



# The New Deal Experiment

1932-1939



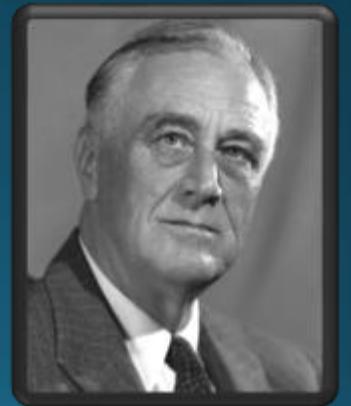
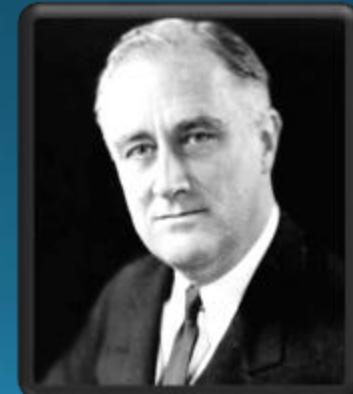
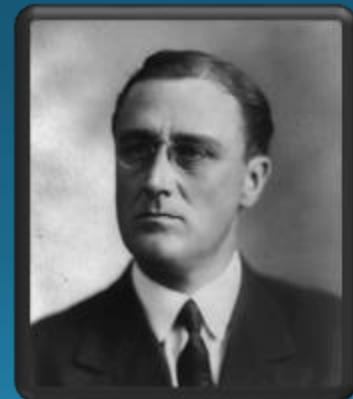
# Central Themes

- The Election of Franklin Delano Roosevelt
- The Goals & Achievements of the First New Deal
- Opposition to the New Deal
- New Deal's Creation of the Welfare State
- New Deal Loses Support in Roosevelt's Second Term
- Conclusion: Achievements & Limitations of the New Deal

# Franklin Delano Roosevelt

(1882-1945)

- From Extremely Wealthy Family
  - (Hyde Park, New York; Neighbors to Vanderbilts)
- Extremely Educated (Attended Harvard (AB) & Columbia (JD))
- Marries Eleanor Roosevelt
- Polio (?) Leaves him Paralyzed (1921)
  - Therapy Brings him to the South
  - Meets Southern Democrats



# Franklin Delano Roosevelt

(1882-1945)

- Essentially an Aristocrat
- Political Pragmatist
  - Extreme Progressive
- Expands the Role of the Presidency
  - Believes Government has Obligation to Help the People
  - Sympathized with the Plight of Everyday People



# Eleanor Roosevelt

(1884-1962)

- From an Extremely Wealthy Family (The Roosevelts)
- Traumatizing Childhood
  - Death of Mother & Brother
  - Tragic Death of Her Father
- Reshapes the Role of the First Lady (Activist First Lady)
  - Active Supporter in Civil Rights
- An Active Supporter or Critic of Her Husband
  - Did Both in Public

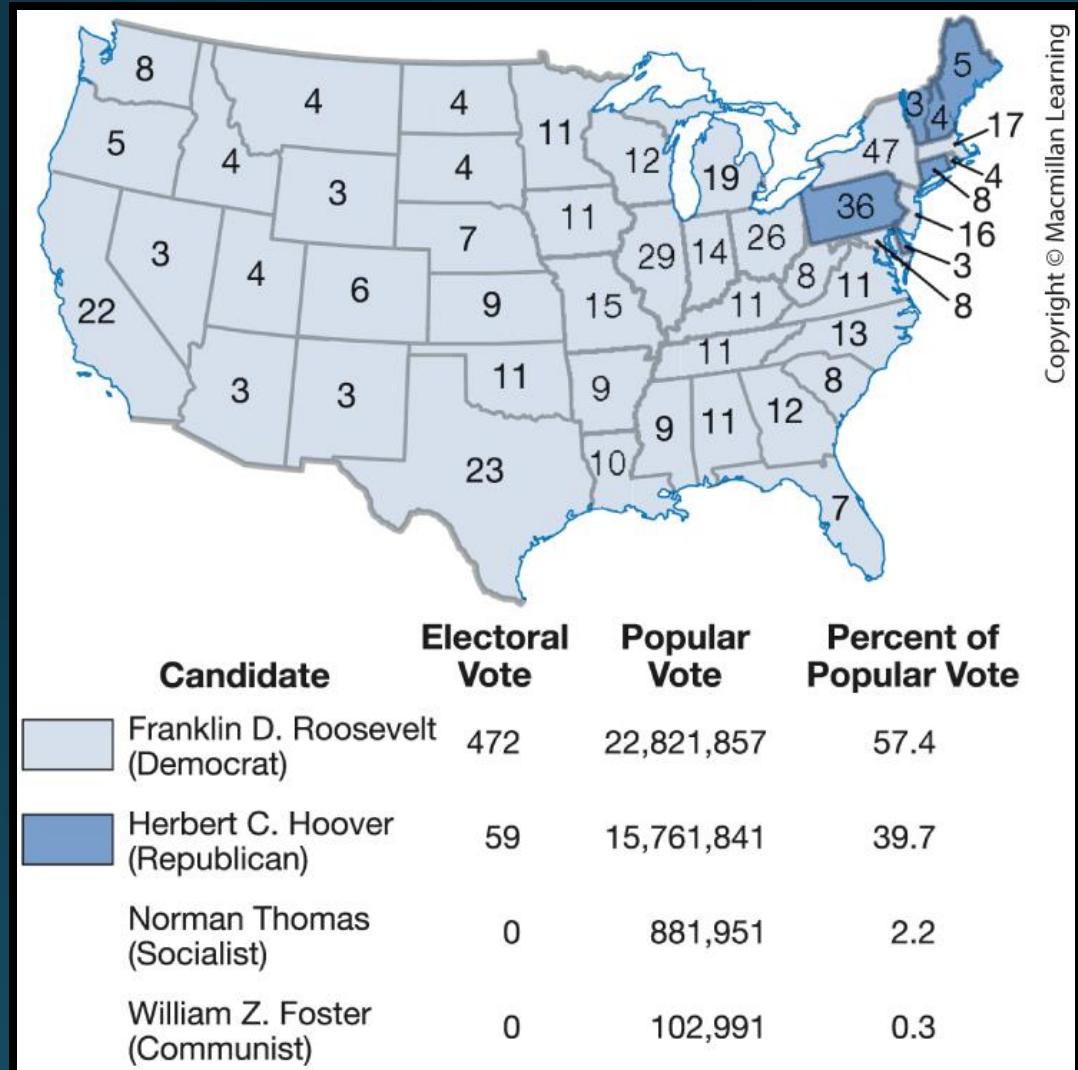


A black and white portrait of Franklin D. Roosevelt, the 32nd President of the United States. He is shown from the chest up, wearing a dark suit, a white shirt, and a dark tie. His hair is receding, and he has a serious expression. The background is dark and out of focus.

# Choosing a Democratic Candidate

- 75% of Presidents since 1860 were Republicans
- Democratic Goal
  - Overcome Internal Fighting to Succeed
    - Southern Democrats vs. Northern Democrats
  - FDR Worked for All

