before and it does not work ... I want to see this country prosperous. I want to see people get a job ... We have never made good on our promises ... I say after eight years of this Administration we have just as much unemployment as when we started ... And an enormous debt to boot.”*



1939

- **May: Italian/German Alliance**
- **Aug: German/Russian Treaty**
- **Sept 1: German Invasion of Poland**
- **Sept 17: Soviet Invasion of Poland**
- **Nov 30: Finnish-Russian war begins**



1939

- 1938: Victor Gruen leaves Austria (German invasion) for New York City.
- 1939: he designed a new storefront. Entered through a mini-arcade with spotlights, glass cases and faux marble.
- A new use for the idea of “window shopping”



1939

*Lily-Tulip Cup Corporation
Springfield, Missouri*



- **Ray Kroc was working for the Lily-Tulip paper cup business**

1939

- Started his own company in 1939: Malt-A-Mixer
- Mortgaged his house and invested his life savings



1939

- He renamed the invention, the **Multimixer**
 - It had one motor and five separate spindles
- He went to Lily but they weren't interested in trying to sell it nationally



1939

- Margarita Carmen Cansino
- Her first feature film, *Only Angels Have Wings*
- Rita Hayworth



1939

- Alfred Hitchcock brought his family to the United States at the request of David O. Selznick (United Artists distribution and producer of *Gone With The Wind*) in order to make a film called *Rebecca* (released in 1940 and winner of the Academy Award for Best Picture).



1939

- Martin Goodwin, a publisher of pulp magazines, founds Timely Publications (Comics)
- Got his material from Funnies, Inc. The origin of the first comic books in the late 1930s



1939

- October:
Created the first issue of Marvel Comics with the Human Torch and the Submariner



1939

- Stan Lee (at 16 and a half and just graduated from high school) went to work at Timely as an assistant filling ink wells.
- (1941) Captain America



1939

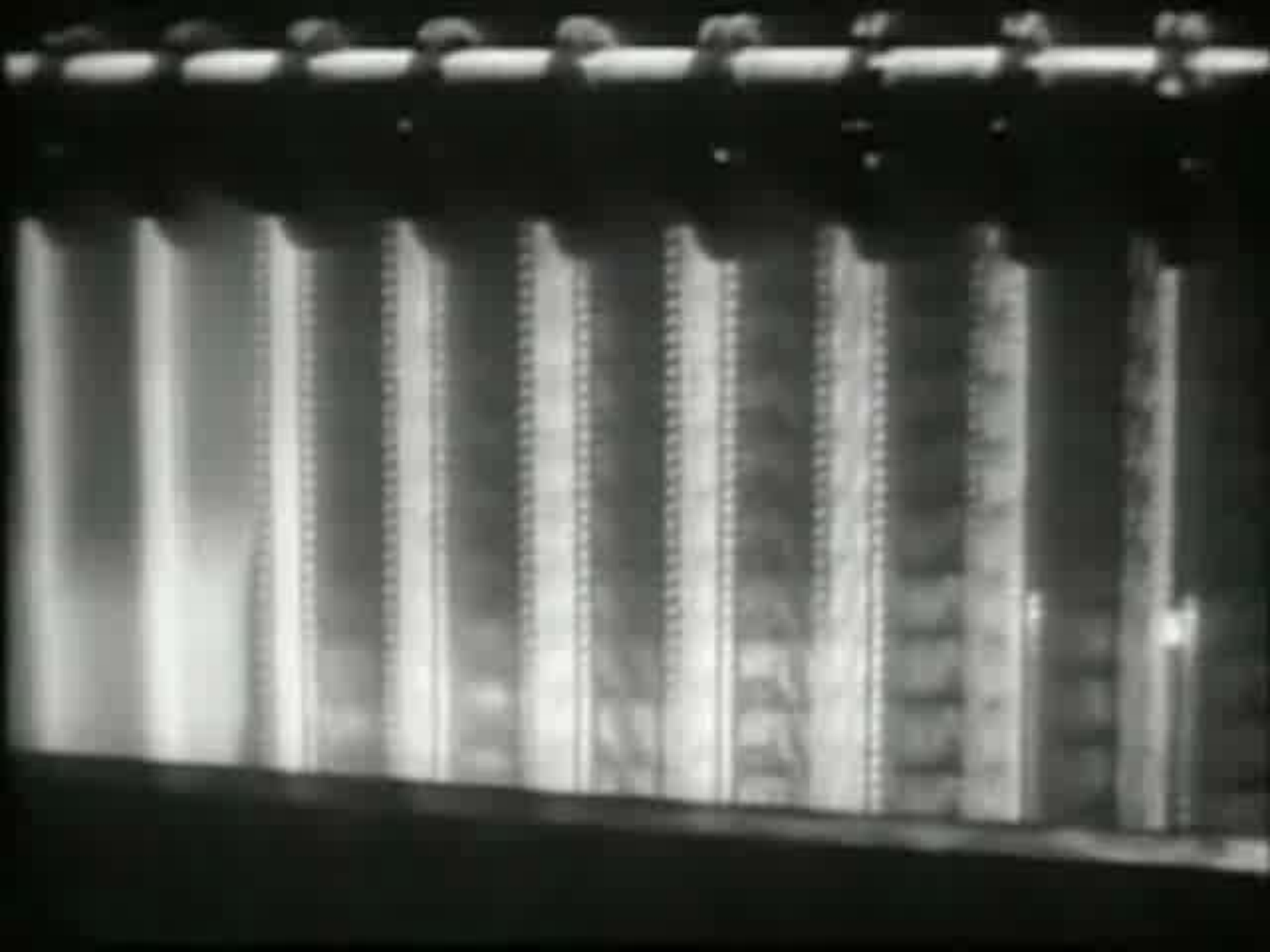
- Dec 15: *Gone With The Wind*
- A last gasp of nostalgia for the “Lost Cause”



