Chapter 33: The Great Depression and the New Deal, 1933–1939
I. The New Deal Takes Over, 1933–1935 (RELIEF, RECOVERY, REFORM)

A. The Roosevelt Style of Leadership
1. FDR willing to experiment with programs
2. Aim - put people to work, instill hope for future and to rebuild American confidence.
3. Programs adopted in response to shifting pol and econ conditions rather than a set ideology or plan.
4. Fireside chats established close contact with people
5. Personal charisma.

B. The Hundred Days
1. Bank Holiday-Emergency Banking Act - permitted banks to reopen but only if a Treasury Dept. inspection showed they had sufficient funds.
   a. President’s First Fireside Chat - Banks are OK!!!
2. Homeowners Loan Corporation to refinance home mortgages;
3. Glass-Steagall Act - curbed speculation; created FDIC
4. CCC - (250,000) - reforestation, conservation
5. TVA - public energy, regional development
6. Repeal of Prohibition (Dec. 1933)
• Roosevelt’s **100 days** was very successful....FDR and Congress went to work providing for direct **relief, recovery & reform**.

• From March of 1933 to June of 1933, Roosevelt sent **15 proposals** to Congress & all **15 were adopted**

• Congress & President **tried anything reasonable** to overcome the Great Depression.
Democrat Franklin D. Roosevelt, beat Republican Herbert Hoover, who was running for reelection. FDR promised relief for the unemployed, help for farmers & a balanced budget. Prohibition, whether it should be repealed or not.
• FDR & Hoover at FDR’s inaugural

• Americans believed FDR could get the country out of the depression & put people back to work......
The Election of 1932

Franklin Roosevelt

- Believed government had a responsibility to help people in need & provide **direct relief**.
- Believed capitalism & laissez faire needed to be **reformed**.
- Governmental involvement in people’s lives was a **good source** for those in need.

Herbert Hoover

- Believed that federal government should not try to **fix people’s problems**.
- He believed **direct relief** would destroy people’s self-respect.
- He believed it would create a big government which would violate **laissez faire**.
TVA - Tennessee Valley Authority (1933)

Federal govt built a series of dams to prevent flooding & provide cheap electricity in the South. Made national parks more accessible - cabins, picnic areas, etc... First public competition with private power industries.

Purposes:

Develop a poor section of the Southeast U.S. Bring this section into the 20th century.

• Stimulate the economy & produce cheap electricity.
• Control floods, planting new forests.

94% of property owners & 98% of tenants did not have electricity.

30% of property owners & 41% of tenants had no toilet facilities at all.

RECOVERY: Begin Economic Growth
65% of property owners & 78% of tenants had to travel at least 300 yards to get their household water.

8% of property owners & 3% of tenants owned radios (battery operated)

39% of property owners & 23% of tenants had phonographs (including record players that were operated with a hand crank).

50% of property owners & 25% of tenants read newspapers.

26% of property owners & 16% of tenants owned automobiles.

7% of property owners & 4% of tenants owned trucks.
President Roosevelt began the “fireside chats” on a weekly basis as a way to reassure the American people.

His comforting voice, calming words, confidence in the country and the American people helped restore faith of the American people in democracy.

“I pledge to you, pledge myself to a NEW DEAL for the American People.” “The only thing we have to fear...is fear itself.”
The New Deal had three major goals:

I. Relief for the unemployed

II. Plans for economic recovery

III. Reforms to prevent another depression
Govt. programs which provided direct relief to suffering Americans through govt. spending

- Renew democracy
- Restore confidence in the banking
- Stimulate economy
- Put people back to work.
- Restore self confidence

**How?**  **FDR’s 3 R’s**

- **Relief:** ease suffering of the needy
- **Recovery:** begin economic growth
- **Reform:** help prevent future economic crises
### NEW DEAL: ALPHABET AGENCIES