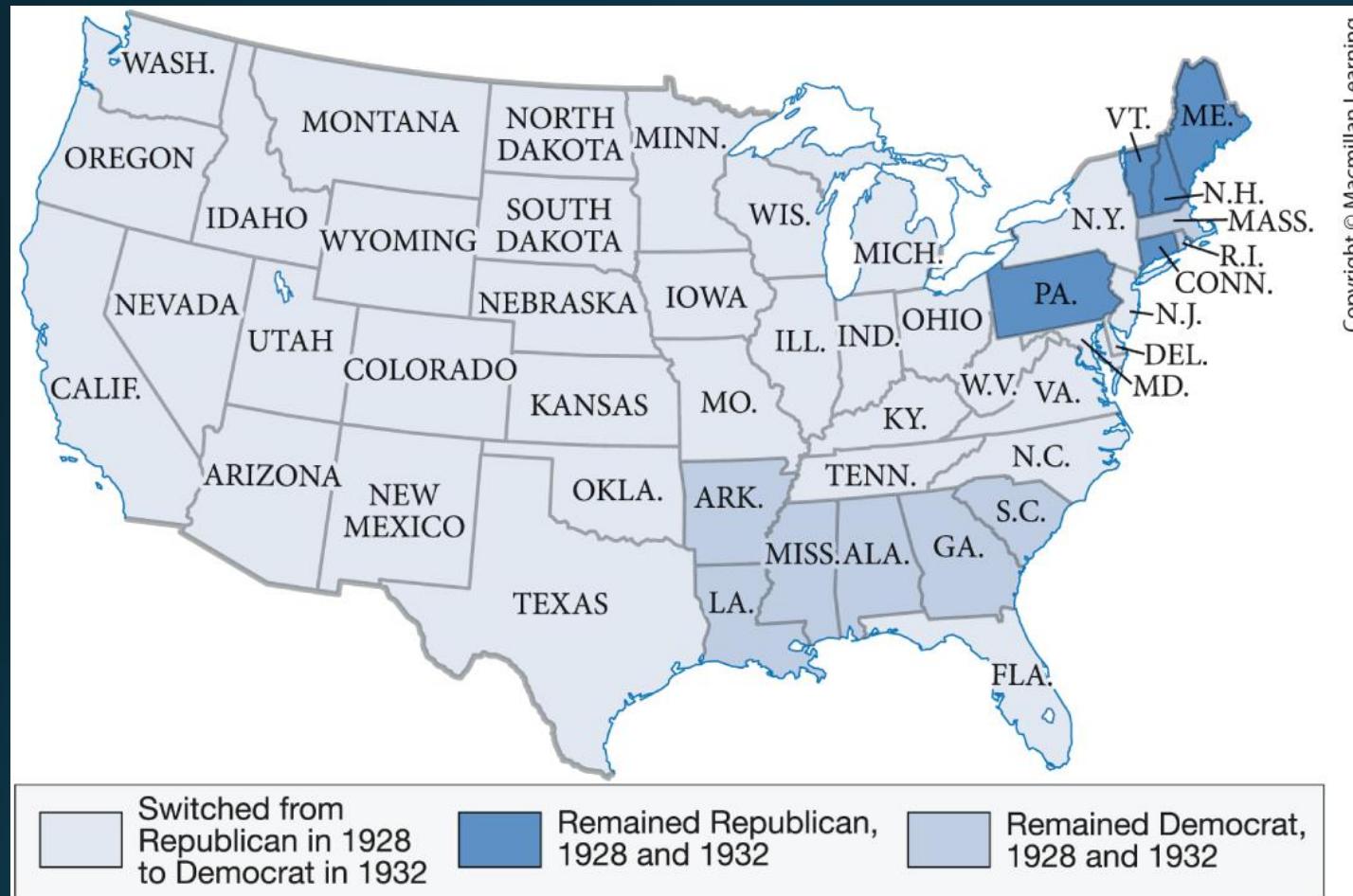
# Presidential Election of 1932



- Vowed to Help the People
  - All of Them
- “a New Deal for the American People.”
  - Work & Financial Security
- FDR will Sweep the Election
  - Historic Landslide
  - 57% of the Vote
  - Democrats Take the House by Large Margins

# Presidential Election of 1932

- Most States Switched Parties or Stayed Democrat
- Only 3 Remained Republican



# Emergence of the New Deal Coalition

- New Deal Coalition:
  - Farmers
  - Traditional Southern Democrats
  - Factory Workers
  - Ethnic Immigrants
  - City Folk
  - African Americans
  - Women
  - Progressive Intellectuals
- Faith in Roosevelt's Promises

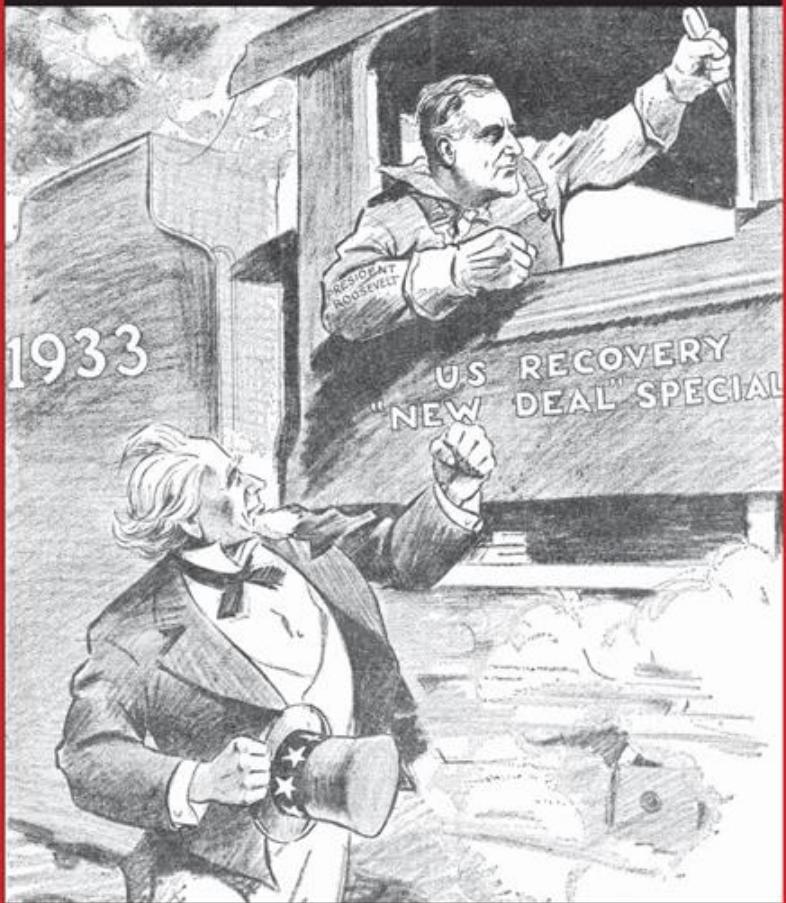


# New Deal Liberalism Beliefs

- Strong Social Safety Net
  - Welfare State (Social Security, Unemployment Insurance, etc.)
- Tight Regulation of Business & Industry
- Strong & Active Federal Government to Intervene in Economy & Promote “Fairness”
- Progressive Taxation
- Keynesianism Economics
- Focused on Uplifting Working Class

# "ACTION, AND ACTION NOW"

## FDR's FIRST 100 DAYS



**Confronting Fear . . .**

**Restoring Hope . . .**

**The New Deal and the Great Depression**

A Special Exhibition at the FDR Presidential Library and Museum

Hyde Park, New York [www.fdrlibrary.marist.edu](http://www.fdrlibrary.marist.edu)

Sponsored by the Franklin and Eleanor Roosevelt Institute

# Goals & Achievements of First New Deal

- “It is high time to admit with courage that we are in the midst of an emergency at least equal to that of war. Let us mobilize to meet it.”

**March 4, 1933 – Inauguration**

- “...firm belief that the only thing we have to fear is fear itself...”
- “the Hundred Days”
  - “direct, vigorous action”
  - New Deal Initiatives

# New Deal Goals

1. Provide Immediate Relief to Poor People
  - 25% Unemployed
  - Stop Further Damage
2. Stimulate Economic Recovery (Farms & Businesses) to Create Jobs & Reduce Need for Relief
3. Reduce the Risk of Future Economic Depressions
  - Strengthen Capitalism
  - Ensure it Doesn't Happen Again



# Setting up Administration

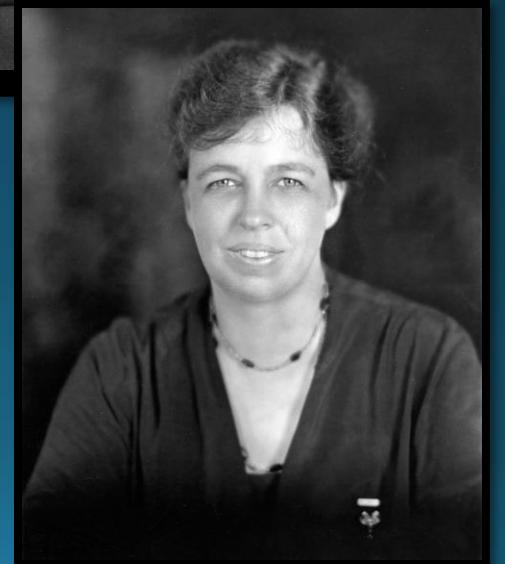


- “Brains Trust”
- Economists & Other Experts
- Suggestions & Advice
- Including Eleanor
- Unofficial Ambassador for the New Deal
- Friend Face & “Eyes and ears of the New Deal”

# Setting up Administration - Eleanor

## Eleanor Roosevelt

- Unofficial Ambassador for the New Deal
  - Friend Face & “Eyes and ears of the New Deal”
- Traveled and Met All Americans
  - “She was so free of prejudice... and she was always willing to take a stand, and there were stand to take about blacks and women.”

