

## Ch 15 The New Deal

### Sec 1 A New Deal Fights the Depression

#### Election of 1932

1. Hoover (Rep) vs. Franklin Delano Roosevelt (Dem)
2. FDR as Gov. of New York had passed measures to address unemployment and poverty
3. FDR won capturing 23 million votes and carrying the South, West, and all but six states of the NE
4. Democrats claimed nearly a 2/3 majority in the Senate and 3/4 majority in the House

#### Waiting for FDR to Take Over

1. 20<sup>th</sup> Amendment – moved presidential inaugurations to Jan instead of March, ratified in 1933
2. Hoover had a 4 month lame duck period
3. New Deal – Roosevelt's program for solving the problems of the Great Depression, focused on relief for the needy, economic recovery, and financial reform
4. 100 Days – March 9 to June 16, 1933, period in which Congress passed more than 15 major pieces of legislation

#### Reforming Banking and Finance

1. Emergency Banking Relief Act – authorized the Treasury Dept. to inspect the country's banks, those that were financially stable were allowed to reopen

- a. Revived public confidence in banks
2. Fireside Chats – radio talks that Roosevelt gave occasionally about issues of public concern, explaining in clear, simple language his New Deal measures
3. Glass-Steagall Banking Act of 1933 – established the Federal Deposit Insurance Corporation (FDIC), provided federal insurance for individual bank accounts of less than \$5,000
4. Federal Securities Act – May 1933, required corporations to provide complete info on all stock offerings and made them liable for any misrepresentation
5. Securities and Exchange Commission (SEC) – designed to regulate the stock market and prevent “insider trading” (causing prices to go up or down for their own profit, regardless of the real value of the stock)

### Helping the American People

1. Agriculture Adjustment Act (AAA) – law enacted in 1933 to raise crop prices by paying farmers to leave a certain amount of their land unplanted, thus lowering production
2. Civilian Conservation Corps (CCC) – put men 18-25 to work building roads, developing parks, planting trees, and helping in soil-erosion and flood-control projects

- a. Paid \$30 a month of which \$25 was automatically sent home
  - b. Supplied free food and uniforms
- 3. Federal Emergency Relief Administration (FERA) – direct relief given to states to help furnish food and clothing for the needy
- 4. Public Works Administration – June 1933, provided money to states to create jobs primarily in the construction of schools and other community buildings
- 5. Civil Works Administration (CWA) – Nov 1933, provided 4 million immediate jobs during the winter of 1933-34, built schools, paid schoolteachers, and built miles of road
- 6. National Industrial Recovery Act (NIRA) – June 1933, sought to promote industrial growth by establishing codes of fair practice for individual industry
  - a. National Recovery Administration (NRA) – set prices of products to ensure fair competition, established standards on working hours, and banned child labor
- 7. Tennessee Valley Authority (TVA) – May 1933, focused on the badly depressed Tenn River valley
  - a. Renovated five existing dams and constructed 20 new ones
  - b. Created thousands of jobs, provided flood control, and hydroelectric power

8. Home Owners Loan Corporation (HOLC) – provided gov't loans to homeowners who faced foreclosure

### Supreme Court Acts

1. NIRA – 1935, declared unconstitutional, law gave legislative power to the executive branch
2. AAA – 1936, agriculture is a local matter and should be regulated by the states
3. “Court-packing Bill” – Roosevelt’s proposal to make the Supreme Court more sympathetic to New Deal programs
  - a. Bill hurt FDR’s public image
  - b. Because of resignations, the president was able to appoint seven new justices in the next four years

### Critics of the New Deal

1. American Liberty League – made up of wealthy business leaders and important political leaders, accused Roosevelt of trying to establish a dictatorship
2. Father Charles Coughlin – an initial supporter of the New Deal, through radio broadcasts he stressed a guaranteed annual income and the nationalization of banks
3. Dr. Francis Townsend – devised a pension plan that would provide monthly benefits to the elderly, undermined Roosevelt’s support from the elderly

4. Huey Long – Sen. of Louisiana and former New Deal supporter, proposed a program called Share Our Wealth under which he promised something for everyone
  - a. Long had thousands of followers but was assassinated in 1935