1939

- Aug 25: *The Wizard of Oz*
- Happiness without guilt through consumption







□ *Why Oh Why,
Can't I*

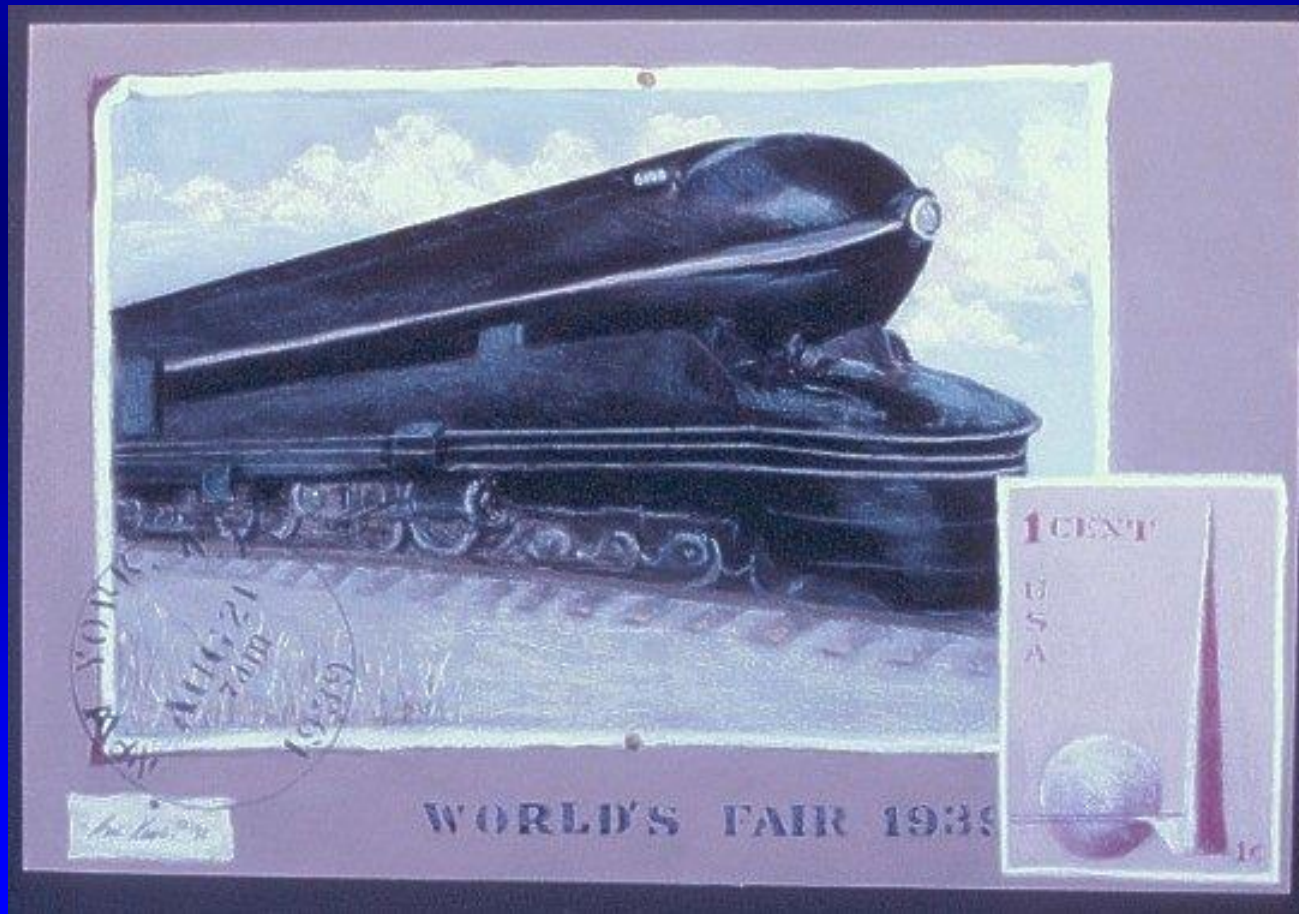
1939

- World's Fair
- New York
