Chapter 23: The New Deal

President Franklin D. Roosevelt’s New Deal programs stimulate the economy and the arts. The New Deal leaves a lasting, yet controversial mark on American government.

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23.1: A New Deal Fights the Depression
After becoming president, Franklin Delano Roosevelt uses government programs to combat the Depression.

I. Americans Get a New Deal
   A. ’32 election proves Americans frustrated with limited efforts of Republicans
   B. Electing Franklin Delano Roosevelt
      1. Democrats nominate NY governor Franklin Delano Roosevelt
         a. reform-minded; projects friendliness, confidence
      2. Democrats overwhelmingly win presidency, and both Senate, House
   C. Waiting for Roosevelt to Take Over
      1. With “Brain Trust,” FDR formulates policies to alleviate problems
      2. New Deal—relief for needy, economic recovery, financial reform
   D. The Hundred Days
      1. FDR immediately launches ambitious new program; passes over 15 major New Deal laws
         a. Emergency Banking Relief Act permits Treasury Dept. to inspect banks
            i. decides which are insolvent, sound, or need loans
            ii. public confidence in banks revived
   E. An Important Fireside Chat
      1. FDR gives fireside chats—radio talks explaining New Deal measures
2. First chat discusses need for public support of government, banks

F. Regulating Banking and Finance
   1. Glass–Steagall Act establishes Federal Deposit Insurance Corporation
      a. insures individual bank accounts, regulates banking practices
   2. Federal Securities Act—companies must give all information on stocks
      a. Securities and Exchange Commission created to regulate stock market

G. FDR gets law allowing production of some alcoholic beverages—raise revenue through taxes
   1. 21st Amendment repeals prohibition by end of 1933

II. Helping the American People
   A. Growth of govt. sees active role in directly helping Americans
   B. Rural Assistance
      1. Agricultural Adjustment Act (AAA) raises food prices, lowers supply
      2. Tennessee Valley Authority (TVA) creates jobs renovating, building dams
   C. Providing Work Projects
      1. Civilian Conservation Corps (CCC) provides public works jobs for young men
      2. Public Works Administration (PWA)—money to states to create jobs
      3. Civil Works Administration (CWA) builds rural schools, pays teachers
   D. Promoting Fair Practices
      1. National Industrial Recovery Act (NIRA) establishes codes of fair practice for industries
         a. creates National Recovery Administration (NRA)
         b. NRA sets standards, prices, limits production
   E. Food, Clothing, and Shelter
      1. Home Owners Loan Corporation (HOLC) gives loans to prevent foreclosures
      2. Federal Housing Administration (FHA) gives loans for mortgages, repairs
      3. Federal Emergency Relief Administration (FERA) — direct relief to needy

III. The New Deal Comes Under Attack
A. Opposition to the New Deal
   1. Deficit spending—spending more money than government takes in
      a. “priming the pump”—funds New Deal
   2. Criticism comes from both sides
      a. Liberals: New Deal does not do enough to help poor, fix economy
      b. Conservatives: New Deal used to control business, socialize economy

B. The Supreme Court Reacts
   1. Supreme Court strikes down NIRA, AAA as unconstitutional
   2. FDR proposes “Court-packing bill” to add more favorable justices; Congress, press, public protest
      a. Starting in 1937, justices retire; FDR appoints seven new ones

C. Three Fiery Critics
   1. Some conservative opponents form American Liberty League
      a. Suggest that ND measures violate respect for personal rights, property
   2. Father Charles Coughlin withdraws initial support of New Deal
      a. wants guaranteed income, banks nationalized
   3. Dr. Francis Townsend devises pension plan for elderly
   4. Presidential hopeful, Senator Huey Long has popular social program

23.2: The Second New Deal Takes Hold
The Second New Deal includes new programs to extend federal aid and stimulate the nation’s economy.