## Sec 2 The Second New Deal Takes Hold

Second New Deal (Second Hundred Days) – Roosevelt called on Congress to provide more extensive relief for both farmers and workers

1. Eleanor Roosevelt – president’s wife, social reformer who combined her deep humanitarian impulses with great political skills
  - a. Gave a caring, human face to the Roosevelt administration

## Election of 1936

1. FDR (Dem) vs. Alfred Landon (Rep)
2. FDR carried every state but two (Maine & Vermont) winning 523 electoral votes to Landon’s 8
3. Democrats also maintained control of both houses of Congress

## Helping Farmers

1. Soil Conservation and Domestic Allotment Act – paid farmers for cutting production of soil-depleting

crops like cotton and wheat, also rewarded farmers for practicing soil conservation

2. 2<sup>nd</sup> Agricultural Adjustment Act – offered many features of 1<sup>st</sup> AAA, but didn't include a processing tax to pay for farm subsidies
3. Farm Security Administration – 1937, loaned money to tenant farmers in order to help them become land owners

### Helping Youth, Professionals, and Others

1. Works Progress Administration – provided unemployed with jobs in construction, garment making, teaching, the arts, and other fields
  - a. Employed more than 8 million people from 1935-1943
  - b. Gave working people a sense of hope and purpose
2. National Youth Administration (NYA) – provided young Americans with aid and employment

### Improving Labor Conditions

1. Wagner Act – 1935, reestablished provisions made by the NIRA: right of workers to join unions and the right to engage in collective bargaining
2. Fair Labor Standards Act – 1938, established maximum hours (44 hrs/week, 40 hrs in two years) and minimum wages (\$.25/hour, \$.40 by 1945)

- a. Banned factory labor for workers under age of 16

Social Security Act – 1935, three major parts:

1. Old-age insurance for retirees 65 or older and their spouses
2. Unemployment compensation system
3. Aid to families with dependent children and the disabled

Expanding Utilities

1. Rural Electrification Administration (REA) – created, financed, and worked with rural and farm electrical cooperatives to bring electricity to previously isolated areas

Sec 3 The Deal Affects Many Groups

New Opportunities for Women

1. Frances Perkins – became the 1<sup>st</sup> women cabinet member, Sec of Labor
2. Roosevelt appointed the 1<sup>st</sup> female ambassador and a number of female judges
3. In general, women continued to struggle for equal rights during the New Deal era

New Opportunities for African Americans

1. Mary McLeod Bethune – Roosevelt named her to head a special dept. of the National Youth Administration, the Office of Minority Affairs
2. Never before had so many African Americans had a voice in the White House
3. Eleanor Roosevelt played a key role in opening up doors for African Americans

### Roosevelt and Civil Rights

1. FDR was afraid of upsetting Southern whites who were an important part of the Democratic party
2. Refused to support a federal anti-lynching law and an end to the poll tax
3. African Americans faced discrimination in many of the New Deal programs
4. In general though, African Americans supported the Roosevelt administration thus abandoning their traditional allegiance to the Republican party

### Native American Gains

1. Indian Reorganization Act of 1934 – strengthened Native American land claims by prohibiting the gov't from taking over unclaimed reservation lands and selling it to non-Native Americans

New Deal Coalition – an alignment of diverse groups dedicated to supporting the Democratic Party



1. Included Southern whites, various urban groups, African Americans, and unionized industrial leaders
2. Enabled Democrats to dominate politics through the 1930s and 40s

### Labor Unions Flourish

1. From 1933-1941 membership increased from 3 million to more than 8 million
2. Congress of Industrial Organization (CIO) – labor organization that broke away from the AFL in 1938
  - a. Formed largely by unskilled and semiskilled labors from the manufacturing and automobile industries
3. Sit-down Strike – workers remained inside their plants, but they did not work
4. Violent strikes occurred in 1936 at a Flint, MI GM plant and at the Ford Motor Company
5. Memorial Day Massacre – occurred in Chicago at the Republic Steel Plant in 1937, police attacked strikers outside of the plant resulting in the death of 10 people