<table>
<thead>
<tr>
<th>ACRONYM</th>
<th>WHAT IT STANDS FOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Agricultural Adjustment Administration</td>
</tr>
<tr>
<td>CCC</td>
<td>Civilian Conservation Corps</td>
</tr>
<tr>
<td>CWA</td>
<td>Civil Works Administration</td>
</tr>
<tr>
<td>FERA</td>
<td>Federal Emergency Relief Administration</td>
</tr>
<tr>
<td>FHA</td>
<td>Federal Housing Administration</td>
</tr>
<tr>
<td>FSA</td>
<td>Farm Security Administration</td>
</tr>
<tr>
<td>HOLC</td>
<td>Home Owners Loan Corporation</td>
</tr>
<tr>
<td>NRA</td>
<td>National Recovery Administration</td>
</tr>
<tr>
<td>NYA</td>
<td>National Youth Administration</td>
</tr>
<tr>
<td>PWA</td>
<td>Public Works Administration</td>
</tr>
<tr>
<td>REA</td>
<td>Rural Electrification Administration</td>
</tr>
<tr>
<td>SSA</td>
<td>Social Security Administration</td>
</tr>
<tr>
<td>TVA</td>
<td>Tennessee Valley Authority</td>
</tr>
<tr>
<td>WPA</td>
<td>Work Projects (Progress) Administration</td>
</tr>
</tbody>
</table>

Part of FDR’s **New Deal** …… Agencies created by the US Govt. to bring about the 3 R’s …… **Relief, Recovery, and Reform.**
B. The Hundred Days (cont.)

7. 3 Big Programs
   a. **AAA** - set a system for 7 major commodities to stop agric. overproduction. Subsidized farmers who cut production. Uneven results- positive/negative- owners of medium-size and large farms benefited most.
   b. **NRA** - established a system of industrial self-government to handle problems of overproduction, cutthroat competition, business failures and price instability. NRA’s codes established prices, quotas, minimum wages, maximum hours, outlawed child labor, gave workers union rights. The NRA deferred to business trade associations when establishing codes.
   c. **FERA** - unemployment relief; federal money offered to states for relief programs to keep people from starving until other recovery measures took hold.

8. FDR and New Deal promoted work relief over cash subsidies
9. **PWA** - Public works jobs, but limited effectiveness
10. **CWA** - public works jobs.
11. US abandons Gold Standard; Federal Reserve to manipulate the value of money.
12. **SEC** - established to regulate the stock market and prevent fraud and abuse.
13. **Banking Act of 1935** - placed control of money market policies at the federal level rather than the regional bank level; centralized banking system
NEW DEAL: ALPHABET AGENCIES

FERA - Federal Emergency Relief Act (1933)
Distributed $500 million of direct aid to unemployed workers such as food, clothing & grants of money to cities.

WPA Works Progress Administration (1933-1943)
Employed 8.5 million workers in construction & other jobs, and provided work in arts, theater, & literary projects.

CCC Civilian Conservation Corps (1933-1942)
• Sent 3 million young men to work camps to build bridges, replant forests, develop job skills & improve environment.
  • Removed surplus of workers from cities, provided healthy conditions for boys, provided money for families.

HOLC Home Owners Loan Corporation (1933)
Prevented mortgage foreclosures. US Govt. bought up mortgages & refinanced them so that homeowners could pay their mortgages.
The National Labor Relations Act

- Also called the Wagner Act
- It guaranteed workers the right to organize unions without interference from employers and to bargain collectively.
- The National Labor Relations Board (NLRB) which organized factory elections by secret to determine whether workers wanted a union.
- The NLRB then certified successful unions.
- The new law also set up a process whereby dissatisfied union members could take their complaints to binding arbitration, in which neutral party would listen to both sides and decide issues.
- The NLRB was authorized to investigate the actions of employers and had the power to issue “cease and desist” orders against unfair practices.
• Works Progress Administration (WPA), the New Deals main relief agency.

• People employed by the WPA at its peak was more than 3 million
  • 2,500 hospitals
  • 5,900 schools
  • 13,000 playgrounds
  • 125,000 public buildings
April 1933.

Within 4 months, 1300 CCC camps were in operation.

300,000 men in 1933 between ages 18 & 25
- Signed up for 6 months & made $30.00 a month.