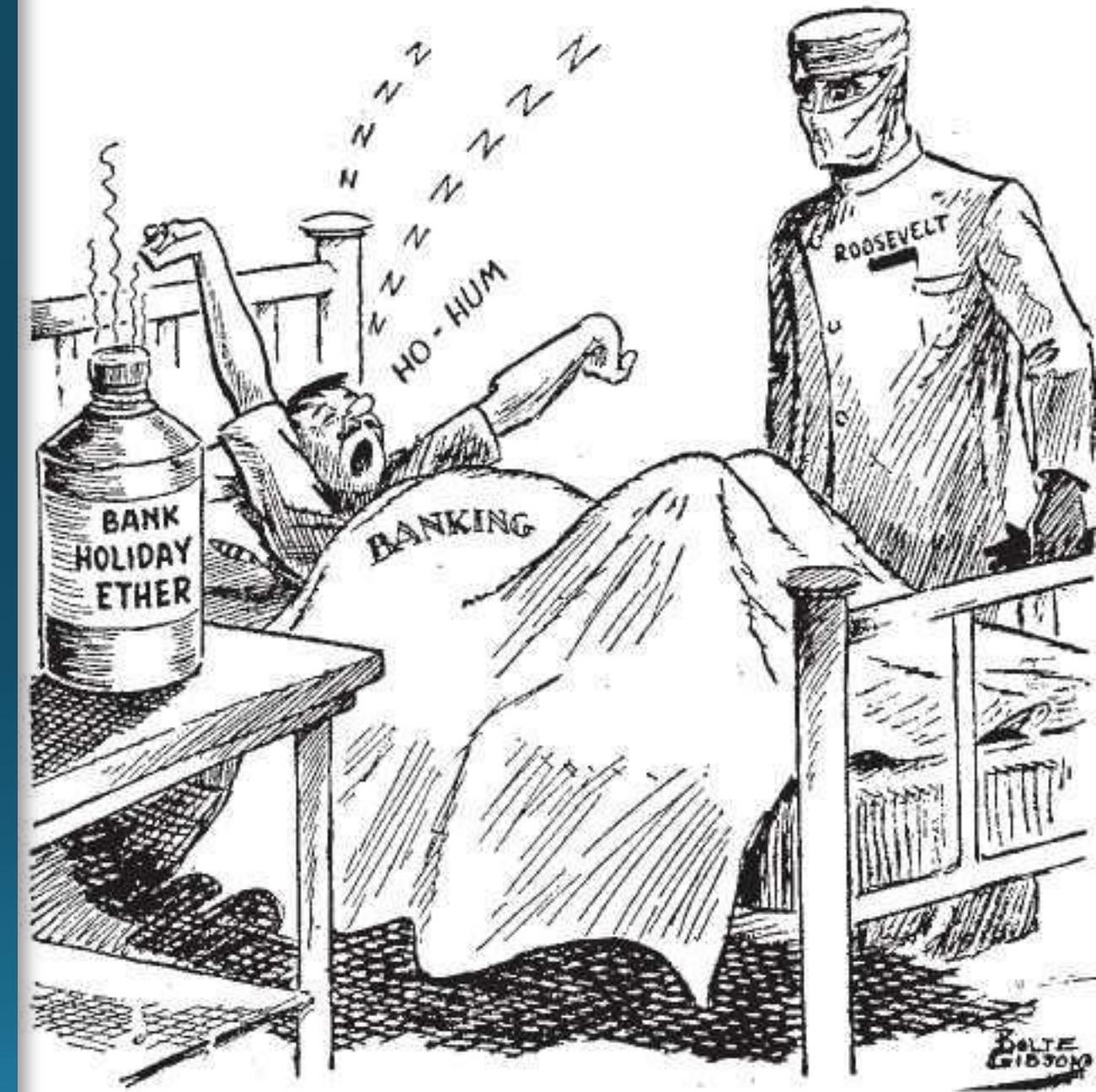


# New Deal in Action

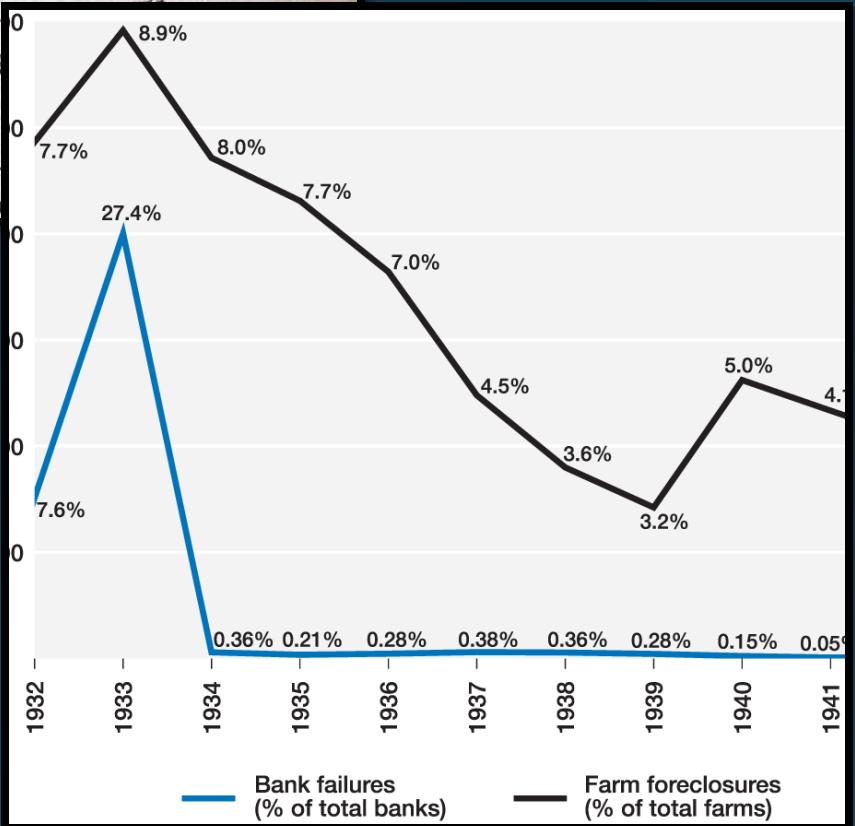
## Guiding Principles

- 1. Hoped to Save Capitalism by Correcting Flaws
  - No Government Takeover of Private Resources or Business
- 2. Root Cause:
  - Underconsumption: Producing More than was Sold
  - Needed Balance of Consumption & Production
- 3. Power of Business Needed Balance of Strong Federal Regulation & Organization of Workers
  - Protect Individuals & Public Interest
- 4. Balance Inequality Gap (Some)
  - "...distributing wealth and products more equitably."

COMING OUT OF IT!



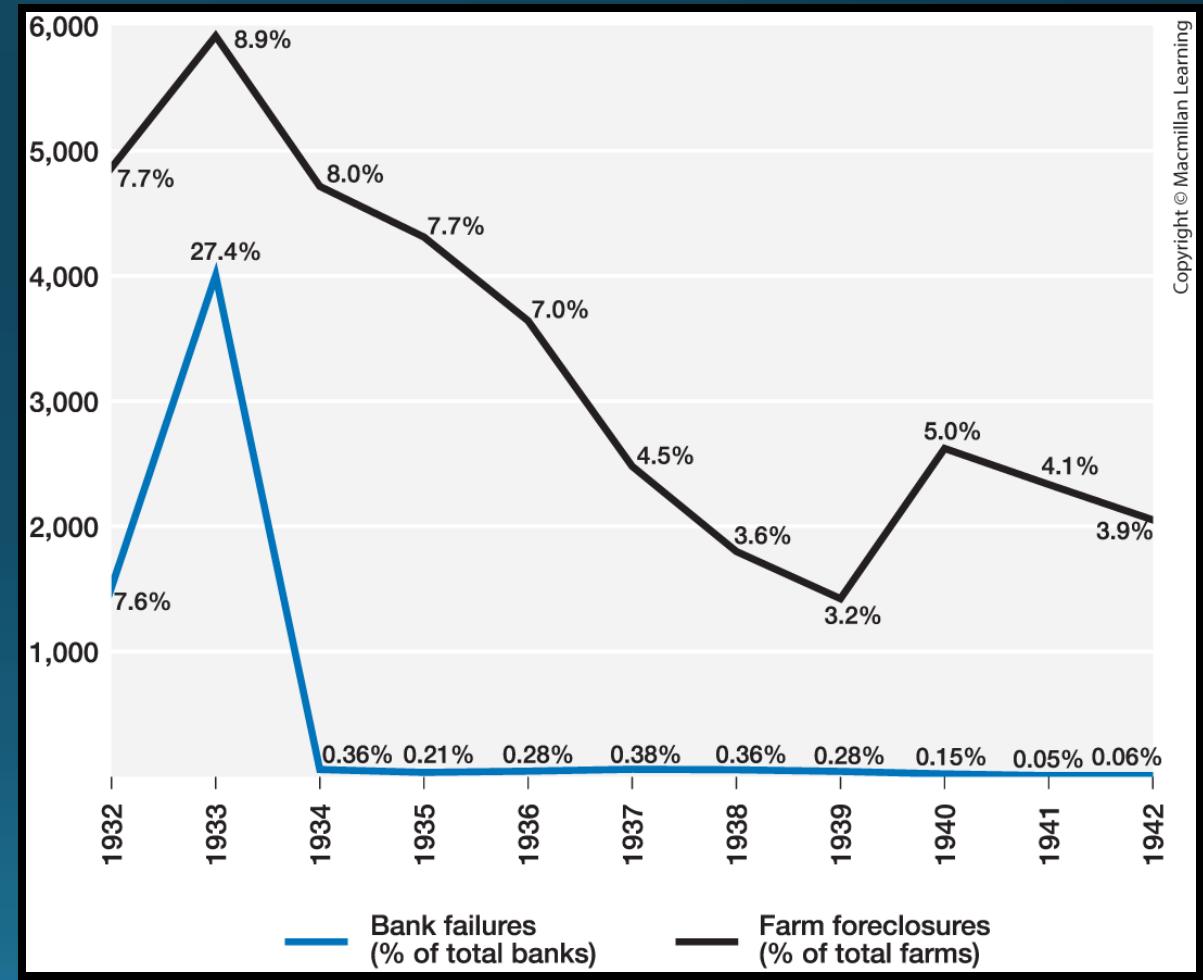
# New Deal Tackles the Banks



- Emergency Banking Act (1933)
  - 4-Day Bank Holiday
  - Examined & Investigated Banks
    - Unsound Investments, Shady Moves with Peoples' Money
    - "Sound" Banks Reopened
    - "Unsound" Came Under Government Management or Closed
      - Checked for Red Flags

# New Deal Tackles Banking System

- Glass-Steagall Banking Act (1933)
  - Federal Deposit Insurance Corporation (FDIC)
  - Insured Peoples Money
  - Separated Investment from Commercial Banking



# New Deal & Fireside Chats Begin

- Emergency Banking Act
- Glass-Steagall Banking Act
- Federal Deposit Insurance Corporation (FDIC)
- Securities & Exchange Commission (SEC)
- March 12, 1933
  - First of the Fireside Chats
    - Explained the Acts
    - Told the People to Trust the Banks
    - “Capitalism was saved in eight days.”



