Chapter 9 The New Deal

Focus Question: How did the New Deal respond to the ravages of the depression and change the role of the federal government?

Section 1: FDR Offers Relief and Recovery

Focus Question: How did the New Deal attempt to address the problems of the depression?

1. Roosevelt Takes Charge - by 1932 there was no way that Hoover would win reelection. This was the worst year yet.
   1. Background on FDR - He was raised in an an upper class family. Married to Eleanor Roosevelt -a distant cousin. Moved through the political ranks pretty quickly. 1921 was diagnosed with Polio - never having full use of his legs again.
   2. Presidential Campaign of 1932 -
      1. FDR - He pledged a New Deal for the American people. His plan was very vague, but he knew that the federal government needed an active role in the recovery process.
      2. Hoover - relief should come from the state and local governments and relief agencies, not the federal government.
      3. Roosevelt won by a landslide - some Republicans deserted Hoover because they agreed with FDR, others just wanted to distance themselves from Hoover.
   3. Early steps - FDR had four months from election to inauguration. He used that time to set up a plan on how to pull the US out of the Depression.
      1. Brain Trust - a group of influential professionals and academics who he used as advisors
      2. Appointed Republicans to show a bipartisan
      3. Frances Perkins - first woman to serve on the Cabinet
      4. Eleanor - connected with the people on a much more personal basis.
2. First Hundred Days - this term has become synonymous with the beginning of a new presidents term. During this time period he passed 15 bills and introduced his three goals: relief, recovery, and reform.
   1. Three goals:
      1. Relief - from the immediate hardships
      2. Recovery - long term economic recovery
      3. reform - prevent this from happening again.
   2. Banking Crisis - the first thing he did was to address the banking crisis.
      1. Emergency Banking Bill gave the President the power to have a banking “holiday” in which he closed the banks. He used this time to figure out which were good, which needed a little help, and which were too far gone.
   3. Fireside Chats -this was the way that FDR communicated with the people. The first one explained the Banking holiday. As a result when the banks reopened, people did not rush to withdraw their money, but let it be.
   4. The Financial System - reforms would have to be made to ensure this wouldn’t happen again.
      1. Federal Deposit Insurance Corporation - this insured deposits up to 5000.
      2. Securities Exchange Commission - was also created to regulate the stock market
      3. As a result, runs on banks stopped and confidence was renewed in the banking system and the stock market.
   5. Helping Farmers - Farmers were one of the hardest hit groups. Not only were they losing money before the depression but then a draught hit and it became even worse.
      1. Agricultural Adjustment Act - wanted to end overproduction and raise crop prices. The federal government would pay farmers not to grow and to kill off excess livestock. By 1934 it began to work
   6. Rural Southerners - one of the most destitute places in the United States was the Tennessee River valley. No electricity, running water or sewage.
      1. TVA built dams to control floods and to generate electric power. They did a lot to create jobs and it was the first time the federal government was in the utility business.
      2. Critics - many called the program socialist because it gave the government direct control of a business
   7. Relief - many other relief programs were enacted to provide immediate relief from the GD.
      1. Civilian Conservation Corp (CCC) gave jobs to 2 million. They did a lot of outside work - forests, trials, etc. Men were paid $30 - but were only give $5 -the rest was sent home to their families.
      2. Federal Emergency Relief Act (FERA) gave funds to local and state agencies to help the unemployed. $500 million was given
      3. Home Owners Loan Corporation (HOLC) provided loans at low interests for those who could not meet their mortgage payments.
      4. Federal Housing Administration (FHA) insured banks loans that were made for building and repairing homes.
      5. National Industrial Recovery Act (NIRA) created the National Recovery Administration (NRA). this had business and the government work together to develop codes of fair competition. they set minimum wages and fair prices. The belief was that the wages would go up so people would have money to spend and stimulate the economy.
      6. Public Works Administration (PWA) built infrastructure - bridges, dams, power plants and government buildings.
3. Opposition - not everyone was happy with the New Deal programs.. Some thought it was too far while others didn’t think it went far enough.
   1. American Liberty League - was formed. though the government too powerful - this was the biggest complaint. Many thought it undermined free enterprise and individualism
   2. Socialists - thought they were not doing enough. They said FDR was only concerned with the banking system and private industry. They communist party thought it was “captialist ruse”
   3. Populists - saw themselves as the spokesperson for the Poor American.
      1. Francis Townsend - fed. government give $200 a month to all citizens over the age of 60. The only stipulation was that they and to spend the money - not save it.
      2. Father Charles Coughlin - drew millions to his radio shows. Originally he was a supporter but changed his mine. He mixed nationalism and anti-semitism. He attacked communists.
      3. Senator Huey Long - Share Our Wealth Program. wanted high taxes on the wealthy and large corporations and the redistribution of wealth/income to poor Americans. He was eventually assassinated.

