Chapter 15: The New Deal

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The New Deal Fights the Depression
Franklin Delano Roosevelt

Defeats

Herbert Hoover in 1932
The 1932 presidential election showed that Americans were clearly ready for a change.

Republicans re-nominated Hoover despite his low approval rating.

The Democrats nominated Franklin Delano Roosevelt.
"Happy Days Are Here Again"

- Democrat Roosevelt, known popularly as FDR, was a 2-term governor of New York.
- FDR was a distant cousin of Teddy Roosevelt.
- The Democrats also won huge victories in the house and senate.
- Greatest Democratic victory in 80 years.
New Deal
His "New Deal" created the broad outlines of a modern welfare system

federal regulation over new areas of the economy

presided over the birth of the modern labor movement

the New Deal did not end the Depression but stabilized the economy
use of the radio to
give hope to
Americans that
help is right
around the corner
• FDR’s philosophy was to get people help and work through “deficit” spending

• During the 100 Days, Congress passed more than 15 major pieces of legislation that significantly expanded government’s role in the nation’s economy and welfare
Goals of New Deal Program

1. **Relief**
   ✓ Help people right away

2. **Recovery**
   ✓ Get the US out of the Depression

3. **Reform**
   ✓ Make sure another depression does not happen
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THE NEW DEAL

Relief for those suffering
First One Hundred Days

100
In 1932, 1,456 banks failed with more than $715 million in deposits lost. By early 1933, 4,004 banks and $3.6 billion were lost.
banks were closed for 4 days which calmed fears about bank failures and created a sense of relief and hope
authorized the govt. to examine all banks and allow those that were financially sound to reopen. (to restore public confidence)
Next, FDR passed the Glass-Steagall Act which established the Federal Deposit Insurance Corporation. The FDIC insured account holders up to $5,000 and set strict standards for banks to follow (today = $250,000).
required corporation to provide complete information on all stock offerings and hold them liable for misinformation
Agriculture Adjustment Act

(AAA) - reduced crop production to end agricultural surpluses and halt the downward spiral of farm prices. Hand out Subsidies to destroy crops.
key sections struck down by the Supreme Court in 1936 (US didn't have a right to require farmers to limit production)
Civilian Conservation Corps (CCC) - provided work to young men (17-28) while trying to advance conservation and reforestation.
The Civilian Conservation Corps of Fort Ancient

Work on constructing Camp Fort Ancient, SP-33, began in September 1933 in the activities field south of this historical marker and was completed in December. Company 596 consisted of up to 210 African American men from Ohio, and since the Civilian Conservation Corp was organized in military fashion, the men were led by a captain, an infantry reserve officer, Marine Corps Reserve captain, and Fort Ancient Reserve second lieutenant. In 1935, the National Parks Service added a lieutenant from the infantry and an educational advisor. A total of 56 projects were completed by the time the camp was dismantled in October 1935. Some of the projects included the stone shelter house, latrines, tree planting, overlooks, and grill shelters all of which are still visible today and are lasting legacies of the Corps' work.

Ft Ancient State Memorial
The Ohio Historical Society 9-83
NATIONAL INDUSTRIAL RECOVERY ACT (NIRA) – sought to promote industrial growth by establishing codes of fair practice for individual industries. Called for a minimum wage, minimum prices, a maximum work week, and end to child labor - codes were often poorly written &/or ineffective.
Valley of the Dams: The Impact & Legacy Of The Tennessee Valley Authority

(TVA) - Authorized to build 20 dams, provide cheap electricity to the region, (stop floods, develop local industries, replant forests, etc.)

- improve water transportation
- virtually eliminate flooding in the region
- provide electricity to thousands who had never had it
- private power rates declined around the country
Who was John Maynard Keynes?

- Father of the "New Economics"

- Advocated government spending to "prime the pump" during periods of economic distress.

- FDR's ideas were based upon Keynesian theory.
The primary tools used by the government to manage the economy are **fiscal policy** and **monetary policy**.

**Fiscal Policy** = regulating the nation’s **taxing** and **spending** levels.

(“**Priming the Pump**”)
“Priming the Pump” meant that government itself should start spending in order to start the economy growing again.