# Securities & Exchange Commission (SEC) 1934

SEC:

- Licensed Investment Brokers
- Monitored All Stock Transactions
- Corporations: Full Financial Disclosure
  - Era of Public Information
- Head of SEC: Wall Street Financier, Joseph P. Kennedy



Joseph Kennedy (1888-1969)

# Relief & Conservation: FDR's Alphabet Soup

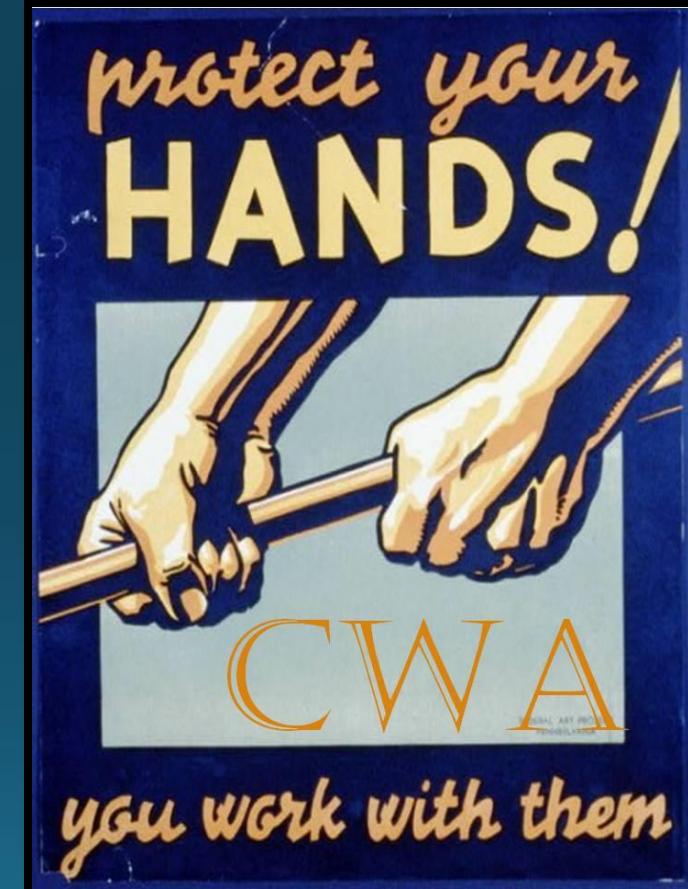


- Federal Emergency Relief Administration (FERA)
  - Civil Works Administration (CWA)
- Civilian Conservation Corps (CCC)
- Tennessee Valley Authority (TVA)
  - Rural Electrification Administration (REA)
- Agricultural Adjustment Act (AAA)
- National Recovery Administration (NRA)
- Public Works Administration (PWA)
  - Works Progress Administration (WPA)

# FDR's Alphabet Soup

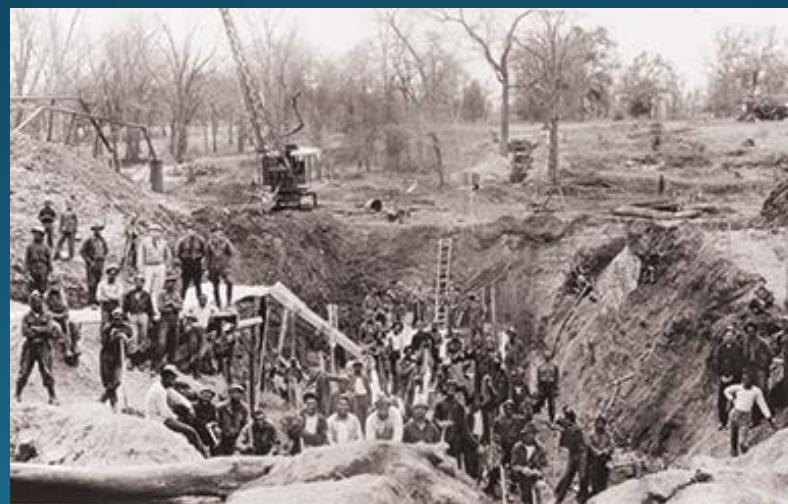


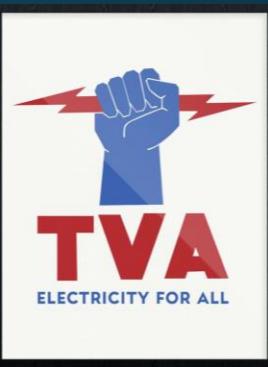
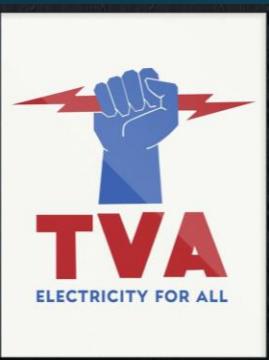
- Federal Emergency Relief Administration (FERA)
  - Supported 4-5 Million Households
- \$20-\$30 a Month
  - Civil Works Administration (CWA)
- Thousands of Public Works Projects Jobs
- \$800 Million into People's Pockets
  - 40-60 Cents/Hour
    - Renovate Schools, Dig Sewers, Rebuild Roads & Bridges



# Civilian Conservation Corps (CCC) (1933-1942)

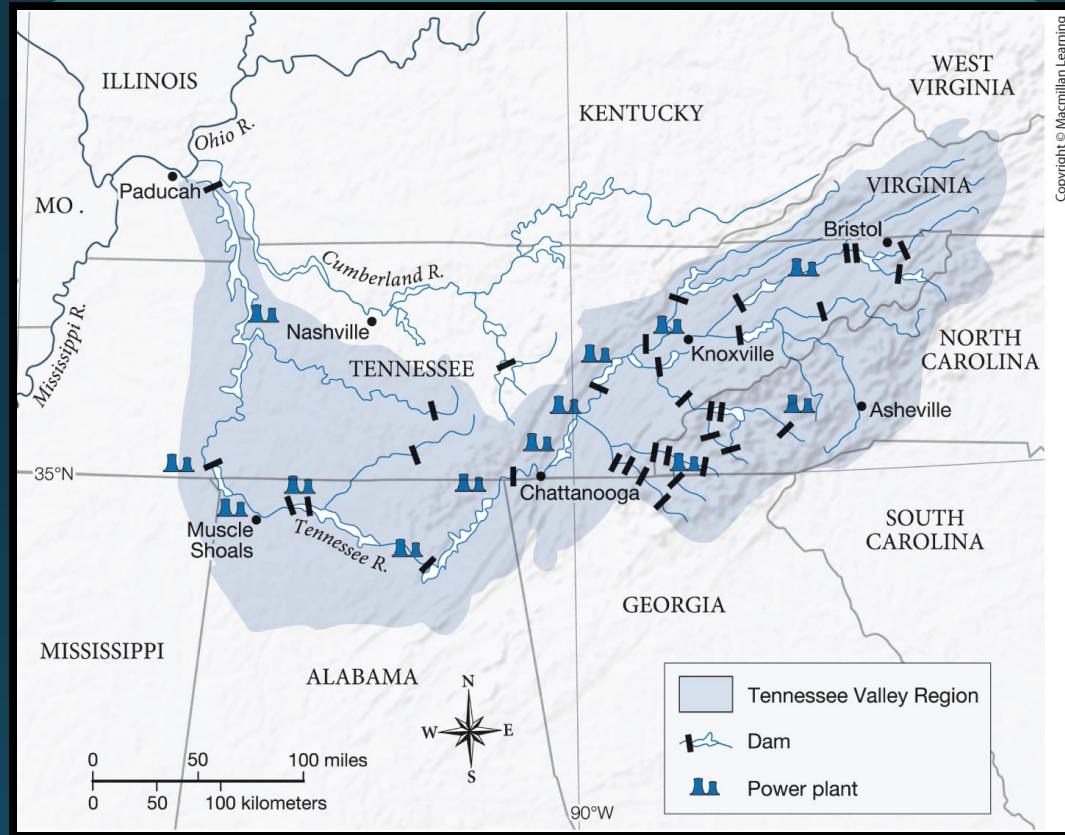
- Work to Unmarried Men (18-25)
  - ~3 Million Men Employed/Year
- Built:
  - Bridges, Campgrounds, Fish Hatcheries, Taught Farmers to Control Soil (Fight Erosion), Fires
- \$30 a Month (\$25 Sent Home)
  - Housed, Fed, Clothes, Received High School Education
- Segregated in the South (Texas)
  - Only 400 African Americans Allowed to Join
    - (~5% of African American Population in TX)
- "We aren't on relief anymore. My husband is working for the Government."