1933 -1941 over 3,000,000 men served in the CCC.

Goal: Keep teenage young men off the street & away from the job market.

Develop job skills and improve environment
- Planted trees, built public parks,
- Drained swamps to fight malaria, restocked rivers with fish, worked on flood control projects and a range of other work that helped to conserve the environment.
C. The New Deal under Attack

1. Critics on the Right- New Deal went too far
   a. Liberty League was organized by business leaders and conservative Democrats who opposed New Deal reforms. Label New Deal “reckless spending”, “socialist” reforms.
   b. In Schecter v. United States, the Supreme Court
      a. unanimously decided that the National Industrial Recovery Act (NIRA) was an unconstitutional delegation of legislative authority to the executive.

2. Critics on the Left- New Deal didn’t go far enough
   a. Francis Townsend- proposed Old Age Revolving Pension Plan.
   b. Father Coughlin- demanded nationalization of the banking system and expansion of the money supply. (led National Union for Social Justice)
   c. Huey Long- est. Share Our Wealth Society; soak the rich, give to poor.
II. The Second New Deal, 1935–1938

A. Legislative Accomplishments

1. Criticism from left and right led Roosevelt to choose emphasize reform rather than recovery by backing legislation to expand the role of the federal government in providing for the welfare of citizens.

2. **Wagner Act**—upheld the rights of industrial workers to join a union; Established National Labor Relations Board to protect workers’ rights

3. **Social Security Act (1935)**—provides for pensions in the private sector to be financed by a federal tax that both employers and employees pay; also unemployment compensation system established.
   a. Also mandated assistance programs for the blind, deaf, disabled and dependent children.

4. **WPA**—main federal relief agency for the rest of the depression; put unemployed workers directly on the federal payroll.

5. **Revenue Act of 1935**—(Tax Reform) increased estate and corporate taxes, instituted higher income tax rates for the wealthy;
   a. denounced by its opponents as a “soak the rich” measure; provided FDR with support vis-à-vis Huey Long.

6. FDR won the 1936 election with a landslide against Alfred Landon.
B. Stalemate

1. FDR tried to enlarge (pack) the Supreme Court with people who would support his programs. Wanted to add one new justice for each sitting justice over the age of 70. He was unsuccessful, but the court began to uphold New Deal legislation, and many retired.

2. FDR managed to reshape the Supreme Court through 7 new appointments, and some changed their viewpoints.

3. New legislation:
   a. National Housing Act (1937)- mandated building of low cost housing
   b. Fair Labor Standards Act (1938)- minimum wage made permanent, maximum hours, and anti-child labor provisions

3. “Roosevelt Recession”- of 1937/8- Steady improvement in the economy had caused FDR to cut spending and balance the budget, causing a tightening in credit, a market downturn, and rising unemployment

4. Ideas of John Maynard Keynes- theory of using the deficit to stimulate the economy.

5. Conservative Republican and Democrat backlash against reforms.
III. The New Deal’s Impact on Society

A. New Deal Constituencies
1. The New Deal led to expansion of the federal bureaucracy & Washington
2. The Federal Gov. acts as a “broker state” mediating between contending pressure groups seeking power and benefits.
3. **Rise of Labor**
   a. CIO - promoted industrial unionism - organizing all workers in one industry, both skilled and unskilled. (Women, African Am., Mexican Am. also join)
   b. John Lewis broke with the AFL and helped found the CIO
   c. Labor movement failed to become a dominant force in American life because many workers remained apathetic about unionization.
4. **Women and Blacks in the New Deal**
   a. FDR appointed first female cabinet member (Francis Perkins), and other females to government.
   b. Eleanor Roosevelt worked to increase women’s power as well as that of minorities.
   c. African Americans received large numbers of jobs with the WPA
   d. Mary McLeod Bethune headed the “black cabinet”, an informal network that worked for fairer treatment for blacks by New Deal agencies.
5. **Migrants and Minorities in the West-Mexican-Americans** benefited from relief programs and became active in the Democratic party.

