

Chapter 22

The New Deal

Launching the New Deal

The Main Idea

In 1933 Franklin Delano Roosevelt became president of a suffering nation. He quickly sought to address the country's needs, with mixed results.

Reading Focus

- What were the key events of the presidential election of 1932?
- What was the nature of Franklin and Eleanor Roosevelt's political partnership?
- What initial actions did Roosevelt take to stabilize the economy?
- How did the new deal run into trouble in Roosevelt's first term?

The Election of 1932

- Americans blamed President Hoover for the country's economic woes.
- **Franklin Delano Roosevelt** won the Democratic Party's nomination.
 - He was related to Theodore Roosevelt.
 - He survived polio.
 - He was governor of New York.
- Roosevelt promised relief for the poor and more public works programs to provide jobs. He attacked Hoover and the Republicans for their response to the Great Depression.
- Roosevelt won a landslide victory—winning more than 57 percent of the popular vote.

The Roosevelts

Franklin Delano Roosevelt had a winning personality and believed that it was the government's job to take direct action to help its people.



Eleanor Roosevelt was a powerful political force in her own right, and she helped to change the role of the First Lady.



Franklin and Eleanor's marriage played a central role in Franklin Roosevelt's political success.



A Political Partnership

Franklin Roosevelt

- Appealing blend of cheerfulness, optimism, and confidence
- An effective communicator (ex. fireside chats)
- A reform-minded Democrat
- Believed the government could solve economic and social problems

Eleanor Roosevelt

- “Eyes and ears” of her husband
- Directed efforts to solve several major social issues (ex. lynching of African Americans)
- Wrote her own newspaper column
- Had the trust and affection of many Americans



Franklin Roosevelt as President

Banking Crisis

- Temporarily closed all the nation's banks to stop panic and large-scale withdrawals
- Passed the Emergency Banking Act
- Glass-Steagall Act created the FDIC

Hundred Days

- Critical period of government activity
- Roosevelt pushed Congress to put most of his **New Deal** into practice.
- The New Deal promised relief, recovery and reforms.

Beyond the Hundred Days

- FDR and Congress passed important legislation after the Hundred Days
- Created the Civil Works Administration
- Passed the Indian Reorganization Act



The New Deal

- **Civilian Conservation Corps (CCC)**
 - Helped unemployed young men 18 to 25 years old
- **Agriculture Adjustment Act (AAA)**
 - Helped farmers by paying them not to grow crops
- **National Industrial Recovery Act (NIRA)**
 - Helped business by requiring that businesses in the same industry cooperate with each other to set prices and output
 - Started Public Works Administration (PWA)
 - Labor received federal protection for the right to organize.
- **Federal Securities Act**
 - Helped investors, restored confidence in the markets
- **Securities and Exchange Commission (SEC)**
- **Tennessee Valley Authority (TVA)**
 - Helped build dams and other projects along the Tennessee River and its tributaries

Trouble for the New Deal

Radical Reactions to the New Deal

- Believed the New Deal did not go far enough in reforming the economy
- Wanted a complete overhaul of capitalism
- Huey P. Long, Father Charles Coughlin, Dr. Francis Townsend



Conservative Reactions to the New Deal

- Attacked the New Deal as a radical break with traditional American ideals
- Thought the New Deal would drive the country to destruction.
- American Liberty League



Leading Critics of the New Deal

- **Huey P. Long** (senator from Louisiana)
 - Believed Roosevelt’s policies were too friendly to banks and businessmen (started the Share Our Wealth Society)
- **Father Charles Coughlin** (the “radio priest”)
 - Believed Roosevelt was not doing enough to curb the power of bankers and financial leaders
- **Dr. Francis Townsend**
 - Criticized the New Deal for not doing enough for older Americans (wanted pensions for people over 60)
- **The American Liberty League**
 - Believed that the New Deal went too far and was anti-business
- **Opposition from the courts**
 - Critics of the New Deal feared that it gave the president too much power over other branches of government.
 - *Schechter Poultry Corporation v. United States*
 - *United States v. Butler*

The Second New Deal

The Main Idea

A new wave of government initiatives starting in 1935 resulted in some strong successes and stunning defeats for President Roosevelt.

