The Great Depression and the New Deal

1933 - 1939
FDR: Politician in a Wheelchair

- Background on FDR
  - Charismatic, tall, athletic, handsome
  - Could also be superficial and arrogant
  - Born wealthy; 5th cousin of Theodore Roosevelt
  - Graduated from Harvard
  - 1913 – 1920 – assistant secretary of the navy
  - 1921 – at age 39, contracted polio
    - Paralyzed from waste down
    - Disease made him more compassionate and strong
  - Served in NY legislature and was nominated to vice presidency in 1920
  - 1928 – 1932 – Served as governor of New York
    - Used state spending to relieve suffering
    - Condemned by conservatives as a “traitor to his class”
Franklin Roosevelt
FDR: Politician in a Wheelchair

- Eleanor Roosevelt
  - Strong woman who traveled and campaigned for her husband
    - Franklin called her “his legs”
  - “conscience of the New Deal”
    - Championed causes of poor and dispossessed
  - Powerfully influenced policies of national government
President Roosevelt with Eleanor Roosevelt
FDR: Politician in a Wheelchair

• Election of 1932 - Democrats
  – Nominated Roosevelt
  – Would repeal prohibition
  – Blamed Hoover for Depression
  – Would balance the budget
  – Sweeping social and economic reforms
FDR: Politician in a Wheelchair

• Election of 1932 - Republicans
  – Nominated Hoover
    • Done without enthusiasm
  – Praise Republican anti-Depression policies
  – Halfhearted promise to repeal prohibition
FDR: Politician in a Wheelchair

- Election of 1932 – Roosevelt’s campaign
  - Brutal attacks on Republican handling of Depression
  - New Deal for the “forgotten man”
  - Some vague and contradictory promises
  - Promised to balance the budget; attacked Hoover for deficit spending
  - Promised to boldly experiment
The Forgotten Man
FDR: Politician in a Wheelchair

- Election of 1932 – Hoover’s pessimistic campaign
  - Hoover battled the Depression while trying to campaign
    - Always argued that uncertainty and fear produced by Roosevelt’s coming victory made Depression worse
  - Slogans like “The Worst is Past” and “It Might Have Been Worse”
  - Spoke out for free enterprise and individualism
  - Argued that repeal of Hawley-Smoot Tariff would make Depression worse
Hoover’s Humiliation in 1932

- Results of the 1932 election
  - FDR beat Hoover by 7 million votes (22 to 15 million
    - 472 – 59 in electoral college
    - Hoover carried only 6 states
  - Blacks began shift from Republicans to Democrats, especially in urban North
  - Republicans hurt by Depression
    - Vote was more anti-Hoover than pro-Roosevelt
Election of 1932

1932

ELECTORAL VOTE
TOTAL: 531

POPULAR VOTE
TOTAL: 39,744,313

Democratic (F. D. Roosevelt)
Republican (Hoover)
Electoral Shift, 1928 - 1932

The map illustrates the electoral shift from 1928 to 1932 across the United States. The green states switched from Republican in 1928 to Democrat in 1932. States colored blue remained Republican in both years. Yellow states remained Democrat in both years. The map visually represents the political changes and realignments during this period.
Hoover’s Humiliation in 1932

- November 1932 – March 4, 1933 – Hoover’s lame duck period
  - Hoover could not take any long-range action without FDR
  - Roosevelt refused to be tied down by Hoover on war-debt or anti-inflationary policy
  - Republicans argued (now and then) that Roosevelt deliberately allowed the Depression to worsen to give himself more glory
FDR and the Three R’s: Relief, Recovery, and Reform

• March 4, 1933 – Roosevelt inaugurated
  – Speech broadcast nationally via radio
  – Blamed Depression on “money changers”
  – Government must attack Depression as it would an armed enemy
  – “Let me assert my firm belief that the only thing we have to fear is fear itself.”
The Vanquished and the Victor
Anybody!
FDR and the Three R’s: Relief, Recovery, and Reform

• New Deal’s goals
  – Short-range – relief and immediate recovery
  – Long-range – permanent recovery and reform of abuses that had produced the boom and bust cycle
FDR and the Three R’s: Relief, Recovery, and Reform

• Roosevelt’s management style
  – New Congress willing to pass almost anything Roosevelt asked for
  – Much legislation was written by the “Brain Trust” – group of academics brought in by Roosevelt
  – Led by intuition; didn’t know exactly where he was going
    • He was a quarterback – next play depends on outcome of previous play
  – Public was willing to support any action (even wrong) over doing nothing
The Hundred Days and the First New Deal