# Tennessee Valley Authority (TVA)

## 1933

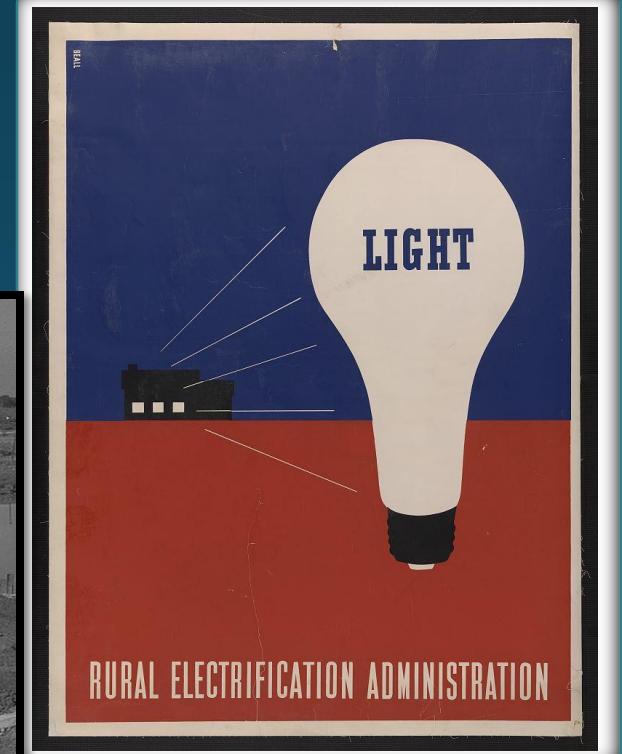


- Built Dams (Tennessee River)
- Cheap Electricity to Rural Communities
- Millions of Residents:
  - Access to Local Resources & Electricity, Flood Protection, Soil Reclamation, Jobs
- Violated Free Enterprise?
  - Public Ownership of Dams & Electricity-Generating Equipment
  - Most 'Socialist' of the Soup

# Tennessee Valley Authority & Rural Electrification Administration (REA)

## TVA

- Roosevelt Takes Office:
- 90% Rural Americans Lacked Electricity
  - Companies Refused to Build in Sparse Rural Areas
- REA (1935)
  - Low-Cost Loans to Rural Communities
  - Power Plants & Transmission Lines
  - 10 Years: Electricity to 90% of Farms
    - Lightbulbs, Electric Appliances, etc.



# Agricultural Adjustment Act (AAA)

## (1933-1936)

- Agricultural Problems
  - Overproduction & Underconsumption
  - 1932: Farmers Income ~\$167/Year  
(1/10 National Average)
- Agricultural Adjustment Act:
  - Paid Farmers to Not Grow Crops
  - Compensated for Crops Grown
  - Slaughtered Livestock & Destroyed Crops
    - Millions Hungry





# Agricultural Adjustment Act (AAA) (1933-1936)

- Commodity Credit Corporation
  - Federal Loans to Farmers Who Took Crops Off Market
- Farm Credit Act (FCA)
  - Long-Term Credit on Farm Mortgages
  - Avoid Foreclosures
  - Financed 40% of Farmers Mortgage Debt by 1940
- Farmers Benefit from New Deal Legislation
  - Farm Income Jumped 50% by 1936



# Agricultural Adjustment in the South

- Landlords Rewarded Themselves
- Black & White Sharecroppers Neglected
- Landowners:
  - Bought for Themselves
  - Forced Sharecroppers/Tenants Off Land
    - Homeless & Starving
- Roosevelt: Needs the Southern Democratic Contingency



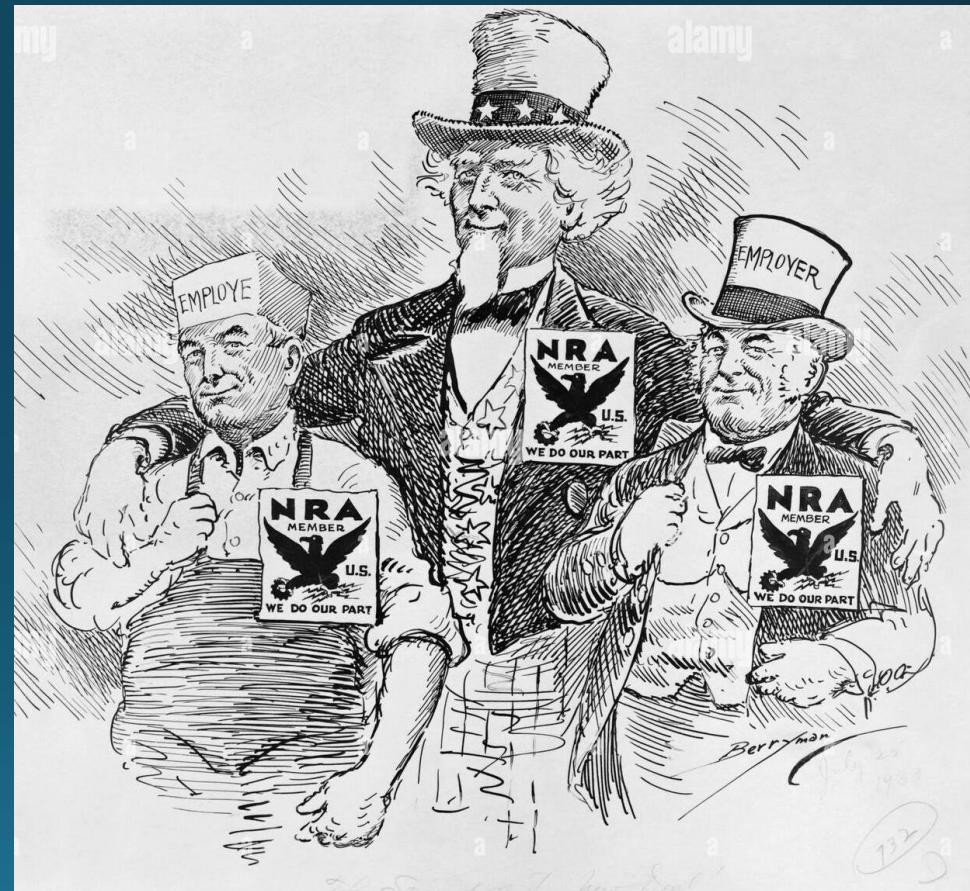
# Industry



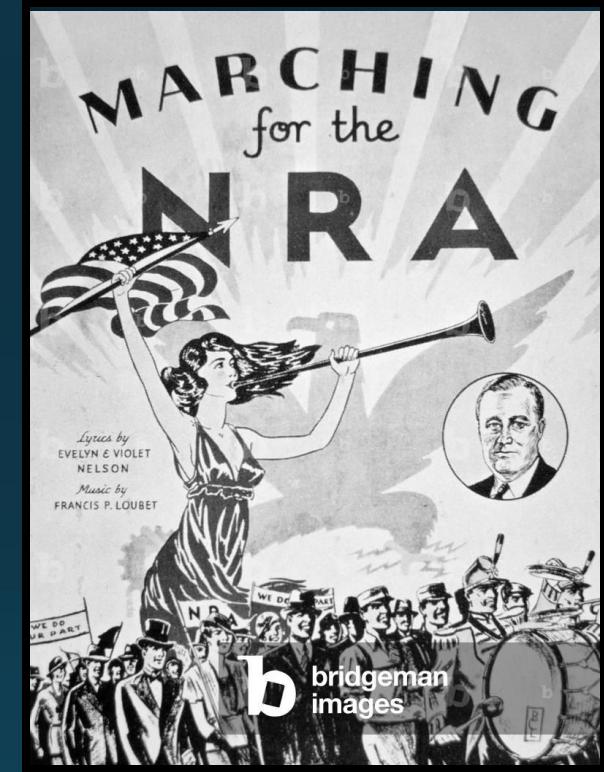
- 1929-1933
    - Industrial Production Dropped 40% to Maintain Prices
    - Unemployment = Reduced Consumerism
    - Business Response:
      - Cut Wages Further

# National Industrial Recovery Act (1933-1935)

- National Recovery Administration (NRA)
- Encouraged Companies to Follow a Set of “Codes”
  - Fair Working Conditions
  - Set Prices
  - Reduce Competition
    - Stabilize Industry & Jobs
- In Exchange:
  - Relaxed Antitrust Laws
    - Companies Agreed to Collective Bargaining & Listen to Labor Unions