- 30 April



Optimism

□ Celebration of speed



Optimism



Optimism



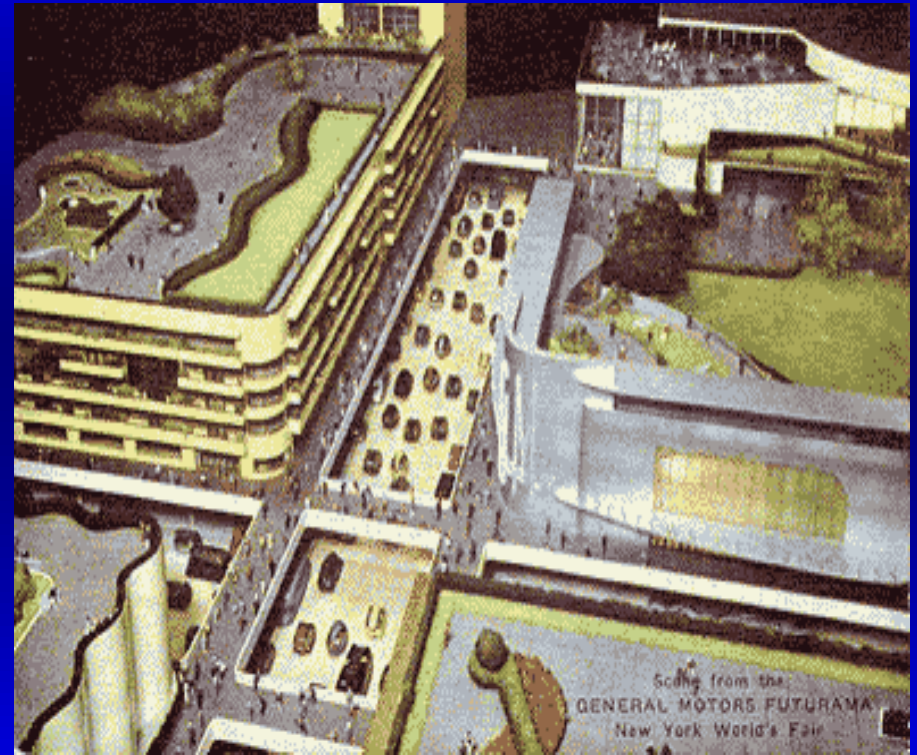
- RCA Building and television
 - RCS TRK-12 Phantom teleceiver