Reading Focus

- What were the key programs in the Second Hundred Days?
- How did New Deal programs help to revive organized labor?
- What were the key events of the 1936 election?
- Why was 1937 a troubled year for Roosevelt and the Second New Deal?

The Second Hundred Days

Second Hundred Days

- Roosevelt launched the Second New Deal in the spring of 1935.
- Congress passed laws extending government oversight of the banking industry and raised taxes on the wealthy.
- Congress funded new relief programs.



Emergency Relief

- Emergency Relief Appropriations Act – stopped direct payments to Americans in need
- Works Progress Administration (WPA) – largest peacetime jobs program in U.S. history



Social Security

- Provided guaranteed, regular payments for many people 65 and older
- Included a system of unemployment insurance



The New Deal Revives Organized Labor

1. National Industrial Recovery Act (NIRA) guaranteed workers the right to form unions and bargain collectively.
 - Difficult to enforce, fatally weakened by Supreme Court's ruling in *Schechter Poultry Corporation v. United States*
2. Roosevelt backed the Wagner Act, or the National Labor Relations Act (NLRA).
 - Outlawed a number of anti-labor practices, established the National Labor Relations Board and gave it authority to conduct voting in workplaces to determine whether employees wanted union representation
3. The **Committee for Industrial Organization (CIO)** was born in 1935.
 - **John L. Lewis** led this group to break away from the American Federation of Labor (AFL).
 - The United Auto Workers (a division of the CIO) launched a successful **sit-down strike** in 1936.

The Election of 1936

Roosevelt

- Passed the Rural Electrification Act, which provided electricity to millions of farmers
- Showcased his achievements: unemployment cut in half, income and business earnings were up, New Deal programs provided hope and help
- Spoke out against big business

His Critics

- Republicans argued that the New Deal was overly bureaucratic and was creating a planned economy.
- American Liberty League tried to stop Roosevelt's attack on big business.
- Republican Alf Landon did not pose a serious threat.

The Results

- A tremendous victory for Roosevelt
- Alf Landon carried only two states.
- The Union Party candidate polled less than 2 percent of the popular vote.
- The Democrats again gained seats in both houses.



A Troubled Year

Roosevelt surprised Congress with a plan to reorganize the nation's courts.



In the fall of 1937, the nation's economy suffered another setback.



Although the Supreme Court began to rule in favor of New Deal legislation and the economy began to rebound in the summer of 1938, the positive feelings about Roosevelt and the New Deal had begun to fade.



The Court-Packing Plan

Roosevelt's Plan

- Gave the president power to appoint many new judges and expand the Supreme Court by up to six judges
- Roosevelt argued that changes were needed to make the courts more efficient.
- Most observers saw plan as effort to “pack” the court with friendly justices.

The Result

- Plan did not pass; however, the Supreme Court made some rulings that favored New Deal legislation.
- Supreme Court upheld a minimum wage law in Washington state.
- Court ruled in favor of a key element of the Wagner Act.
- Court declared Social Security plan to be constitutional.



Economic Downturn of 1937

The Nation's Economy

- 1937 witnessed an economic downturn that began with a sharp drop in the stock market. By the end of the year, about 2 million Americans had lost their jobs.
- Roosevelt had hoped to cut back on government spending, for he feared the growing federal budget **deficit**. 
- As unemployment rose during 1937 and 1938, the government spent large sums of money to help the unemployed.

Economic Theory

- British economist **John Maynard Keynes** argued that deficit spending could provide jobs and stimulate the economy. 
- The economy did begin to rebound in the summer of 1938.

Life during the New Deal

The Main Idea

The Great Depression and the New Deal had a deep impact on American culture during the 1930s.

Reading Focus

- How did the public roles of women and African Americans change during the New Deal?
- How did artists and writers of the era tell the story of the Great Depression?
- What forms of popular entertainment were popular during the Great Depression?