# Hope of the National Recovery Administration vs. Reality



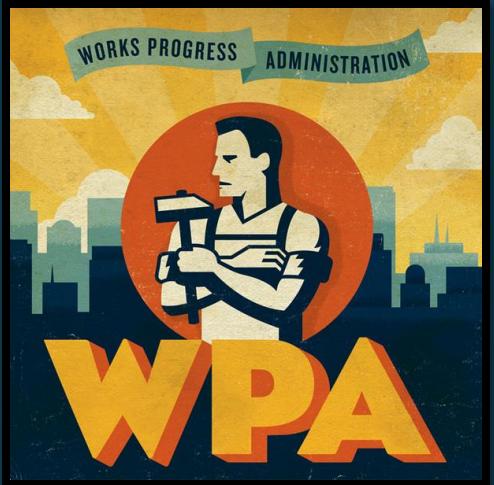
- Protect Socially Minded Businesses Going
- What Happened:
  - Strengthened Existing Practices
    - Codes to Serve their Own Interests
    - Excluded Domestic Workers & Agricultural Laborers

# Reality of the National Recovery Administration

- Compliance was Voluntary
  - Weak Enforcement
  - Did Little
- Intended as Peace Offering to Business Leaders
  - Soured them to New Deal Instead
- Eventually Ruled Unconstitutional by Supreme Court in 1935
  - Congressional Power Usurped



# Public Works Administration (PWA) (1933-1935); Works Progress Administration (1935-1943)

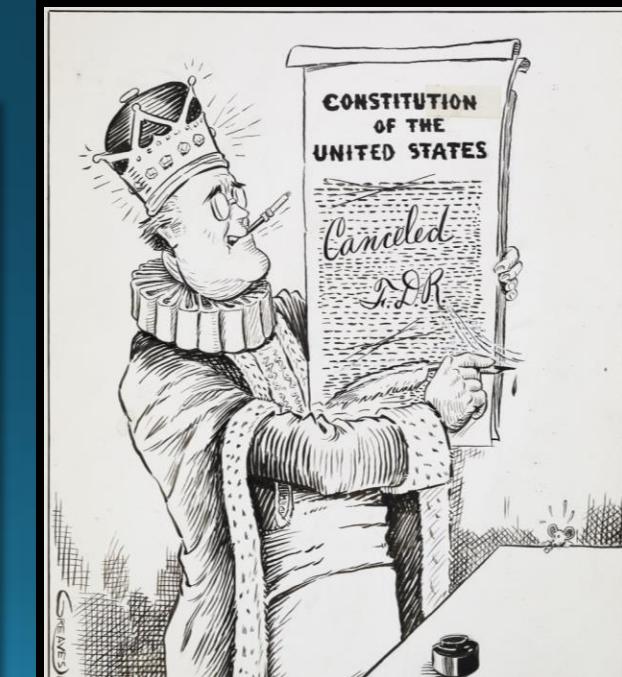


## Public Works:

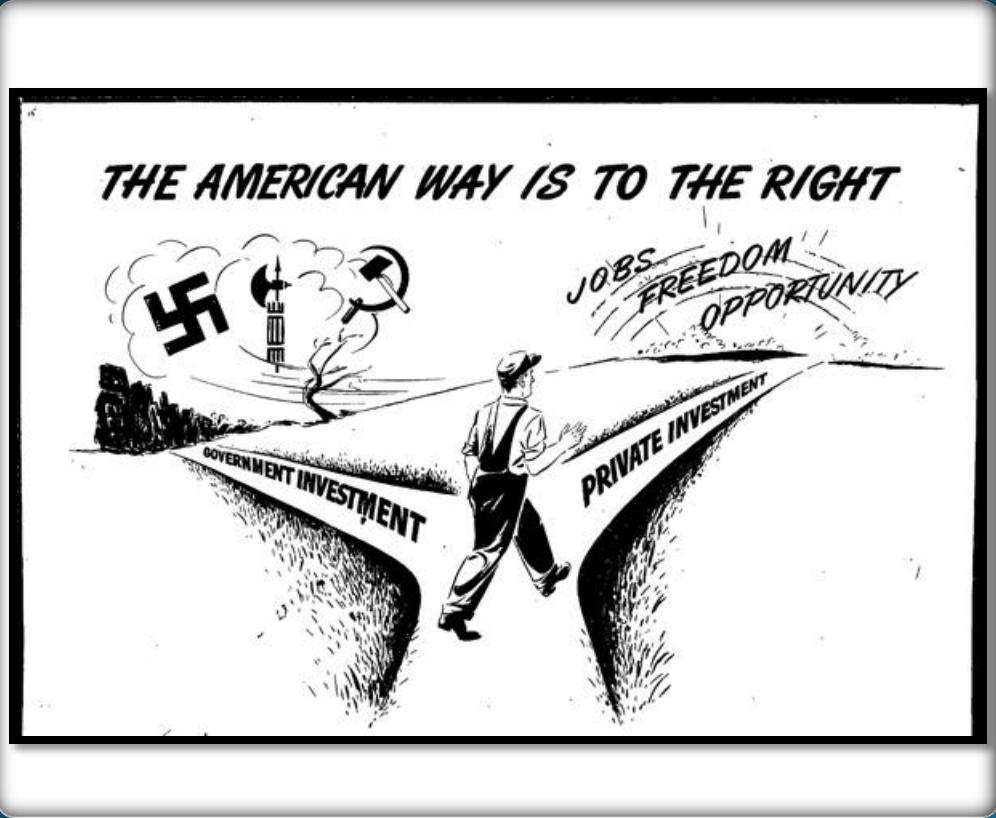
- Bridges, dams, schools, post offices, courthouses, public libraries, etc.
  - Longer Lasting Legacy
- 9 Million Jobs to Americans
  - Primarily Men
- Accounted for 2/3 of New Deal Spending

# Opposition to the New Deal

- Republicans
  - Businesspeople
    - Undermined:
    - Private Property
    - Economic Stability
    - Democracy
- Democrats
  - Not Relieved Human Suffering
  - Not Doing Enough Against Corporate Power & Greed



# Opposition to the New Deal – Republicans & Business



- Republicans
  - Did Not Want Reform
  - Private Business 'Interference'
  - Benefitted More than Most during 1930s
- National Association of Manufacturers & Chamber of Commerce Campaign Against New Deal (1935)
  - Echoed American Liberty League (1934)
  - Betrayal of Constitutional Rights of Freedom & Individualism
  - Compared to Fascism, Nazism & Communism

# Opposition to the New Deal – on the Left

- Economists Favored more Direct Intervention in Economy
  - NRA Stifled Competition using Monopoly Practices
  - NRA Codes Suited Business over Workers
- Labor Leaders – Blocked Workers from Accessing Unions & Benefitting
- Supreme Court Responds
  - NRA Gone (1935)

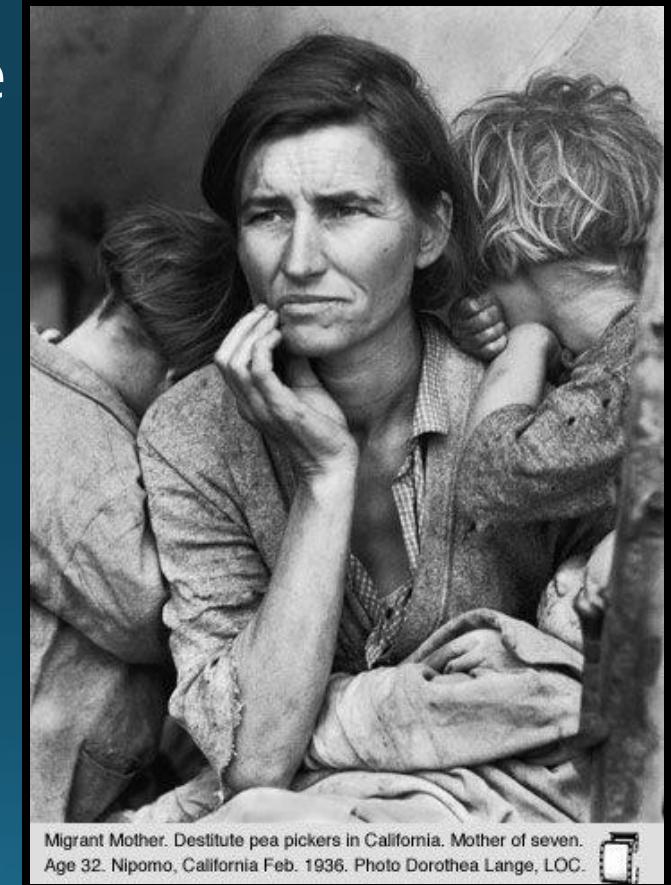


May 31, 1935, Fitchburg (Mass.) Sentinel, "Mixed Emotions"



# “Okies”

- Displaced Tenants Became Migrant Workers
  - Flee Dust Bowl
- Displaced Tenants vs. Mexican Migrants
  - California, Texas, Michigan, Idaho



Migrant Mother. Destitute pea pickers in California. Mother of seven. Age 32. Nipomo, California Feb. 1936. Photo Dorothea Lange, LOC.