- **Outline of the New Deal**
  - Hundred Days focused on short-term problems; long-term reforms came later
  - Passed many essential reforms that industrialized Europe had had for years
    - Unemployment insurance, old-age insurance, minimum-wage regulations, conservation and development of natural resources, restrictions on child labor
  - Owed much to Progressive movement, whose reforms were sidetracked because of WWI and conservative 1920s
It IS a New Deal
The Hundred Days and the First New Deal

• Roosevelt acts decisively
  – March 6 – 10 – nationwide banking holiday declared
  – Overwhelmingly Democratic Congress called into special session
  – March 9 – June 16, 1933 – Hundred Days
    • Congress cranked out laws to deal with Depression
The Hundred Days and the First New Deal

• March 9, 1933 – Emergency Banking Relief Act
  – Gave president power to regulate banking transactions and foreign exchange and reopen solvent banks
The Hundred Days and the First New Deal

- March 12, 1933 – first of 30 “fireside chats”
  - Assured public that it was now safer to keep money in the bank than under the mattress
Roosevelt Giving a Fireside Chat
The Hundred Days and the First New Deal

• March 1933 – Beer Act
  – Light wine and beer with alcoholic content of 3.2% legalized
  – $5 tax on every barrel
  – Would provide employment and raise money for government
  – “drys” labeled Roosevelt a “3.2 percent American”

• Late 1933 – Prohibition repealed by the 21st Amendment
Prohibition Ends at Last!
The Hundred Days and the First New Deal

• The problem of unemployment
  – 1 of every 4 workers unemployed in 1933
  – FDR used federal money to assist unemployed and “prime the pump” (start the flow) of industrial recovery
Unemployment, 1929–1942
The Hundred Days and the First New Deal

• March 1933 – Civilian Conservation Corps (CCC)
  – Employment for 3 million young men
  – Reforestation, firefighting, flood control, swamp drainage
  – Recruits sent home $25 of their $30 monthly pay to parents
Young Men Working as Part of the CCC
The Hundred Days and the First New Deal

• The problems of farming
  – Farmers had historically suffered from low prices and overproduction, made worse by WWI boom years
  – Conditions desperate during Depression
    • Mortgages foreclosed, corn burned for fuel, farmers tried to prevent food shipments to glutted markets
Agriculture During the Depression

Decline in Farm-Product Prices

Federal Farm Mortgages Negotiated

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- Blue: Cotton
- Orange: Corn
- Green: Wheat
Farm Foreclosures and Defaults, 1929–1945
It’s Time for a New “Coat”
The Hundred Days and the First New Deal

• May 1933 – Agricultural Adjustment Administration
  – Farmers were to receive “parity [equal] prices” with those received during 1909 – 1914
  – AAA would create “artificial scarcity” by paying farmers to reduce crop acreage
  – Money to pay farmers raised by taxing processors of farm products (like flour mills)
    • This cost would be passed on to consumers, another way of raising farm prices
The Hundred Days and the First New Deal

• Waste in 1933 because of the AAA
  – Passed after cotton crop had already been planted; farmers forced to plow much of the crop
  – Several million pigs slaughtered; much of the meat went to poor families, but some used as fertilizer
  – Led leftists (like John Steinbeck) to criticize the US economic system because of this waste, when so many people were hungry
The Hundred Days and the First New Deal

• Other problems with the AAA
  – All groups (farmers, food processors, consumers, taxpayers) unhappy because of sacrifice required
  – Paying farmers not to farm increased unemployment
    • Field hands let go; sharecroppers removed from land
A Modern Simon Legree
The Hundred Days and the First New Deal

- January 1936 – United States v. Butler
  - Supreme Court declared AAA unconstitutional
    - Government could not tax one group (food processors) to pay another (farmers)
Higher Court – Lower Case
The Hundred Days and the First New Deal

• May 1933 – Federal Emergency Relief Act (FERA)
  – Headed by New York social worker Harry L. Hopkins, friend of FDR
  – $3 billion granted to states for dole (welfare) payments or wages on work projects
Percentage of Families on Relief, 1933
The Hundred Days and the First New Deal

• May 1933 – Civil Works Administration (CWA)
  – Branch of the FERA
  – Provided temporary jobs during winter of 1933
    • Leaf raking and other jobs designed to give people something to do
  – Criticized for giving people meaningless jobs in order to give them money
The Hundred Days and the First New Deal