New Roles for Women

Women

- Roosevelt promoted and recognized women.
- Frances Perkins – Secretary of Labor – was the first woman to head an executive office.
- Ruth Bryan Owen served as minister to Denmark.
- Roosevelt appointed women to such posts as director of the U.S. Mint and assistant secretary of the Treasury.
- Women served as leaders in several New Deal agencies.
- Still, women faced challenges and discrimination.
 - Lower wages
 - Less opportunities
 - Hostility in the workplace

New Roles for African Americans

- Roosevelt's administration also appointed many African Americans.
 - William Hastie became the first black federal judge.
 - A group of African Americans hired to fill government posts were known as the **Black Cabinet**, and they served as unofficial advisors to the president.
 - The Black Cabinet met under the leadership of **Mary McLeod Bethune**, director of Negro Affairs in the National Youth Administration.
- Still, African Americans continued to face tremendous hardships during the 1930s.
 - Severe discrimination
 - Thousands of African American sharecroppers and tenant farmers were not helped by New Deal programs.
 - Southern Democrats in Congress opposed efforts to aid African Americans.
- Many African American switch from the Republican Party to the Democratic Party during the 1930s.

Art of the Great Depression

- Painters and sculptors fashioned works depicting the struggles of the working class.
- Authors and playwrights focused on the plight of the rural and urban poor.
 - Writer John Steinbeck's *The Grapes of Wrath*
 - Songwriter Woody Guthrie celebrated the lives of ordinary people.
 - Writer James Agee's *Let Us Now Praise Famous Men*
- Photographers
 - Dorothea Lange recorded images of jobless people and the rural poor.
 - Walker Evans depicted the lives of sharecroppers in the Lower South.

Dorothea Lange

Dorothea Lange was a celebrated chronicler of the Great Depression. She recorded images of jobless people in her hometown of San Francisco.



Lange worked for the Farm Security Administration. She was hired to document the plight of the poor and, through her images, gain public support for New Deal programs.



Lange's photographs of the rural poor helped raise awareness about the poorest of the poor – sharecroppers and tenant farmers. In 1937 the federal government finally began to provide help to sharecroppers and tenant farmers.



Popular Entertainment of the Great Depression

Movies

- Millions of Americans went to the movies each week.
- Most films were upbeat and allowed viewers to “escape” the depression.
- Grand musicals and comedies were popular.
- Animation and color photography delighted audiences.

Radio

- Provided politics, religion, music, sports, and other forms of entertainment
- Introduced new music styles such as jazz and swing
- Action shows such as *The Lone Ranger* and comedies such as *Fibber McGee and Molly* were popular.

Sports

- Interest in sports remained strong in the 1930s.
- Baseball was popular.
 - Babe Ruth
 - Joe DiMaggio
- Boxing was hugely popular.
 - Joe Lewis



Analyzing the New Deal

The Main Idea

The New Deal had mixed success in rescuing the economy, but it fundamentally changed Americans' relationship with their government.

Reading Focus

- What was the impact of the New Deal on the nation in the 1930s?
- In what ways was the impact of the New Deal limited?
- How did the New Deal come to an end?

The Impact of the New Deal

- The New Deal promised relief, recovery, and reform.
 - Relief programs put billions of dollars into the pockets of poor Americans.
 - The New Deal was less successful in delivering economic recovery.
 - New Deal reforms were successful and long-lasting.
- The New Deal changed the link between the American people and their government.
 - Roosevelt believed that government could help businesses and individuals achieve a greater level of economic security.
 - The New Deal required a much bigger government.
 - Americans now began to look regularly to government for help.

The Impact of the New Deal

Relief

- Millions of Americans enjoyed some form of help.
- Direct relief or jobs that provided a steady paycheck
- Programs such as Social Security and unemployment insurance became a fixture of government.

Recovery

- Not as successful at economic recovery
- Unemployment remained high.
- Some critics argued that Roosevelt needed the support of big business.
- Other critics said that the New Deal didn't spend enough money.

Reform

- More successful and long-lasting
- FDIC restored public confidence in the nation's banks.
- SEC restored public confidence in stock markets.
- New Deal left thousands of roadways, bridges, dams, public buildings, and works of art.



Limits of the New Deal

Relief programs gave aid to millions of people, but they were not meant to be a permanent solution to joblessness. Also, they did not provide jobs to everyone who needed one.