Keynes noted that even deficit spending by the government might be appropriate policy in certain circumstances.
Another tool for the U.S. government is “Monetary Policy” and is conducted by the Federal Reserve System, a quasi-government agency.
Monetary Policy is the deliberate regulation of the nation's money supply and interest rates.
(SEC) was established in 1934 to police the stock market.

Gave Federal Reserve Board power to regulate purchase of stock on margin.
Warning Signs
Liberty League

- FDR had gone **TOO FAR** with the New Deal.
- Interfering with business and people’s lives.
- Government was taking away freedoms from Americans.
CRITICISMS OF THE NEW DEAL:

1. OPPOSE INCREASED GOV’T ROLE IN ECONOMY (CREEPING SOCIALISM)
2. OPPOSE INCREASED TAXATION
3. OPPOSE DEFICIT SPENDING
4. OPPOSE WELFARE PROGRAMS
Dr. Francis Townsend

• FDR was **NOT** doing enough for **old people**.

• Townsend Plan

• Proposed a $200 a month pension to everyone over 60.

• This was good for (2) reasons:
  – **$** to boost economy
  – Open a job up for a younger American
Charles Coughlin

• FDR had **NOT** done enough....

• Fr. Coughlin felt that FDR did not take on the **powerful bankers** in the United States.

• Used the radio to blast FDR and became known as the “**Radio Priest**”. 45 million listeners.

• His Anti-Semitism doomed him.
The King Fish
Huey Long
FDR was *NOT* doing enough for the poor.

Long pushed his “Share Our Wealth” program.

Take all income over $1,000,000 to give:

- House
- Car
- Annual Salary
- For all Americans
Huey Long was Governor of Louisiana from 1928 to 1932 and was elected to the U.S. Senate in 1932-35.

He proposed using a tax on personal wealth to make "Every Man A King. (But no one wears a crown.)"

Everyone over age 60 would receive a new old-age pension.
CRITICISMS OF THE NEW DEAL:
COURT PACKING

1. BUTLER V. U.S. & SCHECHTER V. U.S.
2. FDR PROPOSES INCREASING SIZE OF SUPREME COURT FROM 9 TO 15
3. PROPOSAL RAISES SERIOUS CONSTITUTIONAL ISSUES
4. CONGRESS REJECTS PLAN (Checks and Balances)
Violation of separation of powers. Caused lasting political damage to the administration as it encountered more resistance to its plans than it had in the past.

1945 he appoints 8 out 9 justices.

The Supreme Court -- 1935
Step by Step

A Crack Appears on the Summit

SUPREME COURT REVISION

GOVERNMENT REORGANIZATION

HARMONY PEAK
Sec 2

The Second New Deal Takes Hold
FDR defeats Alfred Landon
FDR EASILY WINS 2ND TERM

- The Republicans nominated Alfred Landon, Governor of Kansas, while the Democrats (of course) nominated Franklin Delano Roosevelt.
- Again the Dems and FDR won an overwhelming victory in the presidential election and in both houses.
Although the economy had improved during FDR’s first term (1932-1936), the gains were not as great as expected.

Unemployment remained high and production still lagged.
THE SECOND HUNDRED DAYS

- FDR launches the “Second New Deal” also called the “Second Hundred Days”
- First priority was the farmers – FDR reinvigorated the AAA which provided aid for migrants, sharecroppers, and poor farmers
- FDR authorized more than $1 billion to help tenant farmers become landowners
the 2nd New Deal shifted emphasis and overtly attacked corporate interests & a new plan of taxation that conservatives labeled "soak the rich" However, 8 million people were still on govt. relief.
(WPA) - established relief work for the unemployed (much bigger than earlier agencies like the CWA)
Lasted from 1935-43. hired 8.5 million people with 1.4 million projects. Built 651,087 miles of highways, repaired 124,031 bridges, erected 125,110 public buildings and created 8,192 public parks and 853 airports.
Employed 8.5 million workers in construction and other jobs, but more importantly provided work in arts, theater, and literary projects.
WPA work on the Serpent Mound. Accused of making the head
The National Youth Administration (NYA) was created to provide education, jobs and recreation for young people.
Getting young people off the streets and into schools and jobs was a high priority for the NYA.
legalized union practices such as collective bargaining and the closed shop and outlawed certain antiunion practices such as blacklisting
established a national maximum hours and minimum wages. It banned factory work for people under 16.