Optimism

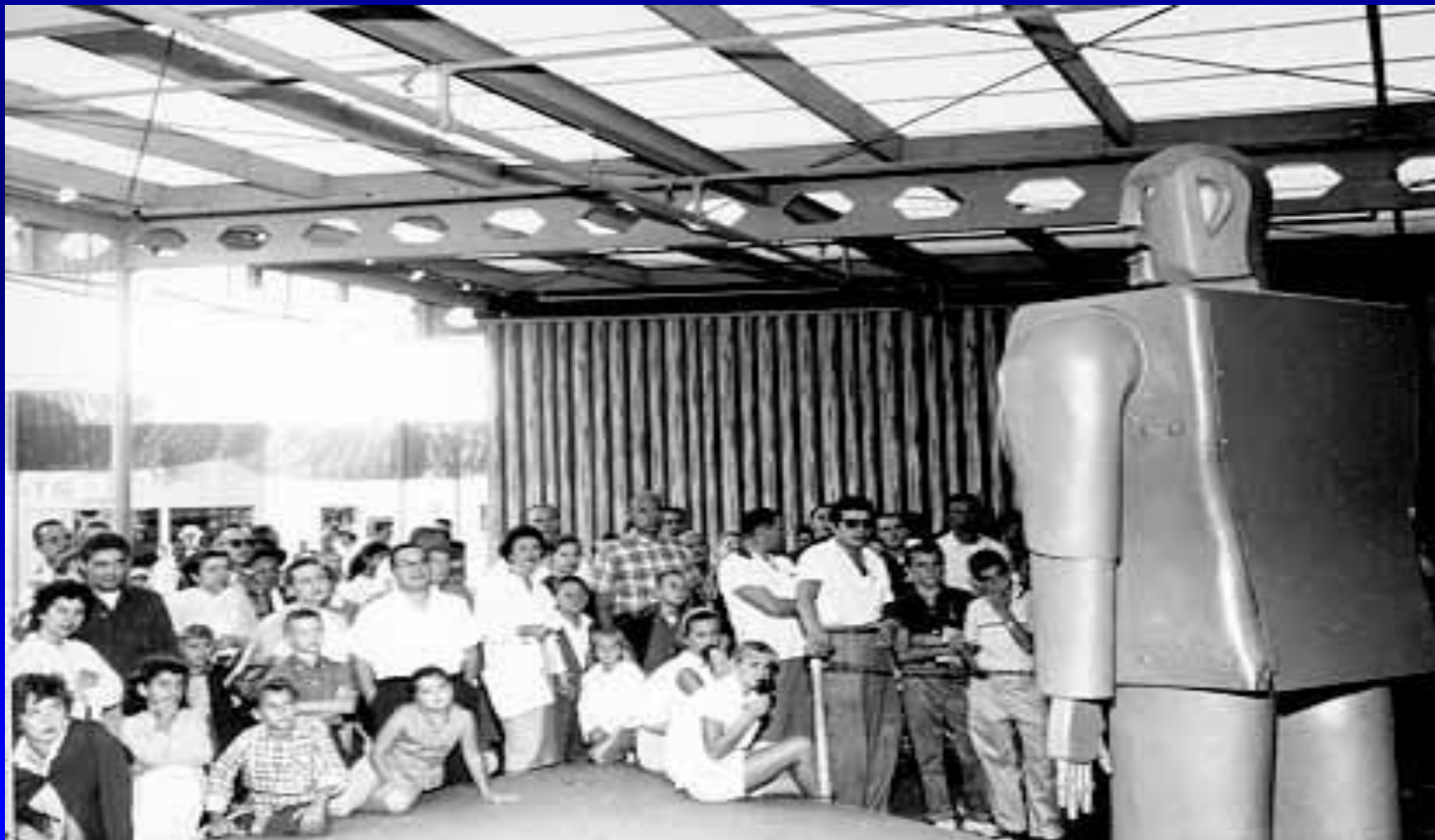


Your model arrives in this handsome collector's package.