The level of government assistance varied by state. For example, a family needing assistance in Massachusetts might receive \$60 per month, while a family in Arkansas might get \$8.



New Deal programs permitted discrimination against African Americans, Hispanic Americans, women, and others.



The End of the New Deal

Weakening Support

- Setbacks such as the court-packing fight and the 1937 economic downturn gave power to anti-New Deal senators.
- Opposition in Congress made passing New Deal legislation more difficult. Only one piece passed in 1938: the Fair Labor Standards Act (which set up a **minimum wage**).



1938 Elections

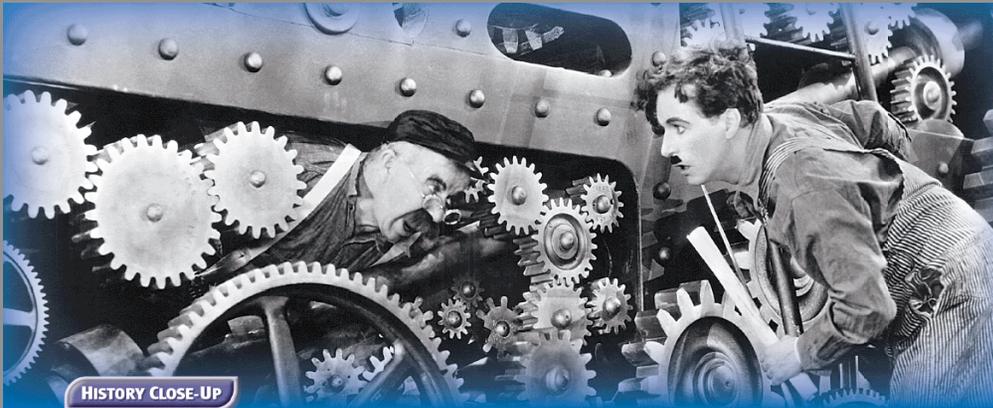
- Roosevelt tried to influence voters in the South during the congressional elections of 1938; however his candidates lost.
- The Republicans made gains in the both houses.
- Roosevelt lacked the congressional support he needed to pass New Deal laws.



After the New Deal

- The New Deal ended in 1938.
- Americans turned their attention to the start of WWII.





HISTORY CLOSE-UP

Going to the Movies

At an average of 25 cents a ticket, movies were one of the most affordable forms of entertainment in the 1930s. More than that, movies served the public's emotional needs.

▲ Comedian Charlie Chaplin wrestles with machinery in *Modern Times*, a film that criticized the dehumanizing effects of industry.



▲ *King Kong* roared into movie theaters with state-of-the-art special effects in March 1933. In the film's opening week, about 150,000 American moviegoers flocked to the theaters to be frightened by the giant ape.

▼ Ginger Rogers and Fred Astaire were the picture of glamour and grace for a downtrodden public.



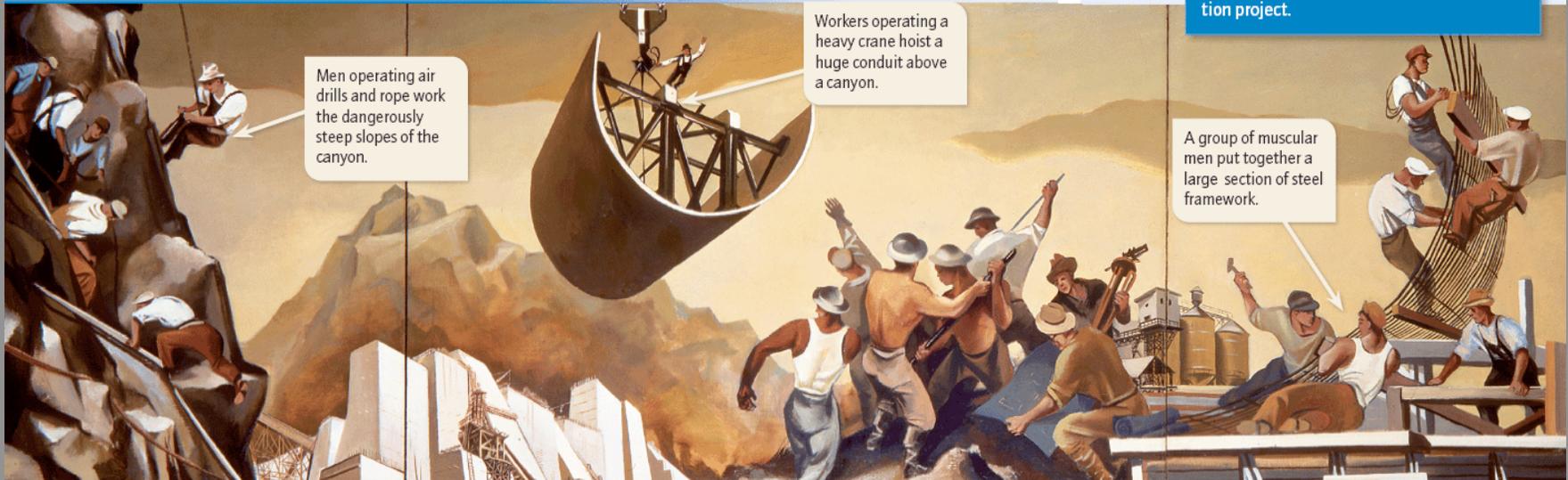
▲ The Fabulous Fox San Francisco Theatre opened in 1929 with 5,000 seats. Such grand theaters could make moviegoers feel rich, if only for an hour or two at a time.