Section 2: The Second New Deal

Focus Question: What major issues did the Second New Deal address?

1. The Second New Deal
   1. Focus: “promoting the general welfare” and to protect citizen’s rights.
   2. Works Progress Administration led by Harry Hopkins. Worked to improve the infrastructure.
      1. highways, rivers, and harbors,
      2. Arts programs - put writers and artists to work creating guide books and murals.
      3. Emplyed 8 million and spent $11 billion by 1943
      4. Money came from deficit spending - many were upset about this, but leading economist John Maynard Keynes said that deficit spending is what was needed to end the depression. This was called pump priming.
   3. Social Security - the U.S. was one of the few countries that did not have some kind of pension for the elderly.
      1. created a pension for retirees, but it also created unemployment insurance, workman compensation insurance, and aid for poverty stricken mothers and children, the blind, and disabled.
      2. Didn’t apply to domestics or farmworkers. This affected African Americans the mose.
      3. Not equal toward men and women - widows received less than widowers.
   4. Aid to farmers
      1. Rural Electrification Administration (RFA) at the beginning of the depression only 10% of farmers had electricity. The REA loaned money to electric utilizes to build power lines. By 1950 80% of farms had electricity.
      2. Federal government committed to providing subsidies for agriculture -
         1. this was attacked saying it went against free markets.
         2. only larger farms benefitted
      3. Water Projects - the federal government’s involvement in water projects influenced the West .
2. Labor Unions - saw an upsurge in membership. FDR saw the importance of rising the standard of living which would ultimately help the economy.
   1. National Labor Relations Act - Wagner Act - saw the right of the employee to join labor unions and practice collective bargaining.
   2. Fair Labor Standards Act provided for a minimum wage (25 cents) and a maximum work week of 44 hours. It outlawed child labor.
   3. Union troubles - as union membership began to rise, there were problems in the AFL
      1. AFL only represented skilled labors, but few workers in the industries belonged to the AFL and they didn’t recruit them.
      2. Congress of Industrial Organizations was founded by John Lewis - the targeted lower paid, and ethnically more diverse workers.
         1. the United Automobiles Workers Union staged a sit-down strike in 1936 at GM. It lasted 44 days until GM formally recognized the UAW.
3. Challenges to the New Deal
   1. The Supreme Court - overturned several New Deal Programs.
      1. Schecter Poultry v. United States overturned the NIRA saying it could not regulate interstate commerce.
      2. AAA - was also found unconstitutional on the basis that the federal government could not issue a tax - that was the states’ responsibilities.
   2. Court Packing Plan - afraid that this would happen again, FDR wanted to fix the court.
      1. Adding six new justices (nothing about the number in the constitution and that they were overworked and elderly)
      2. Accused of court packing to have support and increase presidential power
      3. He didn’t have to convince anyone to pass it though - the court started to turn in his favor.
         1. upheld the constitutionality of the Wagner Act
         2. Some began to resign, so he was able to appoint new members anyways
      4. Overall the court began to accept a more powerful executive branch, but it did weaken FDR politically.
4. End of the New Deal
   1. Things had started to get better between 35 and 36 so FDR began to pull back on some of the programs.
      1. As he reduced the spending, the Federal Reserve Raised the interest rate so it was more difficult to borrow money
      2. Economy began to fail again
   2. Political changes in Congress
      1. the 1938 congressional elections saw a shift from Democrat to Republican. knowing that FDR would need their support, he didn’t pass many new reforms through Congress.

Chapter 9.3: Effects of the New Deal

Focus Question: How did the New Deal change the social, economic, and political landscape of the Untied States for future generations?