# “Okies” & The Dust Bowl

- Oklahoma, Texas, Kansas, Colorado
  - Chronic Drought
  - Bad Agricultural Practices
- Migrated to California
- ‘Okie From Muskogee’
  - Merle Haggard
- *Grapes of Wrath*

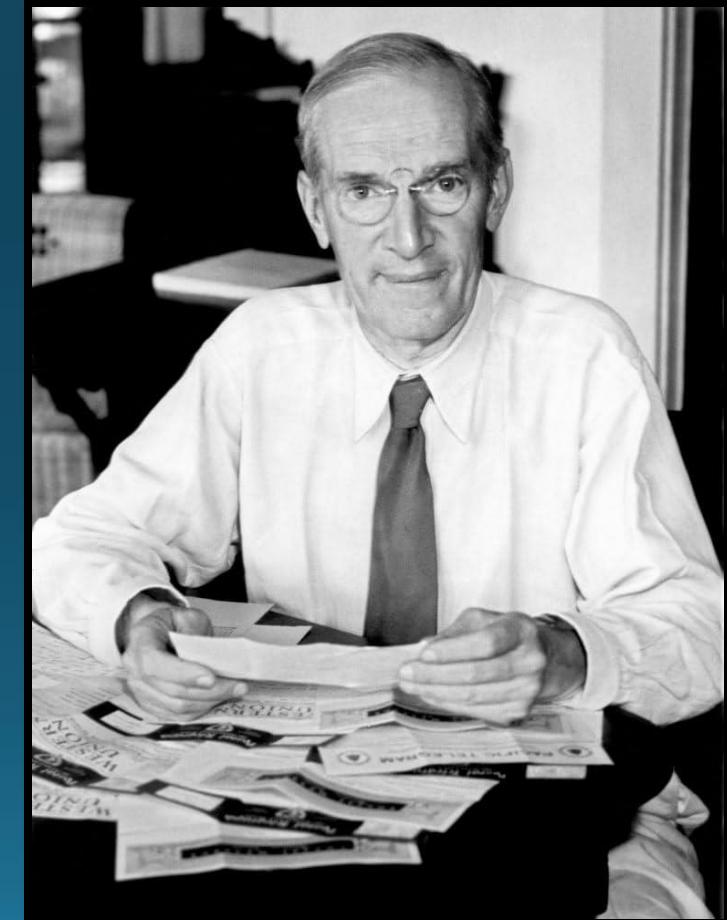
[Okie From Muskogee by Merle Haggard \(with lyrics\) - YouTube](#)



# Political Challenges to the New Deal

## Others Challenges to Roosevelt

- Socialists
  - Upton Sinclair
    - Too Much to Save Capitalists
    - Not Enough Corporate Takeover
    - Runs for Governor of CA; loses
- Communists
  - American Communist Party
  - Ideas?
    - Destruction of Capitalism
    - No more Bourgeois Democracy
      - Peak, ~30,000 Members (1930s)
- Many?
  - Felt Overlooked
    - Not Enough Jobs; Less Aid for the Poor
    - Those Employed? Scared of Losing Jobs



Upton Sinclair (1878-1968)

# Opposition – Charles Coughlin

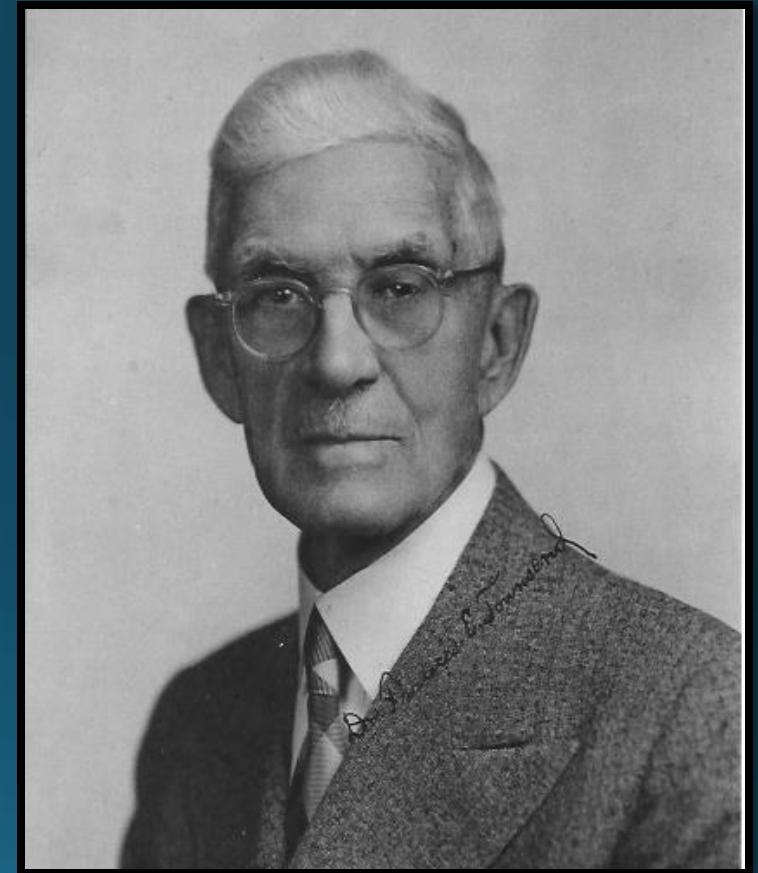
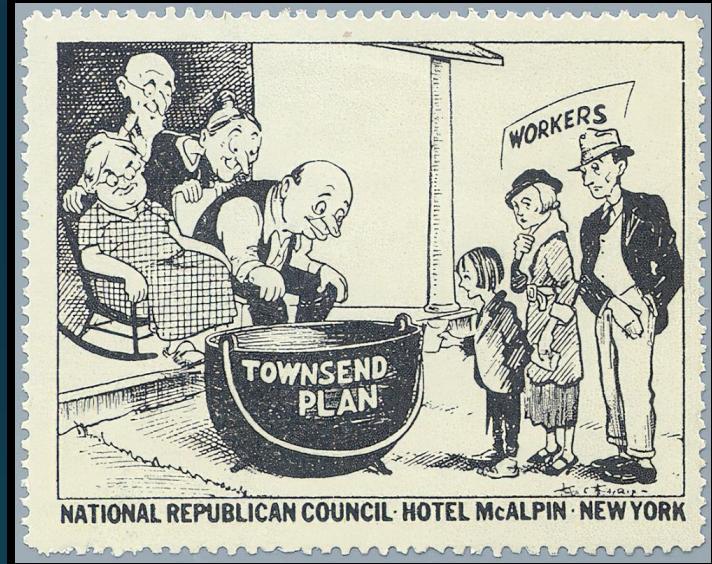
- Catholic Priest from Detroit
- Radio Broadcasts – 40 million Listeners
  - Blamed Suffering on Communists
  - Used Anti-Semitic Rhetoric
    - 'Economic Predators – Jews'
- Championed New Deal at First
  - Roosevelt Denied him Influence
    - Turned Sour
  - Founded National Union for Social Justice (Union Party)
    - Presidential Candidate in 1936



Charles Coughlin (1891-1979)

# Opposition – Dr. Francis Townsend

- Long Beach, California
- New Deal Didn't do Enough
- 1934 Old Age Revolving Pension
  - 60+ Receive \$200/Month
    - Spur Economy & Spend it
- Ignored
  - Merged with Coughlin's Party for 1936 Election



Dr. Francis Townsend (1867-1960)

# Opposition – Huey Long “The Kingfish”

- Governor of Louisiana (D)
  - Provided: Jobs, Roads, Schools, Hospitals
- Championed Poor over Rich
  - Country People over City Folk
  - Humble over Elites
- 1932 Tax Bill Proposal (Rejected)
  - Outlaw Personal Income over \$1 Million
  - Outlaw Inheritance over \$5 Million

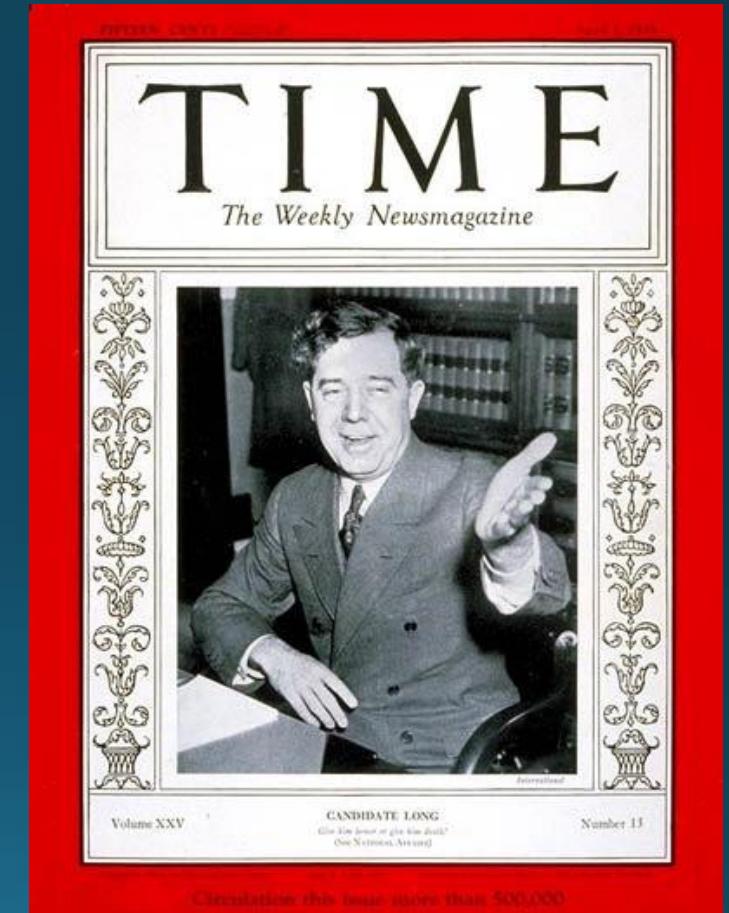


Huey Long (1893-1935)