• May 1933 – Tennessee Valley Authority (TVA)
  – Background
    • New Dealers accused utilities of overcharging consumers
    • Tennessee River drained badly eroded area
    • 2.5 million very poor people lived in area
    • Federal government already owned property at Muscle Shoals, Alabama
The Hundred Days and the First New Deal

- The TVA
  - Short-term – put people to work
  - Long-term – reformed the power monopoly
  - Most revolutionary (anti-capitalist) reform of the New Deal
    - Government created with private companies
    - Government used TVA to determine cost to generate power; used as a “yardstick” to measure private companies
    - Critics charged TVA was “creeping socialism”
The Hundred Days and the First New Deal

- Benefits of the TVA
  - Full employment
  - Cheap electricity
  - Low-cost housing
  - Cheap nitrates (fertilizers)
  - Restoration of eroded soil
  - Reforestation
  - Improved navigation and flood control
How a Hydroelectric Dam Works

A hydroelectric dam uses water power to create electricity. The deeper the reservoir, the greater is the force pushing water through the dam.

HYDROELECTRIC DAM

A. The water is forced through the intake and into the penstock.
B. The water force spins the blades of the turbine.
C. The turbine drives the generator.
D. The generator produces electricity and transmits it through the power lines.
E. Once it passes through the turbine, the water reenters the river.
The Hundred Days and the First New Deal

• TVA’s in other parts of the country
  – Federally build dams eventually built along Columbia, Colorado, and Missouri Rivers
  – Comprehensive, federally-guided resource management only at TVA
    • Conservative reaction against “socialism”
The Hundred Days and the First New Deal

• May 1933 – Truth in Securities Act (Federal Securities Act)
  – Sellers had to give buyers sworn information regarding soundness of the stocks and bonds they were buying
The Hundred Days and the First New Deal

- June 1933 – Home Owner’s Loan Corporation (HOLC)
  - Refinanced mortgages on non-farm homes
The Hundred Days and the First New Deal

- June 1933 – Glass-Steagall Banking Reform Act
  - Created the Federal Deposit Insurance Corporation (FDIC)
    - Insured individual deposits up to $5,000 (now $100,000)
    - Ended bank failures in US

Each Depositor Insured to $100,000
Failures Before and After the Glass-Steagall Banking Reform Act of 1933
The Hundred Days and the First New Deal

• Currency reform
  – 1933 – FDR ordered all private holdings of gold surrendered to US Treasury in exchange for paper currency and took US off the gold standard
    • Protect US gold reserves and prevent hoarding
  – Congress cancelled gold-payment clauses in all contracts and authorized repayment in paper money
The Hundred Days and the First New Deal

• Why US went off the gold standard
  – Goal was inflation to relieve debts and stimulate production
  – Government bought up gold at increasing prices
    • Price per ounce went up from $21 (1933) to $35 (early 1934)
  – Attacked by “sound money” conservatives
  – 1934 – 1971 – limited gold standard
    • For international trade, US would pay debts in gold if requested at 1 ounce for every $35 owed
    • Domestic circulation of gold (as money) prohibited
  – 1971 – Nixon took US completely off gold standard
The Hundred Days and the First New Deal

- June 1933 – National Recovery Administration (NRA)
  - Passed under the National Industrial Recovery Act (NIRA)
  - Individual industries (over 200) were to work out codes of “fair competition”
    - Hours of workers reduced to provide more jobs to more people
    - Minimum levels of wages established
  - Labor given additional rights
    - Organize and bargain collectively through representatives that they chose
    - “yellow-dog” contract forbidden
    - Restrictions placed on child labor
NRA United Employer and Employee
The Hundred Days and the First New Deal

- Patriotism and public pressure to achieve compliance with NRA
  - Mass meetings and marches
  - Blue eagle symbol with slogan “We Do Our Part” that merchants displayed in window
We Do Our Part
Fighting Fear and Deflation with the NRA
The Hundred Days and the First New Deal

• Problems with the NRA
  – Required too much self-sacrifice of labor and business
  – “chiselers” (unscrupulous businesspeople) displayed the eagle but secretly violated the code for competitive advantage
The Hundred Days and the First New Deal

- 1935 - Schechter Poultry Corp. v. United States
  - The “sick chicken case”
  - Supreme Court ruled that NRA unconstitutional
    - Congress could not delegate its legislative power to executive branch
    - Congress itself could not regulate a local business – Commerce clause only applied to interstate commerce
Mixed Emotions
The Hundred Days and the First New Deal