7. **Indian Reorganization Act** reversed the Dawes Severalty Act and promoted tribal self-government. Average annual income of $48 and an unemployment rate 3X the national average. Indian standards of living not helped much.

**B. The New Deal for the Environment**

I. The Tennessee Valley Authority (TVA), created in 1933, provided flood control, reforestation, agricultural and industrial development, and cheap hydroelectric power for an economically impoverished and badly eroded region.

2. The New Deal's response to the Dust Bowl included the planting of Shelterbelts.

3. Accomplishments New Deal conservation and construction programs:
   a. Making national parks more accessible - cabins, picnic areas, etc…
   b. Employing a large number of Americans
   c. Providing cheap electricity
   d. (Not focused on preserving the environment from technological intrusions)
C. The New Deal and the Arts

1. New Deal's impact on the fine arts in the United States
   a. The **Federal Art Project (FAP)** employed many of the 20th century's leading painters, muralists, and sculptors when the lack of private patronage might have prevented them from continuing their artistic work.

   b. **Federal Music Project**—subsidized ballets written by Aaron Copland.

   c. **Federal Writers' Project** supported young writers, such as Saul Bellow, Ralph Ellison, Tillie Olson, Richard Wright, and John Cheever.

   d. March of Time newsreels, show news of the world
D. The Legacies of the New Deal

1. Government made a commitment to intervene when the private sector could not guarantee economic stability, and federal regulation brought order to economic life.

2. Federal govt accepted primary responsibility for the indiv. and collective welfare of the people (Development of the Welfare State!)
   a. Welfare benefits varied widely from state to state, favored men over women (assuming men were head of household), no national health care system.

2. The New Deal Democrats recognized that poverty was the result of structural economic problems rather than personal failure.

3. Important political legacy of the New Deal for the Democratic Party:
   a. Democratic Party created a political coalition that lasted for decades.
   b. African Americans were an important part of the Democratic coalition.
   c. Organized labor remained loyal to the Democratic Party.
### United States Great Depression (Unemployment)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>4,340,000</td>
<td>8.7%</td>
</tr>
<tr>
<td>1931</td>
<td>8,020,000</td>
<td>15.9%</td>
</tr>
<tr>
<td>1932</td>
<td>12,060,000</td>
<td>23.6%</td>
</tr>
<tr>
<td>1933</td>
<td>12,830,000</td>
<td>24.9%</td>
</tr>
<tr>
<td>1934</td>
<td>11,340,000</td>
<td>21.7%</td>
</tr>
<tr>
<td>1935</td>
<td>10,610,000</td>
<td>20.1%</td>
</tr>
<tr>
<td>1936</td>
<td>9,030,000</td>
<td>16.9%</td>
</tr>
<tr>
<td>1937</td>
<td>7,700,000</td>
<td>14.3%</td>
</tr>
<tr>
<td>1938</td>
<td>10,390,000</td>
<td>19.0%</td>
</tr>
</tbody>
</table>
25% to 40% of workers out of work

Was able to lower it to 14%

Figure 24.1 Unemployment, 1929–1942
NEW DEAL: ALPHABET AGENCIES

RECOVERY: Begin Economic Growth

AAA Agricultural Adjustment Act (1933)

• Protected farmers from price drops & over production by providing crop subsidies to reduce production, and by educational programs to teach methods of preventing soil erosion.
• US Govt. Paid farmers (subsidies) not to grow crops, produce dairy products such as milk & butter or raise pigs & lambs.
• Prevent another Dust Bowl, teach farmers methods of preventing soil erosion.

NIRA National Industrial Recovery Act (1933) aka National Recovery Act

• Created NRA to enforce codes of fair competition, minimum wages, and to permit collective bargaining of workers.
Also called the **National Recovery Act**.

- Helped businesses organize codes setting prices and minimum wage.
- Put people back to work at decent jobs, wages and working conditions.
- Businesses were not forced to join this.
- Declared **unconstitutional** by the Supreme Court in 1935 because it violated **laissez faire**.
NATIONAL INDUSTRIAL RECOVERY ACT

NRA
MEMBER
U.S.
WE DO OUR PART

NOW IS THE TIME TO BUY!