Skills Focus INTERPRETING INFOGRAPHICS

Making Inferences How do you think attending movies like the examples above helped people through the Great Depression? Discuss each example separately, including the theater.
See *Skills Handbook*, p. H7

Murals of the New Deal

The WPA paid artists to create public art. *Construction of the Dam*, a mural by William Gropper, shows workers on a WPA construction project.



IMAGES OF THE GREAT DEPRESSION



Ella Watson, a Washington, D.C. char-
woman, with her three children

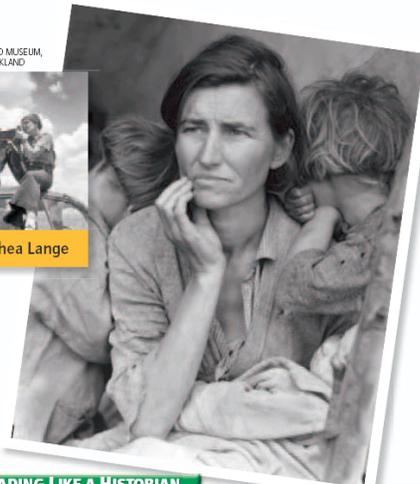
Gordon Parks

© THE OAKLAND MUSEUM,
THE CITY OF OAKLAND



Dorothea Lange

Destitute
mother
of seven
children in
California



**Skills
Focus**

READING LIKE A HISTORIAN

Photographers like Gordon Parks and Dorothea Lange were hired to document the plight of the poor and, through their images, gain public support for Roosevelt's New Deal programs.

Interpreting Visuals Do you think these photographs succeed in showing a sympathetic view of their subjects? Explain.

DOCUMENT 3

Although he grew up wealthy and privileged, President Roosevelt had a strong appeal among many poor Americans, who felt he understood their suffering. The following cartoon reflects this idea.



"Yes, you remembered me."

DOCUMENT 4

Some of Franklin Roosevelt's harshest critics were the wealthy, who resented his efforts to redistribute wealth by taxing the rich to help the poor. Some accused him of betraying his class. In this cartoon, a group of wealthy New Yorkers are going to the Trans-Lux, a popular movie theater on Madison Avenue in New York City that showed newsreels about the president.



"Come along. We're going to the Trans-Lux to hiss Roosevelt."