- June 1933 – Public Works Administration (PWA)
  - Also passed under NIRA (along with NRA)
  - Headed by Harold Ickes
  - Long-range recovery through industrial recovery and unemployment relief
  - $4 billion spent on 34,000 projects
    - Public buildings, highways, parks
PWA in Action
The Hundred Days and the First New Deal

- PWA built Grand Coulee Dam on Columbia River (Washington)
  - Made possible irrigation of millions of acres of farmland – when government was trying to reduce farm surpluses
  - Provided more electrical power than all of TVA – when there was no market for it
  - After WWII, dam transformed entire region
    - Provided abundant water and power
Grand Coulee Dam
The Hundred Days and the First New Deal

• 1934 – Securities and Exchange Commission
  – Watchdog administrative agency over stock market
  – Stock market ran as trading marts, not gambling casinos
The Hundred Days and the First New Deal

• 1934 – Federal Housing Administration (FHA)
  – Small loans made to improve homes or buy new ones
  – Popular – outlasted Roosevelt Era
Housing Built with Loans from the FHA
Ring Around the Rosies
The Second New Deal

• 1933 – 1934 – First New Deal focused on one of the three R’s: recovery

• 1934 midterm elections gave Democrats more victories in Congress
  – Roosevelt believed he had a mandate to seek more New Deal reforms

• 1935 – Second New Deal focused on the other two R’s: relief and reform
The Second New Deal

- May 1935 – Works Progress Administration (WPA)
  - Passed party to stop criticism from demagogues
  - $11 billion spent on public buildings, bridges, roads, and public art
  - 9 million people given jobs, not handouts
A WPA Project
The Second New Deal

• 1935 – National Labor Relations Act (Wagner Act)
  – Replaced NRA (declared unconstitutional in 1935)
  – Created National Labor Relations Board
  – Guaranteed workers’ right to join a union and a union’s right to bargain collectively
Officials from the NLRB Watch as Workers from a Steel Mill Vote Whether to Join a Union
The Second New Deal

• 1935 – Social Security Act
  – Federal-state unemployment insurance
  – Specific categories of retirees received monthly payments ($10 to $85)
    • $138 to $1173 in 2005 dollars
    • Payments later raised
  – Financed by payroll taxes on employers and employees
  – Help for blind, handicapped, delinquent children and other dependents
A monthly check to you -

For the rest of your life beginning when you are 65

Get your Social Security account number promptly.

Applications are being distributed at all work places.

Who is eligible - Everybody working for salary or wages (with only a few exceptions such as agriculture, domestic service, and government work). Applications for Social Security accounts are available through employers. If you do not get one from your employer, ask for one at the post office.

How to return application

1. Hand it back to your employer.
2. Hand it to any labor organization of which you are a member.
3. Hand it to your letter carrier.
4. Deliver it to local post office.
5. Mail it in a regular envelope.

Do it now, no postage needed.

Social Security Board

Information may be obtained at any post office.
The Second New Deal

• Republicans bitterly opposed Social Security Act
  – “Social Security must be builded upon a cult of work, not a cult of leisure.” Herbert Hoover
  – False charges that every American would have to wear a metal dog tag for life
The Second New Deal

• Social Security reflected big change in philosophy of government
  – Families took care of their own dependents (when families primarily lived on farms)
  – Now, urban, business-dominated America put people at mercy of boom and bust cycles
  – Government now recognized responsibility for welfare of its citizens
  – Modeled on social programs from industrialized countries in Europe
    • In contrast to Europe, people had to be employed to get benefits in US
No Longer “Over the Hill”
The Second New Deal

- 1935 – Public Utilities Holding Company
  - Passed to outlaw giant holding companies controlling many public utilities
The Second New Deal

- 1936 – Soil Conservation and Domestic Allotment Act
  - Passed when first AAA declared unconstitutional
  - Farmers now paid to plant soil-conserving crops (like soybeans) or let their land lie fallow (unplanted)
  - Emphasized conservation instead of price parity for farmers
  - Required land owners to share payments from government with sharecroppers
The Second New Deal

• 1937 – United States Housing Authority (USHA)
  – Loans to cities or states for low-cost housing
  – 650,000 units built, but far below need
  – Opposed by real estate agents, builders, landlords
An Advertisement for a USBA Development
A USHA Development