1. Women and the New Deal - women had more opportunities politically - not just to help others but to promote women’s rights.
   1. Eleanor Roosevelt - was the first First Lady to really delve into the political process. She was considered the “eyes and ears” of the President. she toured the nation when FDR was unable to, and advised her husband on policy Her causes included public health and education, promoting the arts in rural areas and addressing flood control.
      1. Access to the President - because she was so reachable, it made the President seem more reachable.
   2. Frances Perkins - was the first female cabinet member as Secretary of Labor. She helped establish Social Security, the Fair Labor Standards Act (which ended child labor and helped create a minimum wage)
   3. No end to discrimination
      1. Some believe it encouraged gender discrimination - some programs made more of an effort to get men to work than women. Such as the CCC that would not employ women.
2. African Americans
   1. Employment - African Americans were already the first to be fired; it only got worse. 50% of African Americans were out of work - twice the national average
   2. Racial discrimination - Eleanor Roosevelt often spoke out about discrimination and showed her feelings. She sat with the black delegates on a conference on Human welfare - when told that was not allowed based on local law - she sat between them.
   3. Black Cabinet - FDR invited African American leaders to advise him.
      1. But he didn’t always follow their advice. He did not support an anti-lynching campaign because he knew that he would need the white southern support if he wanted to be elected again. He also knew that he wouldn’t have their support for any bills that he needed to get through Congress if he forced it through.
   4. New Deal actually hurt African Americans
      1. AAA that provided subsidies to not grow, provided white farmers to evict the black sharecroppers and tenant farmers.
      2. Wages were not equal even if the opportunities for work were there.
      3. SSN and Fair Labor Standards exempted domestic and farm workers - mostly held by African Americans.
3. Native Americans -
   1. The Dawes Act - implemented in 1887 was created to help assimilate Native Americans into American way of life, but the 1930s the conditions of Native Americans were worse.
      1. the result was going to be “total landlessness” for the Native Americans
   2. Indian New Deal - was created to provide Native Americans with economic assistance and more control over their own affairs.
      1. given new money for construction of schools and hospitals
      2. Created an Indian CCC
      3. Bureau of Indian Affairs reversed their belief and encouraged Native Americans to practice their cultural and religious beliefs.
   3. Indian Reorganization Act - restored tribal control over tribal land.
      1. didn’t automatically change their standard of living, it gave them more power and control then they had ever had before.
   4. New Deal Hurt Native Americans - were told they couldn’t allow their sheep to graze and forced them to kill or sell off thousands of the herds.
4. The New Deal Coalition - this brought together various groups of people.
   1. Voting patterns -
      1. AFrican Americans had predominately voted Republican before this, but changed to Democrats when they saw what FDR and Eleanor Roosevelt were doing.
      2. biggest changes took place in the West and North
      3. First African American Democrat elected to Congress in 1934
   2. Majority in Congress for the Democrats.- this trend continued until the mid 90s in the House.
   3. Unified the nation
      1. It didn’t matter what social class or ethnicity you were.
      2. Immigrants gained greater equality as they gained jobs with the CCC and the WPA which helped break down the regional and ethnic differences..
5. The Expanding Government - for the first time the federal government was directly involved in the life of the American public.
   1. New roles - it began to collect the federal income tax as well as provide benefits for the elderly.
6. Role in the Economy - for the first time the government broke away from the laissez faire economy.
   1. Pump priming - they took responsibility for spurring economic growth. the government acted like an employer of the unemployed and a sponsor of work programs.
   2. Strengthen capitalism - although they were charged with being soicalist, more programs were beneficial to capitalism. The FDIC and SEC restored the trust in banks and the stock market. the FHA created low interest loans to allow people to buy houses.
   3. Labor
      1. Wagner Act boosted union membership
      2. created a minimum wage that allowed people to be able to buy stuff.
      3. Ended child labor, created workman compensation laws and unemployment insurance.
   4. Rural America - things such as the TVA helped flood control and provided water for irrigation. The REA also brought electricity to farmers in rural areas that allowed them to use the new products that were availaible.
7. Creating a Welfare State - wanted to create a country that no one was left out.
   1. Welfare state - one in which the government is responsible for providing for the welfare or children and the poor, elderly, sick, disable,d and unemployed.
      1. This was totally new. No one other than the military had received any direct benefits from the government.
      2. Everything prior to this was provided by state and local governments as well as private charities.
   2. Provided the framework for the proper role of the government in private lives of Americans.
   3. Restoring the Environment - many programs were created to restore and preserve the forests and natural resources.
      1. other programs focused on soil conservation to end the Dust Bowl
      2. Put away new land for the national parks
      3. But not all helped - programs like the TVA stripped the land of natural minerals and ruined natural habitats, displaced people and even destroyed Native American burial, hunting,and fishing grounds.
8. Changing the Nature of the Presidency - FDR had the most impact in changing this role.
   1. new agencies - created by the New Deal had large budgets and many employees.
   2. Style of presidency - fireside chats - first time the president talked to the American people. had a close relationship with the press
   3. 22nd Amendment - passed in 1951 to limit the terms of the President to two. Most were afraid that if a limit was not put, that our President could become more of a lifetime dictator -which was a complaint of the time period.