MAJOR NEW DEAL PROGRAMS

QUICK
FACTS

Relief



Civilian Conservation Corps (CCC), 1933 Provided jobs on conservation projects to young men whose families needed relief

Federal Emergency Relief Administration (FERA), 1933 Provided grants to states for direct relief to the needy

Public Works Administration (PWA), 1933 Provided public-works jobs for many of those needing relief

Civil Works Administration (CWA), 1933 Provided public-works jobs for many of those needing relief

Works Progress Administration (WPA), 1935 Provided public-works jobs on a wide range of projects for many of those needing relief

Social Security Act, 1935 Established pensions for retirees, unemployment insurance, and aid for certain groups of low-income or disabled people

Farm Security Administration (FSA), 1937 Provided assistance to tenant farmers to help them purchase land or establish cooperatives

Reform



Emergency Banking Act, 1933 Gave federal government power to reorganize and strengthen banks

Federal Deposit Insurance Corporation (FDIC), 1933 Established an insurance program for deposits in many banks

Securities and Exchange Commission (SEC), 1934 Provided increased government regulation of the trading on stock exchanges

National Labor Relations Act (NLRB), 1935 Established the National Labor Relations Board to enforce labor laws

Fair Labor Standards Act (Wages and Hours Law), 1938 Established minimum wages and maximum hours for many workers

Recovery



Agricultural Adjustment Administration (AAA), 1933 Encouraged farmers to cut production in return for a subsidy

Tennessee Valley Authority (TVA), 1933 Promoted development projects for the Tennessee River Valley—for example, to improve navigation, produce electricity, and control floods

National Industrial Recovery Act (NIRA), 1933 Encouraged cooperation among businesses in establishing production and labor practices

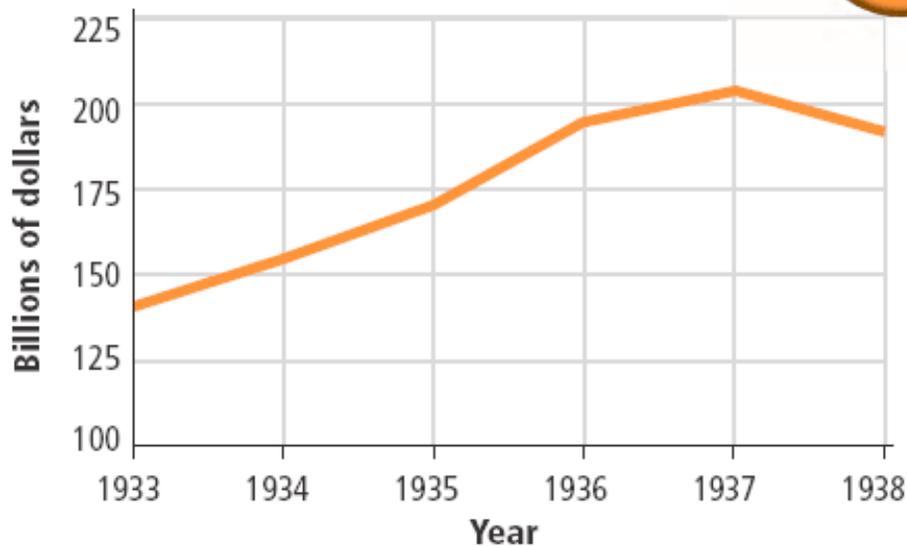
Federal Housing Administration (FHA), 1934 Encouraged loans for renovating or building homes

Rural Electrification Administration (REA), 1935 Encouraged the delivery of electricity to rural areas

Programs in red are still in existence.

GROSS NATIONAL PRODUCT (GNP), 1933–1938

QUICK
FACTS



Source: *Historical Statistics of the United States*

Skills
FOCUS

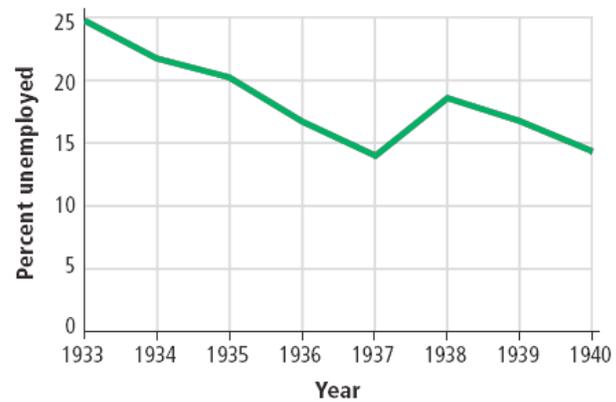
INTERPRETING GRAPHS

The economy made some progress during Roosevelt's time in office. Which year between 1933 and 1938 saw the worst performance?