Atchison Village
DEVELOPED BY
THE HOUSING AUTHORITY OF
THE CITY OF RICHMOND

United States Housing Authority
Defense Housing Project
Federal Works Agency
The Second New Deal

• 1938 – Second Agricultural Adjustment Act
  – Funded from general taxation (instead of special taxation, like first AAA) to get around court’s 1936 ruling
  – In years of good crops, government made bought surplus crops (at parity prices) or paid farmers not to farm
The Second New Deal

- Unions organize
  - 1935 – John L. Lewis (United Mine Workers) formed Committee for Industrial Organization (CIO) within the American Federation of Labor (AFL)
    - CIO wanted to organize unskilled workers
  - 1936 – AFL suspended the CIO unions
  - CIO (now Congress of Industrial Organizations) broke away and formed a rival union
    - Concentrated on organizing unskilled workers
The Second New Deal

- Late 1936 – early 1937 – CIO used sit-down strike in General Motors plant in Flint, Michigan
  - Took over plant and blocked importation of strike breakers
  - Violated conservative idea of private property
  - President and governor refused to use troops to break strike
  - GM finally recognized United Auto Workers (UAW) – part of CIO – as sole bargaining agency for its workers
Sitdown Strike at the Flint, Michigan GM Plant
National Guardsmen Use Teargas to Try to Disperse Workers at the Flint GM Plant
The Second New Deal

- Unionism in the steel industry
  - United States Steel Co. voluntarily recognized its CIO-organized union
  - Smaller steel companies refused to negotiate
  - Memorial Day, 1937 – police fired into a group of strikers at Republic Steel in Chicago
    - 4 people killed
    - Turned public against owners
  - By 1941 – most steel companies had agreed to deal with CIO
The Second New Deal

• 1938 – Fair Labor Standards Act (Wages and Hours Bill)
  – Companies involved in interstate commerce had to
    • Set minimum wages (goal of 40 cents per hour)
    • Set maximum hours (goal of 40 hours per week)
    • Ban child labor under 16; or 18 if the occupation was dangerous
  – Excluded agricultural, service, domestic workers
    • Blacks, Mexicans, women (concentrated in these industries) did not benefit from the act
Your Rights Under the Fair Labor Standards Act

Federal Minimum Wage

$4.75 per hour $5.15 per hour

beginning October 1, 1996 beginning September 1, 1997

Employees under 20 years of age may be paid $4.25 per hour during their first 90 consecutive calendar days of employment with an employee.

Certain full-time students, part-time students, apprentices, and workers with disabilities may be paid less than the minimum wage under special certification issued by the Department of Labor.

Tip Credit - Employees of “tip-credit employers” must pay a cash wage of at least $2.13 per hour if they claim a tip credit against their minimum wage obligation. If an employee tips combined with the employer's cash wage of at least $2.13 per hour do not equal the minimum hourly wage, the employee must make up the difference. Certain other conditions must also be met.

Overtime Pay

At least 1 1/2 times your regular rate of pay for all hours worked over 40 in a workweek.

Child Labor

An employee must be at least 16 years old to work in most non-farm jobs and at least 18 to work in non-farm jobs declared hazardous by the Secretary of Labor. Youth ages 14 and 15 years old may work outside school hours in various non-manufacturing, non-mining, non-hazardous jobs under the following conditions:

- No more than:
  - 3 hours on a school day or 18 hours in a school week;
  - 8 hours on a non-school day or 40 hours in a non-school week.

Also, work may not begin before 7 a.m. or end after 9 p.m., except from June 1 through Labor Day, when evening hours are extended to 9 p.m. Different rules apply in agricultural employment.

Enforcement

The Department of Labor may recover back wages either administratively or through court action, for the employees that have been underpaid in violation of the law. Violations may result in civil or criminal action.

Fines of up to $10,000 per violation may be assessed against employers who violate the child labor provisions of the law and up to $1,000 per violation against employers who willfully or repeatedly violate the minimum wage or overtime pay provisions. The law prohibits discriminating against or discharging workers who file a complaint or participate in any proceeding under the Act.

Note:
- Certain occupations and establishments are exempt from the minimum wage and/or overtime pay provisions.
- Special provisions apply to workers in American Samoa.
- Where state law requires a higher minimum wage, the higher standard applies.

For Additional Information, Contact the Wage and Hour Division office nearest you - listed in your telephone directory under United States Government, Labor Department.

This poster may be viewed on the Internet at this website: http://www.dol.gov/whd/whdcompliance/posters/hr.htm

The law requires employers to display this poster where employees can readily see it.