RESTAURANT
WE DO OUR PART
TVA - Tennessee Valley Authority (1933)

Federal govt built a series of dams to prevent flooding & sell electricity in the South. First public competition with private power industries.

Purpose:
Develop a poor section of the Southeast U.S. Bring this section into the 20th century.
• Stimulate the economy and produce cheap electricity.
• Control floods, planting new forests.

94% of property owners & 98% of tenants did not have electricity.
30% of property owners & 41% of tenants had no toilet facilities at all.
65% of property owners & 78% of tenants had to travel at least 300 yards to get their household water.

8% of property owners & 3% of tenants owned radios (battery operated)

- 39% of property owners & 23% of tenants had phonographs (including record players that were operated with a hand crank).

50% of property owners & 25% of tenants read newspapers.

26% of property owners & 16% of tenants owned automobiles.

7% of property owners & 4% of tenants owned trucks.
CRITICISM OF THE TVA

Coal to Newcastle

IN HIS MIND'S EYE

COUNTRY-WIDE COMMUNITY POWER PROJECTS

PRIVATE ENTRANCE

BUY LIGHT HERE
CHEAPEST ON THE MARKET
U.S. GOV'T

INNER WORKINGS NO ADMITTTAL NO LIGHT F.D.R.

HEY! CONGRESS BRING YOUR FLASH LIGHT!

TAXPAYERS INVESTIGATION DEMAND

PRIVATE UTILITIES
REFORM: Prevent Another Depression

**FDIC** Federal Deposit Insurance Corporation (1933)

Created federally insured bank deposits ($2500 per investor at first) to prevent bank failures.

Glass-Steagall Act created federally insured bank deposits ($2500 per investor at first) to prevent bank failures.

**SEC** Securities and Exchange Commission (1934)

Regulated stock market & restricted margin buying, & frauds.

Wagner Act National Labor Relations Act (1935)

Reaffirmed labor's right to unionize, prohibited unfair labor practices, & created the National Labor Relations Board.

**SSA** Social Security Act (1935)

It provided retirement pensions, unemployment insurance, aid to blind, deaf, disabled, & dependent children.
One of the most important features of the **New Deal**.

- Established a retirement pensions for persons over 65 funded by a tax on wages paid equally by employee & employer.
  - Old age insurance
- Protect Americans who were unable to support themselves.
  - Unemployment compensation
- Compensation to disabled workers & assistance to widows & dependent children
  - Response to critics (Dr. Townsend & Huey Long).
Criticisms of New Deal

- US government & President too powerful
- Violated laissez faire
- Supreme Court declared NIRA and AAA unconstitutional

**Critics:**
- Father Charles Coughlin
- Dr. Francis Townsend
- Al Smith
- Huey Long

**Deficit spending:** Govt. spends $$$ to stimulate the economy & help people even if it means US Govt. goes into debt.

**Welfare state**----Created a population of Americans who relied on the US Govt. to live
Successes of New Deal

Americans in 1939 who wanted the NEW DEAL to continue was 55%.... 37%
regarded it as a bad influence & wanted a new president.............

- Stimulated the economy
- Put people back to work....
- Improved morale & self-confidence of the people
- US Govt’s. role changes & became directly involved in helping people
- WWII ended the Great Depression not FDR’s New Deal
• The **New Deal** walked a tightrope between the extreme positions of the **left and right**.

• **Critics** would claim it was unconstitutional, socialism, anti-laissez faire and went too far to the left.

• **Others** would claim the **New Deal** didn’t go far enough to the left……
Believed an international conspiracy of bankers existed & FDR was influenced by them.

He called for the nationalization of banks & utilities. (US Govt. controls banks, Socialism)

Fascist; Anti-Semitic overtones.

A Roman Catholic priest.

Radio Priest in Detroit Michigan.

Criticized FDR in weekly radio program.

10 million listeners.

Criticized FDR’s farm program
SOCIALISM

• Economic system based on cooperation rather than competition

• Believes in government ownership of business & capital

• Government controls production & distribution of goods.