Optimism

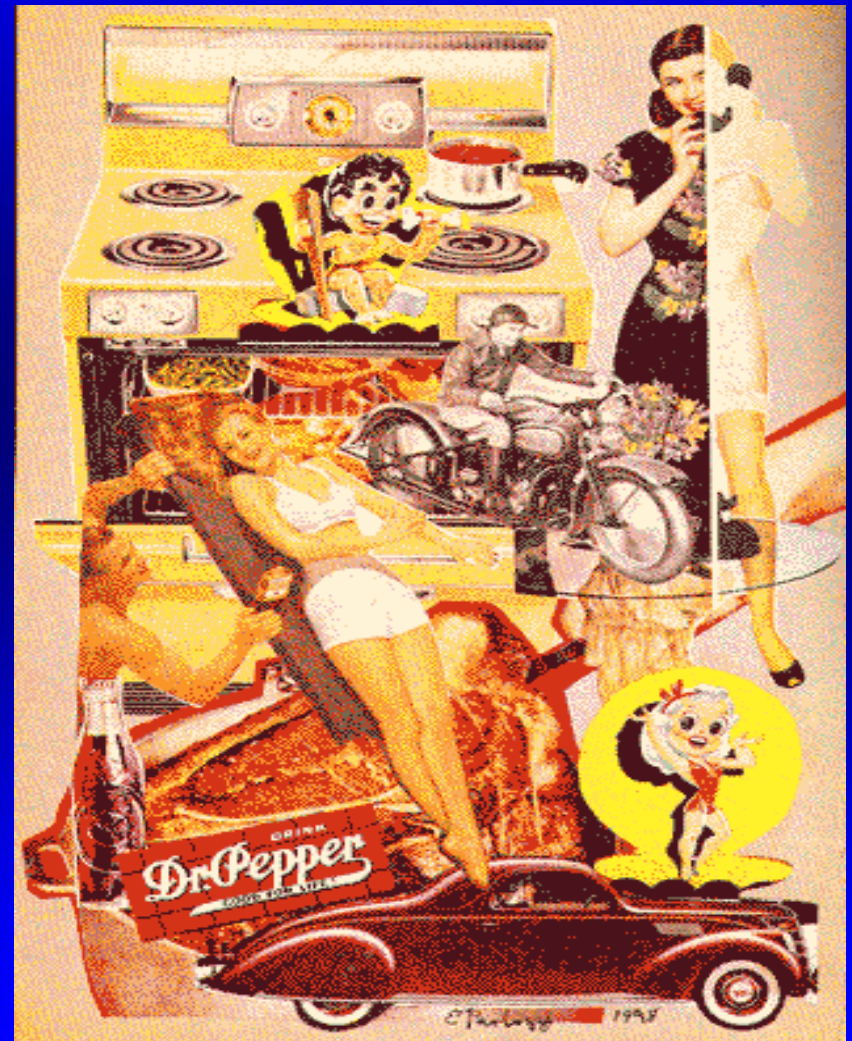
□ Westinghouse Robot





Optimism

- Message of the Fair
 - Tomorrow there will be hope and prosperity
 - The consumer and technology



Optimism

□ Optimism and Decline

– **1889: Universal Exhibition
(Paris)**

» **An end to conflict**

» **Science and Democracy**

» **World War One**

Optimism

- **Woodrow Wilson**
 - A “war to end wars”
- **1928: Kellogg-Briand Pact**
 - To outlaw war
 - Reason and law
- **1938: Munich agreements**
 - Chamberlain: “Peace in our Time”

Optimism

□ A sort of political and social Utopia had been gained



Optimism

- **BUT**, after 1919 and Versailles
- **The world trading system had been badly damaged**
 - Versailles had dismembered an economic zone of 300 million people (Russia, Germany and Austro-Hungary)
 - Had been a stable currency, minimal tariffs, capital investment and migration

Optimism

- Severe decline in real incomes; dependent on exports from America (but America cut lending and exports); between 1929-32 industrial output declined 40%; agricultural depression in 1929 (collapse of wheat prices); money supply collapsed
- Depression in America after World War One between 1920-21

Optimism

- **The question of markets and democracy**
- **The liberal answers didn't appear to answer the questions anymore**
- **Severe political and economic crisis (tend to forget this)**

Optimism

- **End of classical liberalism**
 - » **The individual and the state**
- **The individual can realize his potential only as a part of society and the National State**