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
Washington, D.C. 20210

WH Publications 1014
Revised October 2016
The Second New Deal

• Unions continued to thrive under Roosevelt’s protection
  – “Roosevelt wants you to join a union” rallied people to join

• Unions and members gave electoral support to Roosevelt and his policies
The Growth of Labor Union Membership, 1933–1946
A Day for Every Demagogue

- Demagogue – a leader who obtains power by means of impassioned appeals to the emotions and prejudices of the populace
- Danger not only from Depression but from critics on the left who appealed to the suffering masses
A Day for Every Demagogue

• Father Charles Coughlin
  – From Michigan
  – Demanded “Social Justice”
    • Inflated currency
    • Nationalization of all banks
  – Anti-Semitic and fascistic attacks led to superiors in Catholic church silencing him
Father Charles Coughlin
A Day for Every Demagogue

• Senator Huey P. “Kingfish” Long
  – From Louisiana
  – “Share Our Wealth” program
    • Promised to make “Every Man a King”
    • Every family would receive $5,000 yearly by taxing the rich
  – Killed by assassin in 1935
Huey Long
A Day for Every Demagogue

• Dr. Francis E. Townsend
  – From California
  – Retired doctor who had lost his savings in crash
  – Every senior (over 60) would receive $200 a month
    • To stimulate the economy, they would be required to spend the money that month
Dr. Francis E. Townsend

THE TOWNSEND PLAN

$200 per month for those over 60 years of age. The spending of this money will put the control of credit in the hands of the people—preventing economic chaos.
New Visibility for Women

- Women began to achieve more in politics and intellectual life during the 1930s.
New Visibility for Women

- Inside the Roosevelt Administration
  - Eleanor Roosevelt
  - Secretary of Labor Frances Perkins
    - First woman cabinet member
  - Mary McLeod Bethune
    - Director of the Office of Minority Affairs in National Youth Association
    - Highest-ranking black in FDR’s administration
Secretary 
of Labor 
Frances 
Perkins
New Visibility for Women

• Intellectual pursuits
  – Social sciences
    • Ruth Benedict
      – Pioneered study of culture as collective personalities
    • Margaret Mead
      – Studied young Pacific islanders for new ideas about sexuality and gender roles
  – Writing
    • Pearl S. Buck
      – Wrote The Good Earth, introducing Chinese peasant society to Americans
Dust Bowls and Black Blizzards

• Late 1933 – drought struck Great Plains
  – Rainless weeks, furious winds removed tons of topsoil
  – Reached from Colorado to Missouri

• Causes of the dust storms
  – Natural causes (lack of rain, drought)
  – Farming marginal land during WWI
  – Dry-farming techniques (leaving land fallow in summer)
  – Mechanization tore up much more land than previously (using horses)
The Dust Bowl

**Nebraska, 1935–1937**
Over two years, federal workers help soil conservation by planting 360,000 trees and completing 62 dams, 517 ponds, and 500 acres of terracing.

**Beaver, Okla., March 24, 1936**
Grain-elevator operators estimate that 20% of wheat crop has been blown away by dust storms.

**Tucumcari, N. Mex., March 30, 1936**
Clouds of dust blown by 50-mph winds cause complete darkness.

**Chicago, Nov. 1933**
Crowds at Chicago Exposition world’s fair are caught in 50 mph gale of dust.

**Boston, May 1934**
Midwestern dust is found on airplanes landing in Boston; it collected on the planes at altitudes of up to 20,000 ft.

**New York City, May 12, 1934**
Dust lowers humidity from normal 57% to 34%. Dust is reported on ships 500 miles out to sea.
Dust Bowls and Black Blizzards

• Tens of thousands left the Dust Bowl area
  – 350,000 “Okies” and “Arkies” migrated to California along Route 66
  – Like Joads in *Grapes of Wrath*
Commissioned on the cusp of the Depression, Route 66 symbolized the road to opportunity. Also known as “the Mother Road,” it became the subject of countless songs, films, books, and legends.

**1916** Federal-Aid Road Act sets up highway program with the federal government paying half the cost of states’ highway construction.

**1921** Highway construction in 11 western states begins under administration of Bureau of Public Roads.

**1926** U.S. Highway 66, which would run 2,448 miles from Chicago to Los Angeles, California, is established.

The “Auto Camp” developed as townspeople roped off spaces alongside the road where travelers could sleep at night.