• Opposite of laissez faire & capitalism
• He wanted the government to help older citizens.

• Retired California Physician.

• Suggested a $200 per month pension for people over 60. *(This is socialism)*

• Open jobs for the younger unemployed.

• Spending all $200 would also be required to boost economic demand.

• Townsend Clubs created all over the nation.

• Influenced FDR’s creation of *Social Security*
When Bing recorded this song in October, 1932, one out of every four Americans who wanted work could not find work.

The banking system was near collapse.

Record sales had plummeted because Americans did not have the money for such luxuries.

No song captures the dark spirit of the Great Depression more than "Brother, Can You Spare a Dime?"

Bing recorded the song shortly before President Roosevelt's election and it went to No. 1 in the charts.

Bing Crosby
25% to 40% of workers out of work

Was able to lower it to 14%

Figure 24.1 Unemployment, 1929–1942
Congressional opposition was beginning to grow; many of his laws, including the WPA, were taking a long time to get passed and met resistance.

• **Schechter v. United States**
  – The Schechter brothers had a poultry business in Brooklyn.
  – They had been convicted in 1933 of violating the NIRA’s Live Poultry Code; they had sold diseased chickens & violated the code’s wage-and-hour provisions.
  – Known as the “sick chicken case.”
  – The Supreme Court said that the Constitution did not allow the Congress to lend its powers to the executive; the *NIRA* was unconstitutional.
  – This suggested that the Supreme Court would make similar decisions in regards to the New Deal.
Roosevelt’s Attempt to pack the Court

- Supreme Court was striking down New Deal legislation.
- Roosevelt proposed a bill to allow the president to name a new federal judge for each who did not retire by age 70 and 1/2.
- 6 justices over age limit.
- Would have increased the number of justices from 9 to 15, giving FDR a majority of his own appointees on the court.
- The court-packing bill was not passed by Congress.
FDR and the Supreme Court

The Conflict:
- The Supreme Court ruled that many New Deal laws were unconstitutional.
  Ex.) AAA, NRA

February 10, 1937, Columbus (Ohio) Dispatch,
"Trying to Change the Umpiring"
The Committee for Industrial Organization

- The United Mine Workers union began to work with other unions to organize workers in industries where unions did not exist.
- To do this, they formed the CIO
- They began with automobile and steel industries—two of the largest industries
- In late December 1936, General Motors launched a sit-down strike due to the first sit-down strike due to the demotion of two workers
- Violence broke out in Flint when police launched a tear gas assault on one of the smaller plants.
- Afterward, GM broke down and recognized the CIO union, United Auto Workers as its employees sole bargaining organization.
- This led to others using the sit-down strike as a method in other industries.
Criticism of the New Deal

**Senator Huey Long:**

- He wanted to put heavy taxes on the rich and to use the money to give every American family a house, a car, and a decent income.
Criticism of the New Deal

Liberty League:

- It complained that the New Deal interfered too much with business and people’s lives.
Francis Townsend:

- He proposed giving every American over age 60 a pension of $200 per month.
- However, people receiving the pension would have to retire, freeing up the job for a younger American.
- In addition, every person that receives the pension would be required to spend it immediately in order to spur the economy.
After winning the 1936 presidential election, FDR proposed increasing the number of Supreme Court Justices from 9 to 15.

February 14, 1937, Waterbury (CT) Republican, "Do We Want A Ventriloquist Act In The Supreme Court?"
* This would allow FDR to appoint 6 new pro-New Deal Justices to the Supreme Court.

February 18, 1937, Oakland (California) Tribune, "New Blood"
The Results:

- Many Americans, including New Deal supporters, felt that FDR was unfairly trying to control the Supreme Court.

February 28, 1937, Richmond (Virginia) Times Dispatch, "What Has Become of the Old-Fashioned Man...?"
FDR withdrew his plan six months later.

* However, one anti-New Deal Justice eventually changed his mind, and FDR appointed a pro-New Deal Justice to the Supreme Court after an anti-New Deal Justice retired.