Optimism

□ **United States 1920s
to 40s**

» **Betrayal**

» **Complacency and
optimism**

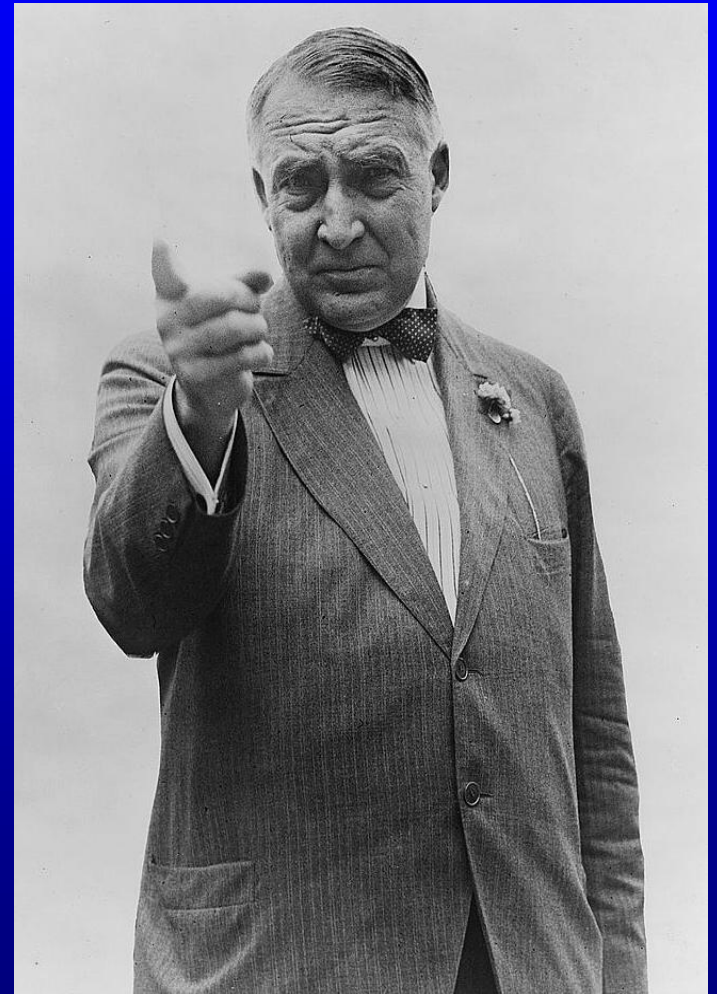
» **Economic concerns**

Optimism

- In a sense, the 1920s is a “lost” decade. There is no attempt to explain the prosperity (the “Roaring” twenties; the “flappers”), the expansion of the middle class or the migration of blacks from the south for work in the mid-west or northern cities.
- It has become part of a kind of historical and political morality tale. The “bad” twenties and the good “thirties” and “forties”.

Optimism

- ❑ The problem is that this bleak picture is almost entirely wrong.
- ❑ Harding came to the Presidency in 1920 as a result of a divided Republican Party. The “smoke filled room”.



Optimism

- **Harding took office amidst the post-war depression of 1920-21.**
 - **The dollar had depreciated 50%. By 1921, unemployment was 15.6%. The national debt had been one billion in 1914. By 1920 it was 24 billion.**

Optimism

- **Consumer prices were rising by 20% yearly. Wages fell 20% and 100,000 businesses went bankrupt.**
- **He was also faced with the flu pandemic (1918-1919) which killed 675,000 Americans.**
- **On Sept 16, 1920, a bomb went off on Wall Street killing or wounding 200 people.**

Optimism

- He decided to run what has been called the “front porch” campaign (Marion, Ohio).
 - *Less government in business and more business in government.*
- Won 60% of the vote.

Optimism

- *Wanted a Return to Normalcy*
- **1921 (June):** created the Bureau of the Budget. *To get the government's finances in order.*
 - *There is not a menace in the world today like that of growing public indebtedness and mounting public expenditures – we want to reverse things.*

Optimism

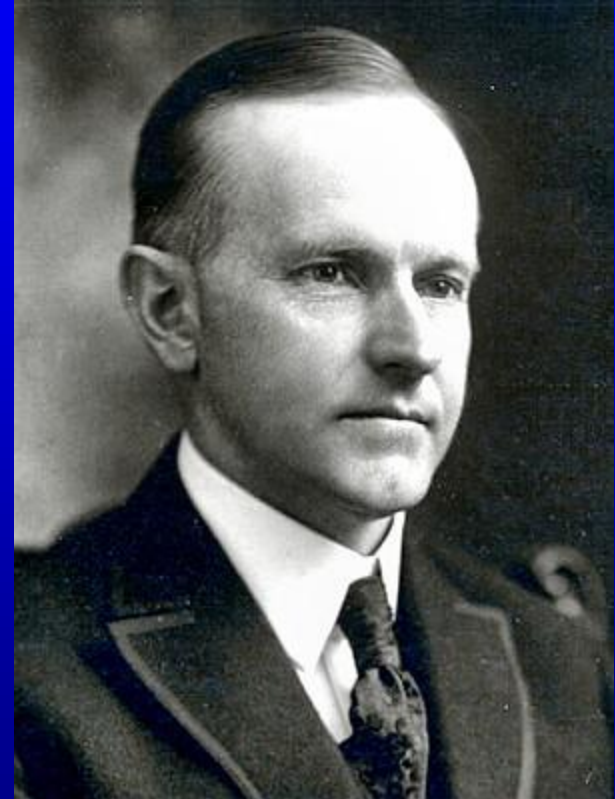
- **1921, the Revenue Act.**
 - **Ended the excess profits tax (World War One), lowered the corporate tax rate to 12.5% and increased exemptions for families.**
- **By 1922, unemployment was 9%.**

