

THE NEW DEAL

Theme: *Franklin Roosevelt acted decisively and experimentally, passing one measure after another, discarding some, keeping others, looking for a solution to the Great Depression, touching the lives of all Americans.*

I. THE NEW DEAL

A. FDR's Inauguration – “The only thing we have to fear is fear itself”

1. Likened the crisis to the fighting in World War I & would ask Congress for broad Executive power

B. The Roosevelt Team:

The First Lady – Eleanor Roosevelt

Sec. of Interior – Harold Ickes

Sec. of Agriculture – Henry Wallace

Sec. of Labor – Francis Perkins

C. Sources of Ideas

1. Being stricken with Polio at 39, he would never walk again, and learned the meaning of struggle
2. The Brain Trust – Law School Professors and Economists like Raymond Moley & Rexford Tugwell
3. His Acceptance Speech – “I pledge . . . a new deal for the American people.”

II. THE FIRST HUNDRED DAYS – (March to June 1933): Emphasis on Relief

A. The Banking Crisis

1. Loss of confidence in the banking industry
2. Calling a Four Day Bank Holiday
3. The Emergency Banking Relief Act
 - a) Healthy banks could reopen only under licenses from the Treasury Department
 - b) Explains this act to the nation with his first Fireside Chat
4. By March 15, 1933 half the banks were open for business

B. Relief for the unemployed

1. The Civilian Conservation Corps (CCC)
 - a) Employed youth 18 to 25 on a variety of outdoor projects and stay in Forestry Camps
 - b) Jobs included: road construction, reforestation, flood control & National Park improvements
 - c) Had to send up to \$25 of \$30 paychecks home to families
2. The Federal Emergency relief Act (FERA)
 - a) \$250 million given for relief to the states to distribute
 - b) \$250 million distributed on the basis of \$1 for every \$3 spent by states or local government
 - c) Administered by Roosevelt's friend, and NY social worker and reformer, Harry Hopkins

C. Aid to Farmers – The Agricultural Adjustment Act (AAA)

1. Established parity prices for crops based on prices from 1909 to 1914
2. Paid farmers not to grow crops and to kill hogs
3. Passed too late in the spring, so it paid farmers to plow under crops
4. Money for the AAA came from a special tax on food processing firms

D. Aid to Industry – The National Recovery Act (passed the last day of the 100 days)

1. The National Recovery Administration – established Industrial codes for each industry
 - a) Codes written by representatives of Industry, labor and public to regulate prices and output
 - b) Once approved by the NRA in Washington, the product could wear the Blue Eagle Label
 - c) Asked consumers to buy only the Blue Eagle with parades to raise public awareness
2. The Public Works Administration
 - a) To provide work instead of handouts
 - b) Built roads, bridges, schools, courthouses, post offices

E. Aid to the Poorest Part of America – The Tennessee Valley Authority (TVA)

-- Built dams & power plants, produced cheap fertilizer, sold cheap electricity to rural areas of 6 states

F. Fireside Chats – Roosevelt's manipulation of radio technology

G. The end of Prohibition with the 21st Amendment – passed 1933

III. CRITICISM OF THE NEW DEAL

A. Critics Against the New Deal

1. Industry, The Liberty League, Henry Ford, J.P. Morgan, Farmers & Power Companies
2. Father Coughlin -- The radio priest -- Blamed communists, the banks, the Jews, and FDR himself

B. Critics for a Stronger New Deal

1. Huey Long (LA governor and senator, originally he supported FDR)
 - a) His "Share Our Wealth" program attracted from 3-4 million voters
 - b) His assassination by a disgruntled political enemy in 1935
2. Dr. Francis Townsend
 - a) Pay people \$200 a month to retire, but the elderly had to spend it all every month
 - b) Townsend Clubs sprang up throughout the nation
3. Unemployed Councils
 - a) Organized by the Communist Party, they held rallies and marches
 - b) 1,800 strikes involved 1.5 million workers in 1934

C. Attacks by the Supreme Court -- Declared the AAA and the NRA unconstitutional

IV. THE SECOND HUNDRED DAYS – (1935): Emphasis on Reform

A. Further Aid to Workers

1. The Work Projects Administration

- a) Built hospitals, bridges, schools, & airports
- b) Hired artists and writers

2. The National Labor Relations or Wagner Act

- a) Guaranteed the right of workers to organize and form independent Unions
- b) Defined unfair labor practices: like firing workers for Union activity

3. The Social Security Act

- a) Old-age pensions and unemployment insurance funded by a tax on workers and their employers
- b) The fund then paid the pensions depending on amount contributed
- c) The original law failed to cover domestics, farm workers, or public employees

B. Further Aid to Farmers

1. The Resettlement Administration -- To move destitute farmers to more productive areas

2. The Rural Electrification Administration (REA) – Provided electricity to farms across the nation

3. The Soil Conservation Service – Sought to educate farmers to use conservation farming techniques

4. Irrigation Projects

- a) Boulder Dam (irrigated Imperial Valley) & Grand Coulee Dam (irrigated Western WA)
- b) provided cheap electricity that attracted industry to the Pacific Northwest

C. Reforming the nation's financial system to prevent another Stock Market Crash

1. The Securities Exchange Commission (SEC)

2. The Federal Deposit Insurance Corporation (FDIC)

D. Roosevelt's Court-packing plan (proposed Feb. 1937 – withdrawn Aug. 1937)

- 1. President could appoint a justice for every justice over 70 who didn't retire
- 2. Newspapers and Congress opposed the plan and FDR let it drop

V. THE ELECTION OF 1936

A. FDR for the Democrats

1. Support for the New Deal

2. The Roosevelt Coalition -- The New Majority Party for the next 40 years

B. Al Landon for the Republicans

1. Cannot run against the popularity of the New Deal
2. Runs on the idea that the Republicans could run the New Deal better

C. A Larger landslide for FDR than in 1932

VI. DEPRESSION ERA CULTURE

A. Unemployment remained at 9 million or 14% in 1937

B. The Recession of 1937

1. Roosevelt cutback his work programs
2. At same time the Social Security Taxes began and employers cutback on hiring
3. FDR had little choice, but to increase his work programs once again

C. Advances for Artists

1. The Golden Age of Radio
2. Escapism brought people to the movies & movies became big affairs
3. The Swing Era

D. Advances for Unions

1. John Lewis and Sidney Hillman organized the CIO
 - a) Organized unskilled labor, African Americans and women
 - b) Organized steel and auto industries and withdrew from the AFL in 1938
2. The Sitdown Strike – First used at the Flint auto plant in 1936
3. Communists gain membership
4. Union membership went from 2.8 million to 10.5 million in 1930s

E. Advances for Women -- share of the workforce increased to 35%

F. Advances for Native Americans

1. The Indian Reorganization Act (1934)
 - a) Ended the allotment of Indian Lands
 - b) Established a procedure to create tribal governments if tribes voted for it
2. The Indian Arts & Crafts Act of 1935 – Created an Indian Arts & Crafts Board

G. Mixed Results for African Americans

1. African Americans filled many posts in the New Deal bureaucracy
2. But the AAA forced sharecroppers and tenants off the land & the CCC was racially segregated
3. NAACP integrated professional schools, but attacked for helping black bourgeoisie not the masses

H. Setbacks for Latinos -- Hard to find work in the surplus labor market of the 1930s