I. The Second Hundred Days
   A. Furthering the New Deal
      1. By 1935, economic recovery not as great as FDR had expected—unemployment still remains high, production lags
      2. FDR and ND still enjoy popularity, second phase launched: more relief for farmers, workers
      3. First Lady Eleanor Roosevelt, a social reformer, prods president to commit resources to solve suffering
   B. Reelecting FDR
1. 1936, Democrats win presidency, large majorities in both houses
2. First time most African Americans vote Democratic
3. First time labor unions support presidential candidate

II. More Help for Farmers
   A. Thousands of farms lost 20% mortgaged
   B. Focusing on Farms
      1. 1936 Soil Conservation and Domestic Allotment Act replaces AAA
         a. rewards farmers for practicing soil conservation
         b. New act avoids unconstitutional provision
      2. Resettlement Administration gives loans to small farmers to buy land
         a. Farm Security Administration (FSA)—loans to tenant farmers to buy land
            i. FSA also hires photographers to shoot rural towns, farms, farmers

III. Roosevelt Extends Relief
   A. Programs for Urban Workers
      1. Works Progress Administration (WPA)—creates jobs
         a. workers build airports, roads, public buildings
         b. Women workers sew clothes for the needy
         c. WPA even employs professional writers, artists, performers
      2. National Youth Administration (NYA)—education, jobs, counseling
         a. aid to students in exchange for part-time work

IV. Improving Labor and Other Reforms
   A. Improving Labor Conditions
      1. National Labor Relations Act, or Wagner Act, replaces NIRA
         a. protects right to join unions, collective bargaining
         b. prohibits unfair labor practices
      2. National Labor Relations Board hears testimony about labor practices
         a. Holds elections to determine if workers want unions
      3. Fair Labor Standards Act sets maximum hours, minimum wage
   B. The Social Security Act
1. 1935, Social Security Act creates Social Security system; provides:
   a. insurance for retirees 65 or older
   b. unemployment compensation
   c. aid to disabled, families with children
C. Expanding and Regulating Utilities
   1. Rural Electrification Administration brings electricity to farms
   2. Public Utility Holding Company Act aims to stop financial corruption

23.3: The New Deal Affects Many Groups
New Deal policies and actions affect various social and ethnic groups.

I. The New Deal Brings New Opportunities
   A. New Opportunities—Limited Gains
   B. Women Make their Mark
      1. Frances Perkins, secretary of labor, is first female cabinet member
      2. FDR also appoints 2 women as diplomats, 1 as federal judge
      3. Women still face discrimination in workplace from male workers
         a. NRA sets some lower minimum wages for women
         b. Federal work programs hire far fewer women than men
         c. Only slight increase in overall % of women working for wages

II. African–American Activism
   A. A. Philip Randolph and the Brotherhood of Sleeping Car Porters
   B. African Americans Take Leadership Roles
      1. FDR appoints more than 100 African Americans to government
         a. Mrs. Roosevelt plays key role
      2. Educator Mary McLeod Bethune heads Division of Negro Affairs of NYA
      3. Helps organize “Black Cabinet” of African–American advisers
4. Daughters of American Revolution refuse Marian Anderson concert
   a. Mrs. Roosevelt resigns; arranges for Lincoln Memorial concert

C. The President Fails to Support Civil Rights
   1. afraid of upsetting white Southern Democratic voters
      a. Refuses to approve antilynching law, end to poll tax
   2. New Deal agencies discriminate against African Americans
      a. pay them lower wages, favor whites
   3. African Americans help organize Southern Tenant Farmers Union
   4. Still, generally support Roosevelt administration, New Deal

III. Mexican–American Fortunes
   A. Mexican Americans Under FDR
      1. Mexican Americans generally support New Deal
      2. Many come to U.S. in 1920s, settle mainly in Southwest
         a. work on farms
      3. CCC, WPA help some Mexican Americans
         a. Disqualify migrant workers with no permanent address

IV. Native Americans Gain Support
   A. Native Americans and the New Deal
      1. 1924, Native Americans receive full citizenship
      2. John Collier, commissioner of Indian affairs, changes policies
      3. Indian Reorganization Act favors native autonomy, mandates changes:
         a. lands belong to entire tribe; government can’t sell unclaimed areas
         b. children can attend schools on reservations
         c. tribes elect tribal councils to govern reservations

V. FDR Creates the New Deal Coalition
   A. New Deal Coalition—different groups that support Democratic Party
      1. minorities
      2. Southern whites
      3. Urban groups
4. Unionized industrial workers

B. Labor Unions Flourish
   1. Pro-labor legislation leads unions to donate money for FDR reelection
   2. 1933–1941, union membership grows from 3 million to over 10 million
   3. American Federation of Labor traditionally craft unions only
   4. Many unions frustrated by this discriminatory position
      a. Unskilled denied entry to AFL, leaders organize Congress of Industrial Organizations (CIO)

C. Labor Disputes
   1. Sit-down strike important bargaining tactic of 1930s
      a. prevents owners from hiring strikebreakers
   2. Some labor disputes violent
      a. NLRB forces Republic Steel to negotiate after clash with strikers

D. FDR Wins in 1936
   1. Political orgs. in large Northern cities support FDR
   2. Urban, religious, ethnic groups also support FDR
      a. FDR appoints officials of urban–immigrant background

23.4: Culture in the 1930s
Motion pictures, radio, art, and literature blossom during the New Deal.