August 30, 1937  
*Brooklyn Citizen,*  
"Good For Another Meal"
After winning the 1936 presidential election, FDR proposed increasing the number of Supreme Court Justices from 9 to 15.

**Feb. 14, 1937, Waterbury (CT) Republican**, "Do We Want A Ventriloquist Act In The Supreme Court?"

This would allow FDR to appoint 6 new pro-New Deal Justices to the Supreme Court.

**Feb 18, 1937, Oakland (CA) Tribune**, "New Blood"
The Results:
Many Americans, including New Deal supporters, felt that FDR was unfairly trying to control the Supreme Court.

Feb. 28, 1937, Richmond (Virginia) Times Dispatch, "What Has Become of the Old-Fashioned Man...?"

FDR withdrew his plan 6 months later.

One anti-New Deal Justice eventually changed his mind, & FDR appointed a pro-New Deal Justice to the Supreme Court after an anti-New Deal Justice retired.

Aug. 30, 1937 Brooklyn Citizen, "Good For Another Meal"
III. The New Deal’s Impact on Society

A. New Deal Constituencies

1. The New Deal led to expansion of the federal bureaucracy & Washington
2. Federal Gov. acts as a “broker state” mediating between contending pressure groups seeking power and benefits.

4. Minorities:
   a. FDR appointed 1st female cabinet member (Francis Perkins), & other females to govt.
   b. Eleanor Roosevelt worked to increase women’s power and other minorities.
   c. African Americans received large numbers of jobs with the WPA
   d. Mary McLeod Bethune headed the “black cabinet”, an informal network that worked for fairer treatment for blacks by New Deal agencies.

5. Mexican-Americans benefited from relief programs & became active in the Democratic party.

C. The New Deal & the Arts

1. New Deal's impact on the fine arts in the United States
   a. The **Federal Art Project (FAP)** employed many of the 20th century's leading painters, muralists, and sculptors when the lack of private patronage might have prevented them from continuing their artistic work.
   b. **Federal Music Project** - subsidized ballets written by Aaron Copland.
   c. **Federal Writers' Project** supported young writers, such as Saul Bellow, Ralph Ellison, Tillie Olson, Richard Wright, & John Cheever.
   d. March of Time newsreels, show news of the world

D. The Legacies of the New Deal

1. Govt made a commitment to intervene when the private sector could not guarantee economic stability, & federal regulation brought order to economic life.
2. Federal govt accepted primary responsibility for the indiv. & collective welfare of the people (Development of the Welfare State!). Welfare benefits varied widely from state to state, no national health care system.
**LEgACY OF NEW DEAL**

**Successes of New Deal**

**AMERICANS IN 1939 WHO WANTED THE NEW DEAL TO CONTINUE WAS 55%..... 37% REGARDED IT AS A BAD INFLUENCE & WANTED A NEW PRESIDENT..............**

- Stimulated the economy
- Put people back to work....
- Improved morale & self-confidence of the people
- US Govt’s. role changes & became directly involved in helping people
- WWII ended the Great Depression not FDR’s New Deal

3. Democrats recognized that poverty was the result of structural economic problems not personal failure.

4. Important political legacy of the New Deal for the Democratic Party:
   a. Democratic Party created a political coalition that lasted for decades.
   b. African Americans were an important part of the Democratic coalition.
   c. Organized labor remained loyal to the Democratic Party.
Criticisms of New Deal

- US government & President too powerful
- Violated laissez faire
- Supreme Court declared NIRA & AAA unconstitutional

**Critics:** Father Charles Coughlin, Dr. Francis Townsend, Huey Long

**Deficit spending:** Govt. spends $$$ to stimulate the economy & help people even if it means US Govt. goes into debt.

**Welfare state**----Created a population of Americans who relied on the US Govt. to live
SOCIALISM

• **Economic system** based on cooperation rather than competition

• Believes in *government ownership* of business & capital

• Government *controls production* & *distribution* of goods.