See **Skills Handbook**, p. H17

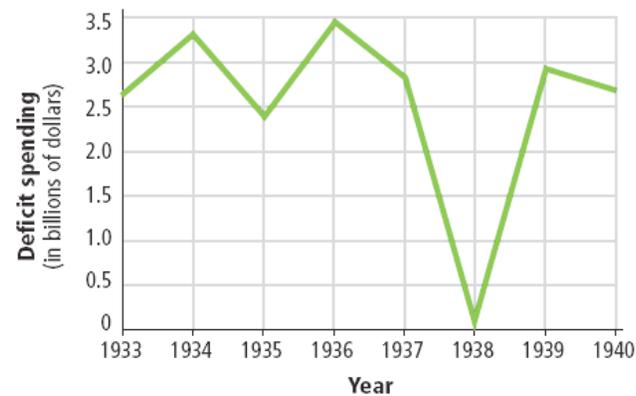
**QUICK
FACTS**

UNEMPLOYMENT, 1933-1940



Source: *Historical Statistics of the United States*

DEFICIT SPENDING, 1933-1940



Source: *Historical Statistics of the United States*

Visual Summary: The New Deal

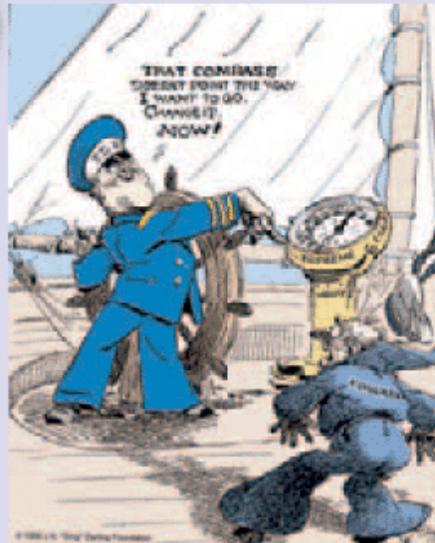
The New Deal

- Two major plans—in 1933 and 1935
- Established many new government programs
- Popular at first, but limited in its success



Criticism and Resistance

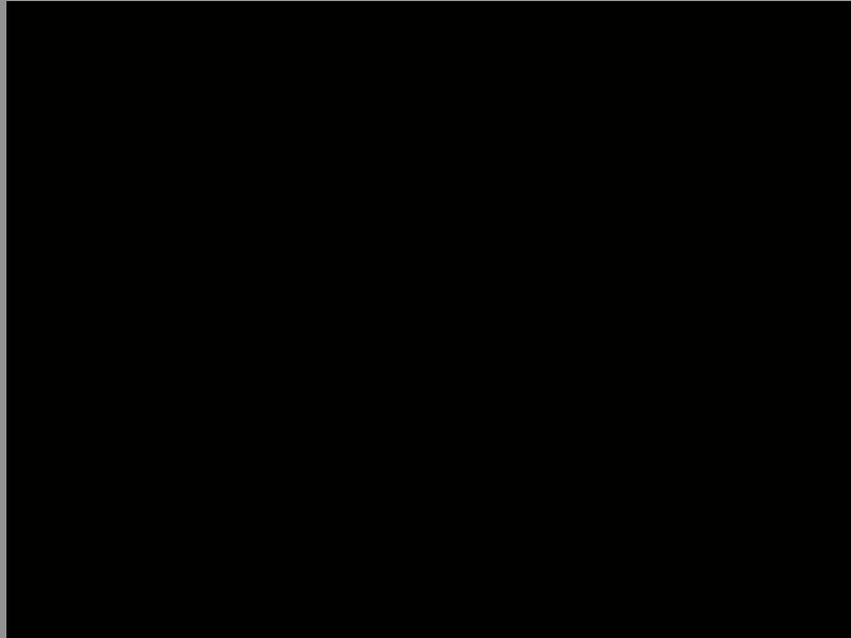
- Political opposition from right and left
- Supreme Court opposition



Lasting Impact

- Forever changes relationship between people and government
- Introduces programs such as Social Security that are still functioning today
- Still controversial





Click on the window to start video