I. The Lure of Motion Pictures and Radio
   A. Despite economic hardship—mass entertainment culture continues to expand
      1. 65% of Americans attend once a week
   B. Movies are a Hit
      1. New era of glamour and sophistication
      2. As an escape, some presented stories of fantasy, wealth, romance, and good times
         a. Gone With the Wind
         b. The Wizard of Oz
         c. Duck Soup
         d. Mr. Deeds Goes to Town
      3. Several films present New Deal policies in positive light
C. Radio Entertains
   1. 90% of households have a radio; families listen together every day
   2. Dramas, variety shows play in evening
      a. Orson Welles—actor, director, producer, writer
         i. The War of The Worlds
   3. Soap operas for homemakers broadcast in daytime
   4. Children’s shows after school hours
   5. Immediate news coverage becomes customary
      a. i.e. Hindenburg

II. The Arts in Depression America
   A. Contrasts with escapism of movies and radio
      1. Portrayed grim reality
      2. Or celebrated social change GD/ND brought
   B. Artists Decorate America
      1. Federal Art Project pays artists to make art, teach in schools
         a. Aim to promote art appreciation, positive image of America
         b. Murals typically portray dignity of ordinary people at work
      2. Many outstanding works painted by artists, including Grant Wood
      3. Federal Theater Project hires actors, artists
   C. Woody Guthrie Sings of America
      1. Singer, songwriter focus is plight of poor
   D. Diverse Writers Depict American Life
      1. Federal Writers’ Project supports many who become major writers
         a. Richard Wright, African-American author, writes Native Son
         b. John Steinbeck writes The Grapes of Wrath about Dust Bowl migrants
      2. Some writers examine difficulty of life in 1930s
      3. Others show dignity of ordinary people, values of small-town life

23.5: The Impact of the New Deal
The New Deal affects American society not only in the 1930s but also in the decades that follow.

I. New Deal Reforms Endure
A. The New Deal Ends
   1. By 1937, economic improvement convinces many Depression is ending
   2. Congress wants to cut back programs; by 1939, New Deal effectively over
   3. Distractions overseas…
B. Supporters and Critics of the New Deal
   1. Conservatives think FDR made federal government too large
      a. stifled free enterprise, individual initiative
   2. Liberals: didn’t do enough to socialize economy, end inequalities
   3. Supporters: did help country recover from economic difficulties
C. Expanding Government’s Role in the Economy
   1. FDR expands power of federal government, president
   2. Federal Deposit Insurance Corporation (FDIC) regulates banking
   3. Securities and Exchange Commission (SEC) regulates investment
   4. New Deal does not end Depression; does reduce suffering, give hope
      a. Federal government goes deeply into debt to create jobs, give aid
      b. Massive spending on equipment, supplies for WWII end Depression
D. Protecting Workers’ Rights
   1. New Deal laws set higher standards, ban child labor, permit unions
      a. established policies followed today
   2. National Labor Relations Board (NLRB) still mediates labor disputes
E. Banking and Finance
   1. SEC still monitors stock market, enforces laws on stock, bond sales
   2. FDIC still protects individual investors in case of bank failure
II. Social and Environmental Effects
   A. Social Security
      1. Federal govt. takes responsibility for citizens’ welfare
      2. Provides for aged, disabled, needy
   B. The Rural Scene
1. Commodity Credit Corporation makes loans to farmers
   a. based on amount of farmer’s surplus, parity price
   b. Parity price—price intended to keep farmers’ income steady
   c. Agricultural price supports set precedent of federal aid to farmers

C. The Environment
1. CCC plants trees, builds hiking trails, fire lookout towers
2. Soil Conservation Service teaches methods to preserve soil
3. Taylor Grazing Act reduces grazing on public lands
4. Tennessee Valley Authority (TVA) creates electricity, prevents floods
5. Government adds national parks, wildlife refuges, wilderness areas