Section 4: Culture of the 1930s

Focus Question: How did the men and women of the depression find relief from their hardships in the popular culture?

1. Movies and Radio - this was a new form of entertainment. 2 in 3 homes had a radio and people were going to the movies at least once a week..
   1. Escapism - life sucked during this time period and movies were away to escape the life they were living.
      1. Wizard of Oz showed Americans that dreams really would come true.
      2. Disney released his first movie Snow White. Other films included Frankenstein, Top Hat, and Gone with the Wind.
   2. Social Commentary - films often reflected the public’s views on big business and government.
      1. Gangster movies showed the declining faith in the government and law enforcement, however as the New Deal progressed, the topics went from being anti law enforcement to portraying them as heroes in films such as G-Men.
      2. Frank Capra focused on the strength of Americans. He directed Mr. Smith Goes to Washigton showing how one fights against the greed and corruption. They were about idealism and the trump of the common man over the forces of adversity.
   3. Radio - national radio networks had shows that were both comedy and drama. Bob Hop sand Jack Benny were some of the earliest. They also included soap operas, variety shows, and humorists.
      1. Drama shows were the most. The Lone Ranger and the Shadow were two of the most popular
      2. Fireside chats - radio was a way for the government to contact with the people.
      3. War of the Worlds - sometimes people couldn’t tell the difference between real and a radio broadcast. The producers had to come on to say they were make-believe.
   4. Music -
      1. swing was the most common form of music. Glenn Miller, Duke Ellington and Benny Goodman were just a few of the big names of the time.
      2. Latin music was also very popular - the samba and rumba attracted many.
      3. African Americans focused on the harsh conditions of their life.
      4. Folk Music- with likes such as Woody Guthrie sang about the Oakies and other Dust Bowl migrants looking for a new way of life.
2. The Arts
   1. Federal Art Project -for the first time, the federal government provided monies for the arts. The FAP was part of the WPA that put artists, writers, and painters to work creating murals and field guides.
      1. Federal Theater Project
         1. A lot of the results were free to the public
      2. Painters - created murals that celebrated the achievements of the country.
      3. Photographers - were used by a variety of agencies to document the changes that were taking place.
         1. Dorethea Lange was a Farm security Admin photographer who showed the toll the Dust Bowl and the Depression took on the farmers.
   2. Opponents - some thought it was promoting radical views.
   3. Ended in 1940s, but federal funding of the arts programs continued.
3. The Literature
   1. Leftist - many authors moved toward the left thinking the American economic system was no longer working
      1. Working Class heroes - became the topic of many of the new depression novels.
      2. Ordinary Americans were the best hope
   2. John Steinbeck - one of the most famous of the time period.
      1. Grapes of Wrath - told the story of the Joad family who lost their farms due to the Dust Bowl
   3. African American writers looked at the plight of blacks - both during the depression and their normal life.
   4. Playwrights
      1. Lillian Hellman wrote about strong females and more socially conscious topics.
   5. Comic books also became popular during this time period. Dick Tracy, Superman, and Flash Gordon were all super-heroes - average men that could do extraordinary things. Showed that everyone could overcome evil.