Optimism

- 1923 (August 2): Harding died of an unexpected heart attack
- Was harmed by the Tea Pot Dome scandal and by the behavior of some of his friends. (Bernard Fall and Harry Daugherty)
 - *My god, this is a hell of a job. I have no trouble with my enemies. I can take care of them, all right. But my damn friends ... They're the ones that keep me walking the floors nights.*

Optimism

- Calvin Coolidge
(1872-1933)
- 1898: City
Council of
Northampton,
MA
- 1918: Governor



Optimism

- Supported women's suffrage; better workman's compensation; maximum work hours for women and children; the direct election of Senators
 - *We must humanize industry, or the system will break down*

Optimism

- **1919: The Boston Police strike. Edwin Curtis (Police Chief), Andrew Peters (Mayor) and Samuel Gompers (AFL).**
- **Three quarters of the police walked out.**
- **Coolidge reinstated Curtis and told the strikers to go back to work or be replaced.**
 - *There is no right to strike against the public safety by anyone, anywhere, any time ...*

Optimism

- **Mostly continued Harding's economic policies and cut taxes three times (the income surtax left over from World War One which had been a "temporary" measure)**
- **70% of the tax relief went to household incomes under \$10,000. The tax burden on those with incomes of \$100,000 and over increased from 28% (1921) to 61%(1928).**
- **He also resisted farm subsidies. He vetoed two bills that would have required the government to purchase all surplus production.**

Optimism

- Coolidge decided against running for a second term (death of his son from an infected blister may have played a part)
 - *It is difficult for men in high office to avoid the malady of self-delusion. They are always surrounded by worshipers. They are constantly, and for the most part sincerely assured of their greatness. They live in an artificial atmosphere of adulation and exaltation which sooner or later impairs their judgment. They are in grave danger of becoming careless and arrogant.*

Optimism

- **Herbert Hoover (1874-1964)**
- **No one was thought to be better prepared for the job. Franklin Roosevelt had praised him in 1920.**
- ***A chicken in every pot and an end to poverty.***



Optimism

□ After 1929:

- Real economic output declined by 30%
- Unemployment rose from 4% to 25%
- Stocks fell from a high of 381 to 42 (mid 1932)
- Almost half of the banks failed or merged with other banks
- The dollar value of exports fell two thirds by 1933

Optimism

- **1928: The Federal Reserve cut the money supply. About 30% over the next three years. Cut off available credit.**
- **1929: Increased federal spending 48%.**
- **1930-31: increased subsidies to farmers**

Optimism

- Brought on by the collapse of the world trading system
- 1930 (June 30): Smoot-Hawley Tariff ;shut down trade; caused a protectionist trade war; devastated exports and drove up unemployment.



Optimism

- **1932 (January): created the Reconstruction Finance Corporation; gave loans to business, banks, railroads and aid to state and local governments**
- **1932: Revenue Act, the largest tax increase in peacetime (24 to 63%)**
- **Also passed a higher inheritance tax.**

Optimism

- **Rexford Tugwell**
 - *We didn't admit it at the time, but practically the whole new deal was extrapolated from programs Hoover started.*



Optimism

- **Franklin Roosevelt (1882-1945)**
- **Ran against Hoover for “reckless and extravagant” spending.**
- **John Nance Garner (Vice-Presidential candidate): accused Hoover *of leading the country down the path of socialism.***
- **Roosevelt would run on a platform of cutting taxes, ending subsidies and a balanced budget**

Optimism

- Sworn in March 4, 1933
- Two themes: a basic hostility to big business and a necessary break from tradition (change and experimentation)



Optimism

- A sense that the Depression had discredited free market capitalism
- He suggested that basic constitutional arrangements should not get in the way