Route 66 linked hundreds of rural communities in Illinois, Missouri, and Kansas to Chicago, enabling farmers to transport produce.

Routing of highway through 392 miles of Oklahoma gave the state more miles, more jobs, and more income than other states on Route 66.
Migrant Mother
Okies on the Road to California
Dust Bowls and Black Blizzards

• 1934 – Frazier-Lemke Farm Bankruptcy Act
  – Suspended mortgage foreclosures for 5 years
  – Declared unconstitutional in 1936
  – Congress revised the law, limiting the length of time to 3 years, which was upheld by the court
Foiled!

—By Talburt

Foiled
Dust Bowls and Black Blizzards

• 1935 – Resettlement Administration
  – Helped farmers move to better land
• CCC planted 200 million trees in prairies
Family in Front of Their House Provided by the Resettlement Administration
Dust Bowls and Black Blizzards

• Policies toward Indians
  – Indian Reorganization Act of 1934
    • Reversed assimilation policies of Dawes Act (1887)
    • Encouraged tribes to preserve culture and set up self-government
Landon Challenges “the Champ”

- Election of 1936 – Democrats
  - Nominated Roosevelt
  - Platform praised the New Deal
Landon Challenges “the Champ”

• Election of 1936 – Republicans
  – Nominated Kansas governor Alfred M. Landon
    • Moderate who accepted some New Deal reforms
  – Platform attacked the New Deal
    • Franklin “Deficit” Roosevelt
    • Radical experimentation and “frightful waste”
  – Hoover called for a “holy crusade for liberty”
  – American Liberty League
    • Group of wealthy conservatives organized to fight “socialistic” New Deal
Landon Challenges “the Champ”

- FDR attacked the Republicans
  - Denounced “economic royalists”
  - “I welcome their hatred.”
Landon Challenges “the Champ”

- Results of the 1936 election
  - Lopsided victory for Roosevelt
    - Landon carried only Maine and Vermont
    - Democrats returned to power in both houses of Congress with 2/3 majorities
Landon Challenges “the Champ”

- Roosevelt’s coalition (political alliance)
  - Unions
  - Traditional left-wingers who had voted for more liberal third parties
  - Blacks, who ended traditional voting for Republicans (since Lincoln)
  - Poor people receiving government assistance
    - No one “shoots at Santa Claus” (Al Smith)
  - New immigrants in big cities
    - Mostly Catholics and Jews
Landon Challenges “the Champ”

• January 20, 1937 – Roosevelt inaugurated
  – 20th amendment changed date from March 4 in order to get rid of lame duck period of Congress and shorten awkward time for previous president before new president takes over

• Roosevelt sees his election as a mandate to continue New Deal reforms
Nine Old Men on the Bench

- The Supreme Court
  - Ultra conservative
  - 6 of 9 justices were over 70
  - Had ruled against New Deal 7 of 9 times it came before them, usually with only 5 to 4 majorities
  - Roosevelt had not appointed 1 justice in first term
Blocked by the Constitution
Still Supreme
Have You Any More Children Who’d Like to Try?
Nine Old Men on the Bench

- Democracy vs. republicanism
  - Roosevelt believed in democracy
    - Because public opinion was overwhelmingly behind the New Deal (as evidenced by the support for the Democratic party), the Supreme Court should back public opinion
  - The Court and Republicans believed in republicanism
    - Voters were to choose wise men to lead them; these men would not always bow to the public’s whims; there were higher principles (property rights; what they saw as “socialism”) than just what the people wanted
  - Don’t confuse the name of the party with the philosophy – they’re not the same
Nine Old Men on the Bench

- Roosevelt’s court reform ("court packing") plan
  - 1937 – Roosevelt asked Congress to allow him to appoint 1 new justice for every member over 70 who would not retire
    - Maximum membership would be 15
    - Falsely accused Court of being behind in its work
    - Would have given Roosevelt 6 new appointments
A Brand New Car
The Great Emancipator
The Court Changes Course

• Congress and the public quickly turned against Roosevelt’s plan
  – Tampering with checks and balances
  – Trying to become a dictator
  – Threat to basic liberties
The Hands of Dictatorship
The Court Changes Course

• “A switch in time saves nine”
  – Justice Owen J. Roberts, previously conservative, began to vote with the liberals
  – March 1937 – court upheld state minimum wage law for women
    • Reversal of a similar case from 1936

• 1937 – Congress voted full pay for retired justices over 70
  – One of the oldest conservatives retired
  – Replaced by more liberal Hugo Black