set maximum hours at 44 per week and minimum wage at 25 cents per hour
The Federal Hourly Minimum Wage Since Its Inception:

By Associated Press

The United States of America

WPA
Social Security Act

incorporated US workers into a pension system for workers over 65
also created a system of unemployment insurance
Sec 3

The New Deal Affects Many Groups
First Lady Eleanor Roosevelt helped women gain higher political positions during the New Deal. Eleanor was influential in her role as advisor to the president.

United States representative to the United Nations (1945-1953; 1961)
Francis Perkins

Secretary of labor 1933-1945 FDR; first woman cabinet member
AFRICAN AMERICANS GAIN POLITICAL POSITIONS

FDR appointed over 100 African Americans to positions within the government

- Despite these gains, FDR was never fully committed to Civil Rights
Mary McLeod Bethune

headed the division of Negro Affairs of the NYA

founded a primary school for black girls which turned into Bethune Cookman College

Led a group that became known as the Black Cabinet.
The New Deal was not hostile to black aspirations but did little to help blacks.
Current locations of Native American reservations
Social worker who John Collier—commissioner of Indian affairs Full citizenship granted in 1924 founded American Indian Defense Association—fought to protect Indian religious freedom and tribal property.
1934 gave Natives more ownership of reservations. Policy was moving away from assimilation towards autonomy.

1934- got funds to start tribal business venture and to pay for the college education.
The 1932 election brought about a major realignment in political party: forged a coalition of labor unions, liberals, African Americans, and southern whites.
Labor Movement

We'll hold this line till hell freezes over.

More money means better living conditions.

We want a contract.
Congress of Industrial Organization (CIO) led by John L. Lewis split from the American Federation of Labor (AFL), which will last until 1955.
Sec 4

Culture in the 1930’s
SECTION 4: CULTURE IN THE 1930s

MOVIES:

• By the late 1930s, 65% of Americans were attending the movies at least once per week at one of the nation’s 15,000 movie theaters.
A new era of glamour in Hollywood was launched with stars like Clark Gable, Marlene Dietrich and James Cagney.
Movies

The Wizard of Oz

Of Mice and Men

Everybody Wants to See Gone with the Wind!
FAMOUS FILMS OF THE 30s

• One of the most famous films of the era was *Gone with the Wind* (1939)
• Other notable movies of the era included *The Wizard of Oz* (1939) and *Snow White and the Seven Dwarfs* (1937)
Radio: The Original Entertainment

- Sales of radios greatly increased in the 1930s, from 13 million in 1930 to 28 million by 1940.

- Nearly 90% of American homes owned a radio.

Families spent hours listening to the radio.
October 30, 1938
Orson Welles performed HG Wells classic over the radio.
- Made Wells famous
Woody Guthrie

- Folk singer during the Depression
- *This Land is Your Land* – famous song
The Grapes of Wrath

- Classical novel written by John Steinbeck in 1939.
- Focuses on a poor family of sharecroppers:
Photographer
Dorthea Lange
ART DURING THE GREAT DEPRESSION

• The Federal Art Project (branch of the WPA) paid artists a living wage to produce art
• Projects included murals, posters and books
Grant Wood

- Famous painting entitled “American Gothic”.

[Image of American Gothic painting with a man and woman standing in front of a house]
WRITERS DEPICT AMERICAN LIFE

- The Federal Writers’ Project (branch of WPA) paid writers to write
- Richard Wright’s acclaimed *Native Son* was written for the project
JOHN STEINBECK RECEIVES ACCLAIM

- He published his most famous book, *Grapes of Wrath* (1939), as part of the program.

- Zora Neale Hurston wrote *Their Eyes were Watching God*.
The End