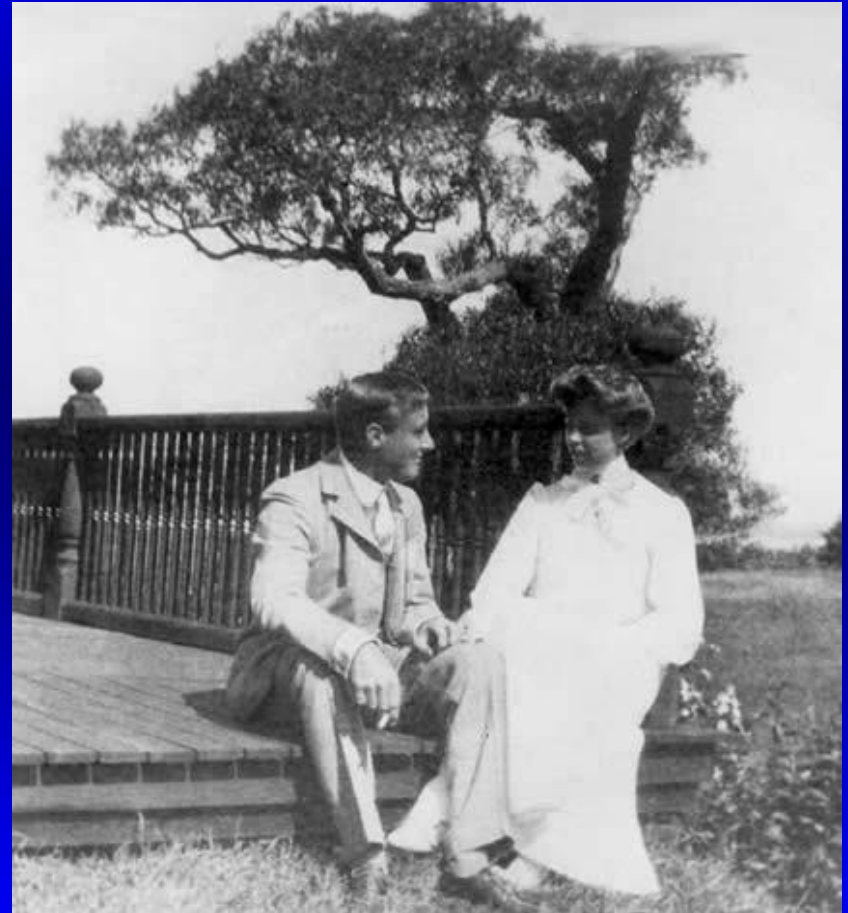


Optimism

- **The financial system was stabilized**
 - **Deposit insurance, securities regulation, bank regulation and the end of the gold standard**
- **Public works projects (WPA)**
- **Social Security and the Wagner Act**

Optimism

- Created the modern Democratic Party
 - A precedent for building political majorities through federal programs and employment
- 1936: The Landslide election.



Optimism

- ❑ **Decided to have a temper tantrum directed at the Supreme Court.**
- ❑ **1935 (May 27): declared the NRA (National Industrial Recovery Act) and the AAA (Agricultural Adjustment Act) unconstitutional.**
 - **The NRA created a cartel that benefited large corporations and stifled competition. Labor benefited from codes that established work hours, wages and collective bargaining. There were restrictions on production. Almost a mirror image of what was happening in fascist Italy (corporatism).**

Optimism

- ❑ Roosevelt proposed that if a sitting federal judge (as well as a justice) was over 70 years old then the President could appoint an additional judge or justice.
- ❑ He also started a political war in his party by trying to defeat those who opposed him in the 1938 elections.
- ❑ It was a disaster as the Republicans gained 81 House seats, 8 Senate seats and 12 Governors.
- ❑ Without the sense of coming war, would he have won re-election again in 1940?

Optimism

- A political success and mostly an economic failure
- Why had it lingered and lasted until 1941?



Optimism

- The “end” comes on December 7, 1941
- Declaration of War (Dec 11, 1941)
- German surrender (May 7-8, 1945)
- Japanese surrender (2 Sept 1945)

Optimism

- ❖ The “end” of the Great Depression?
- ❖ 1944: Roosevelt won 53% of the vote, but by Dec 1945 confidence in Truman was only 35%. Had continued the wartime programs.

Optimism

- ❖ Truman had endorsed limited tax cuts but had continued with wage and price controls, national health insurance, continued deficits for full employment (the FEPC).
- ❖ 1945 also saw the most union strikes in one year in American history.

Optimism

- ❖ **The Republican slogan for the 1946 elections was “Had Enough”: enough of high taxes, inflation, price controls and shortages.**
- ❖ **Republicans won 52% of vote for the House and 55% for the Senate.**

Optimism

- ❖ After their election victory, Republicans passed a big tax cut, ended wartime price and wage controls and limited the power of labor unions.



Optimism

- ❖ Truman responded by removing wage and price controls; agreed to the tax cut and proposed a balanced budget. He also chose not to support public housing and to finance private builders instead.

Optimism

❖ **By 1949:**

❖ **Half the world's wealth**

❖ **Half the world's production**

❖ **2/3 of the machines**

❖ **The Age of Oil, Automobiles,
Television and Housing**



**The
Truth Is
Out
There**