• Important New Deal laws upheld by new majority
The Daring Young Man

THE DARING YOUNG MAN

JUSTICE ROBERTS

THE OTHER EIGHT

MINIMUM WAGE ACT

WAGNER ACT

SOCIAL SECURITY ACT

NEW DEAL
The Court Changes Course

• Roosevelt lost the battle but won the war
  – Court reform bill defeated, except for weakened one that only applied to lower courts
  – Court was much more willing to go along with Roosevelt’s New Deal measures
  – Roosevelt was able to make 9 total appointments because of death and retirement
    • More than any president since Washington

• But Roosevelt also lost much support after 1937 because his court reform plan aroused conservatives in both parties that felt New Deal reforms were going too far
Now Wouldn’t This Be Ironic?
Twilight of the New Deal

• 1933 – 1937 – Depression continued during Roosevelt’s first term
  – Unemployment still at 15% (but down from high of 25%)

• 1937 – the “Roosevelt recession”
  – Economy took sharp downturn
  – Social Security ate into payroll checks
  – Administration had cut back on spending to keep budget balanced (as close as possible)
Twilight of the New Deal

• Keynesianism
  – British economist John Maynard Keynes
  – Advocated government running deficits during bad economic times to heat up the economy
  – Borrowed money would be paid back when times were better
John Maynard Keynes
Twilight of the New Deal

- Critique of Keynesianism: 1944 – The Road to Serfdom by Friedrich Hayek
  - Austrian who fled Europe when Hitler took power
  - Argued that Keynesianism gave government too much power for centralized planning of economy
  - What started as temporary programs would become permanent and expanding
  - No matter how benevolent intentions might be, despotism would follow centralized planning
Friedrich Hayek
Twilight of the New Deal

- Roosevelt practices Keynesianism
  - Before 1937 – deficits had always been small and unintended
    - Roosevelt believed in a balanced budget
  - April 1937 – Roosevelt announced planned deficit spending
  - Major turning point in Roosevelt’s handling of the Depression and government’s relationship with the economy
    - Keynesianism was economic orthodoxy until 1980s
Twilight of the New Deal

• Reorganizing the government
  – 1937 - Roosevelt asked Congress for power to reorganize government to make it more efficient
  – Proposal tangled up with Supreme Court reorganization and was defeated
  – 1939 – Reorganization Act
    • Limited powers to conduct administrative reforms in government
Twilight of the New Deal

- Reforming politics
  - New Dealers accused of getting campaign contributions by using relief checks and other government actions for political purposes
  - Hatch Act of 1939
    - Barred federal administrators (except at highest levels) from campaigning or soliciting for votes
    - Banned government funds for political purposes
    - Stopped collection of contributions from people receiving relief payments
  - Hatch Act expanded in 1940
    - Limits on campaign contributions and spending
  - Politicians in both parties found ways to get around the law
Twilight of the New Deal

• 1938 – New Deal running out of steam
  – Midterm elections – Republicans cut heavily into Democratic majorities in Congress

• 1938 – 1939 – public attention turned to international affairs
New Deal or Raw Deal

• Criticisms of the New Deal
  – Waste, incompetence, and graft (bribery) in New Deal
  – Roosevelt’s “try anything” approach to problems
  – Fear that New Deal was remaking US into communist state
  – Increased size and power of bureaucracy
  – Doubling of deficit ($19 billion to $40 billion); although WWII would increase it to $258 billion
  – Business believed they could get US out of Depression without government interference
  – Despite years and billions, US was still in Depression
Evolution or Revolution?
What a Lovely Voice You Have – Let Me Hear You Sing!
Right-Wing Criticism of the New Deal
FDR’s Balance Sheet

• Support for the New Deal
  – Relief – not the economy – was primarily what they were attacking
  – Graft was minimal compared to amount spent
  – Government had obligation to help the masses
  – Capitalism saved from collapse (purged worse abuses to save it from itself)
  – Fairer distribution of income achieved
  – Stopped more radical solutions to Depressions
  – Kept armed revolt and upheaval occurring in Europe out of US
Distribution of Income in the United States, 1929 - 1946
FDR’s Balance Sheet

• Roosevelt’s middle road
  – Called greatest American conservative
    • Chose middle road between radical conservatives who wanted little or no government action and radical left-wingers who wanted to end capitalism
  – Both Hamiltonian and Jeffersonian
    • Supported big-government action
    • Remembered the “forgotten man”