• Opposite of *laissez faire* & *capitalism*
The Committee for Industrial Organization

Rise of Labor

1. CIO - promoted industrial unionism - organizing all workers in one industry, both skilled & unskilled. (Women, African Am., Mexican Am. also joined)

2. The United Mine Workers under the leadership of John Lewis broke with the AFL union & began to work with other unions to organize workers in industries where unions did not exist. They formed the CIO.
   a. They began with automobile & steel industries—two of the largest industries
   b. In late December 1936, workers at General Motors launched a sit-down strike.
   c. Violence broke out in Flint when police launched a tear gas assault on one of the smaller plants. Afterward, GM broke down & recognized the CIO union, United Auto Workers as its employees sole bargaining organization.
   d. This led to others using the sit-down strike as a method in other industries.

3. Labor movement failed to become a dominant force in American life because many workers remained apathetic about unionization.
New Deal: Alphabet Agencies

Recovery: Begin Economic Growth

AAA Agricultural Adjustment Act (1933)

• Protected farmers from *price drops* & *over production* by providing crop subsidies to reduce production, and by educational programs to teach methods of preventing soil erosion.

• US Govt. *Paid farmers* (subsidies) not to grow crops, produce dairy products such as milk & butter or raise pigs & lambs.

• Prevent another *Dust Bowl*, teach farmers methods of preventing soil erosion.
C. The New Deal under Attack

1. Critics on the Right- New Deal went too far
   a. Liberty League was organized by business leaders & conservative Democrats who opposed New Deal reforms. Label New Deal “reckless spending”, “socialist” reforms.
   b. In *Schecter v. United States*, the Supreme Court
      a. unanimously decided that the National Industrial Recovery Act (NIRA) was an unconstitutional delegation of legislative authority to the executive.

2. Critics on the Left- New Deal didn’t go far enough
   a. Francis Townsend- proposed Old Age Revolving Pension Plan.
   b. Father Coughlin- demanded nationalization of the banking system & expansion of the money supply. (led National Union for Social Justice)
   c. Huey Long- est. Share Our Wealth Society; soak the rich, give to poor.
II. The Second New Deal, 1935–1938

A. Legislative Accomplishments

1. Criticism from left & right led Roosevelt to choose emphasize **reform** rather than **recovery** by backing legislation to expand the role of the federal government in providing for the welfare of citizens.

2. **Wagner Act**- upheld the rights of industrial workers to join a union; Established National Labor Relations Board to protect workers’ rights

3. **Social Security Act (1935)**- provides for pensions in the private sector to be financed by a federal tax that both employers and employees pay; also unemployment compensation system established. It also mandated assistance programs for the blind, deaf, disabled & dependent children.

4. **WPA**- main federal relief agency for the rest of the depression; put unemployed workers directly on the federal payroll.

5. **Revenue Act of 1935**- (Tax Reform) increased estate & corporate taxes, instituted higher income tax rates for the wealthy;
   a. denounced by its opponents as a “soak the rich” measure; provided FDR with support vis-à-vis Huey Long.

6. FDR won the 1936 election with a landslide against Alfred Landon.
B. Stalemate

1. FDR tried to enlarge (pack) the Supreme Court with people who would support his programs. Wanted to add one new justice for each sitting justice over the age of 70. He was unsuccessful, but the court began to uphold New Deal legislation, & many retired.

2. FDR managed to reshape the Supreme Court through 7 new appointments, & some changed their viewpoints.

3. New legislation:
   a. National Housing Act (1937)- mandated building of low cost housing
   b. Fair Labor Standards Act (1938)- minimum wage made permanent, maximum hours, and anti- child labor provisions

3. “Roosevelt Recession”- of 1937/8- Steady improvement in the economy led critics to force FDR to cut spending & balance the budget, causing a tightening in credit, a market downturn, & rising unemployment

4. Ideas of John Maynard Keynes- theory of using the deficit to stimulate the economy.

5. Conservative Republican & Democrat backlash against reforms.
Supreme Court was striking down New Deal legislation.

Roosevelt proposed a bill to allow the president to name a new federal judge for each who did not retire by age 70 and 1/2.

6 justices over age limit.

Would have increased the number of justices from 9 to 15, giving FDR a majority of his own appointees on the court.

The court-packing bill was not passed by Congress.