### Urban Population Support

1. Roman Catholics, Jews, Italians, Irish, Polish, and Slavs supported Roosevelt
2. Benefited greatly from Roosevelt's New Deal programs and Roosevelt appointed many to government positions

## Sec 4 Society and Culture

### Motion Pictures

1. 65% of population attended a movie once a week
2. Films offered escape from the hard realities of the Depression, presenting images of wealth, romance, and good times
3. *Gone With the Wind* – 1939, perhaps the most famous film of the era
  - a. Drama about life among Southern plantation owners during the Civil War, starred Clark Gable
4. *Wizard of Oz* – 1939, starring Judy Garland
5. *Snow White and the Seven Dwarfs* - 1937
6. Marx Brothers – most famous movie comedians of the time
7. Other films showed more realistic plots and settings that conveyed a truer sense of Depression America
  - a. Showed heroes overcoming their problems

### Radio

1. Nearly 90% of American households owned a radio by the end of the 1930s
  - a. Served as the most direct means of access to the American people
2. Radio Programs – news, comedies, sports, dramas, soap operas, and children's shows

3. Orson Wells – created one of the most renowned radio broadcasts of all time, “The War of the Worlds”

### Art and Literature in Depression America

1. Unlike radio and movie productions, most was sober and serious, depicting the real conditions of the Depression
  - a. Praised the virtues of American life and took pride in the nation’s cultural traditions and accomplishments
2. Federal Art Project – branch of the WPA that paid artists a living wage to produce public art
3. Grant Wood – from Iowa, one of the most notable regional artists during the Depression, *American Gothic* is his most famous work
4. Federal Writers’ Project (FWP) – branch of WPA that paid writers to produce a series of state and city guides and to write histories of ethnic and immigrant groups
5. Richard Wright – African American author, his most famous work *Native Son* (1940) depicts the difficulties faced by a young man trying to survive in a racist world
6. *The Grapes of Wrath* – written by John Steinbeck in 1939, reveals the lives of Oklahomans who left the Dust Bowl and ended up in California where their hardships continue

## Sec 5 The Impact of the New Deal

### New Deal Reforms that Endure

1. By 1937, industrial production had returned to the levels of 1929 and unemployment had fallen to 14%
2. Roosevelt faced rising pressure from Congress to scale back New Deal programs
3. Deficit Spending – spending more money than the government receives in income, opposed by Roosevelt
  - a. Resulted in the end of the New Deal in 1939

### Critics

1. Made Federal gov't too large and too powerful by involving gov't in the nation's finances, agriculture, industries, and housing
2. Government stifled free enterprise and individual initiative
3. Didn't do enough to eliminate social economic inequalities

### Supporters

1. Struck a reasonable balance between two extremes: unregulated capitalism and over regulated socialism, allowing the country's economy to recover

### Expanding Government's Role in the Economy

1. Created federal jobs, attempted to regulate supply and demand, and became an active participant in settling labor and management disputes
2. Regulated banking and investment activities
3. Federal government had to go deeply into debt to provide jobs and aid to the American people
4. Depression won't officially end until WWII

### Labor Front

1. Before the New Deal, government tended to side with the interest of business
2. National Labor Relations Board – created under the Wagner Act, continues to act as a mediator in labor disputes between unions and employers

### Rural Scene

1. Set quotas to control surpluses
2. Parity – price equal to what farmers had received in the years between 1910 and 1914
3. Establishing price supports for farmers set a precedent of federal aid to farmers that continued into the 1990s

### Banking and Finance

1. SEC – continues to monitor the stock market and enforce laws regarding the sale of stocks and bonds
2. FDIC – insures bank deposits up to \$100,000 today

## Social Security

1. One of the most important legacies of the New Deal: federal government has assumed some responsibility for the social welfare of its citizens
2. Without this aid many Americans would have experienced severe poverty and it has helped many workers endure the hardships of unemployment

## The Environment

1. Roosevelt was highly committed to conservation and promoted policies to protect the nation's natural resources
2. Planted trees, created hiking trails, built fire lookout towers and taught farmers how to conserve soil
3. TVA harnessed water to generate electricity and to protect against flooding
4. Added to the national park system and established new wildlife refuges