# Opposition – Huey Long “The Kingfish”



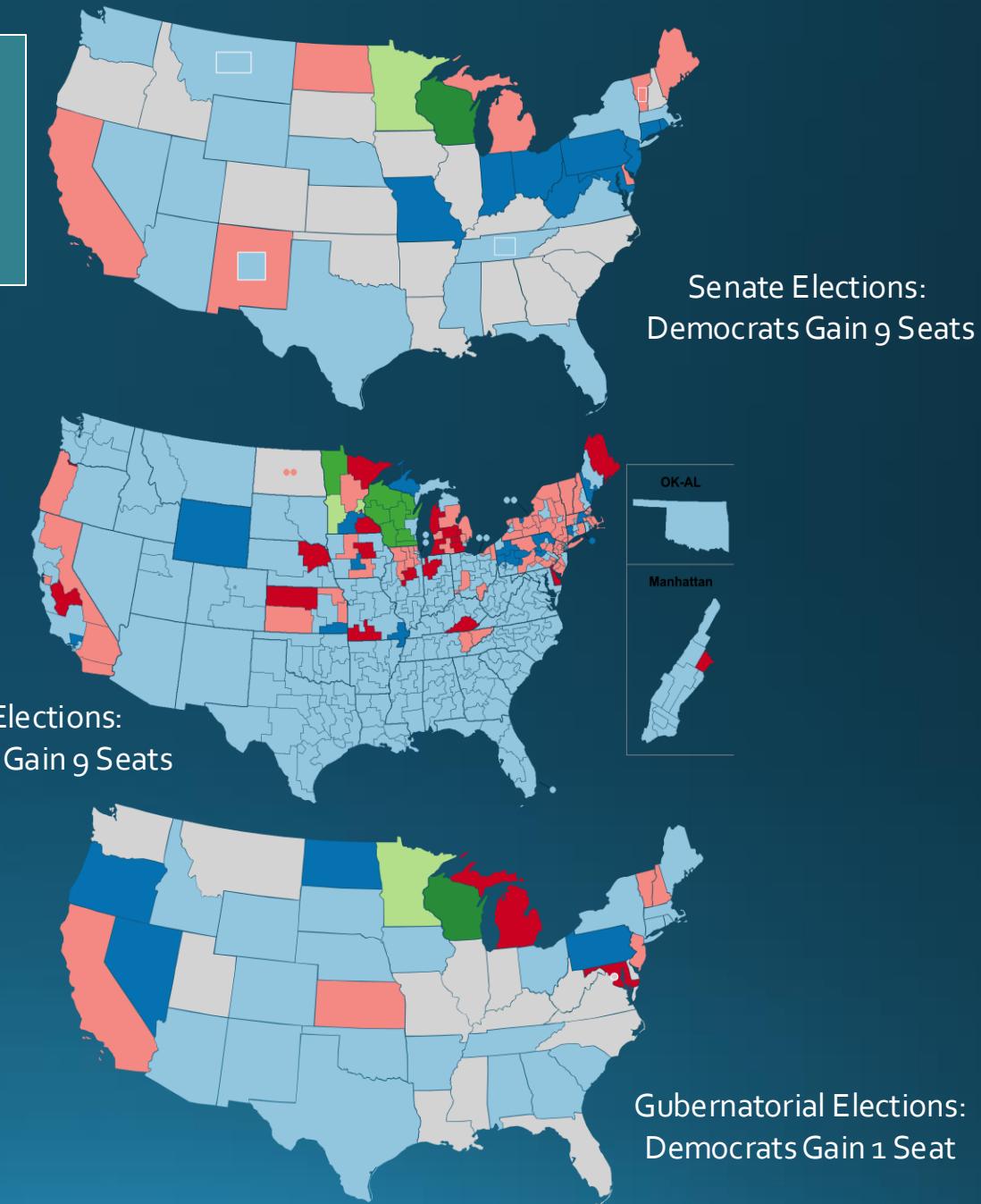
- “Share the Wealth Plan”
- Runs for President
  - 5 Million Voters (?)
- Share Wealth Plan
  - Unrealistic
- Long Assassinated (1935)



Circulation this issue: more than 500,000

# New Deal Continues

- 1934 Congressional Elections
  - Proved Popularity of New Deal
    - Roosevelt: Full Steam Ahead
  - Next Step:
    - Major Programs that Become Foundation of American Welfare State



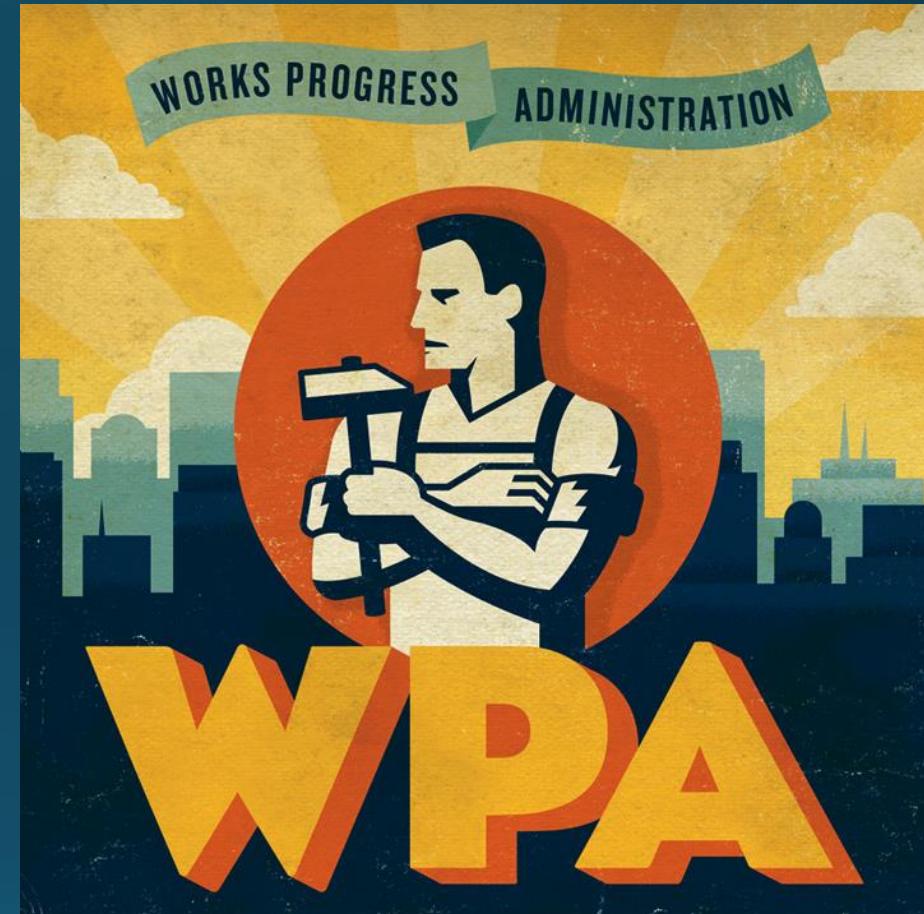
# American Welfare State



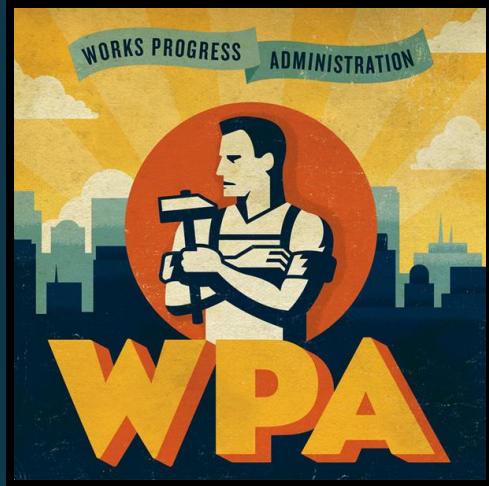
- Safety Net for Millions
- Social Security
  - Pensions for Elderly
- Wagner Act
  - Encouraged Labor Unions
- Provided: Jobs, Relief, Government Support
- Social Safety Net:
  - Federal Government Steps in to Support & Assist
    - Bedrock of New Deal & Democratic Party

# Creating Jobs

- Direct Government Handouts:  
'Destructive to the Human Spirit'
  - Jobs Created Self-Confidence, Courage & Determination
- \$5 Billion Dollars to Create Works Progress Administration (WPA)
- Congress Passed WWI Bonuses
  - ~\$580 (Stimulated Economy)



# Works Progress Administration (1935-1943)

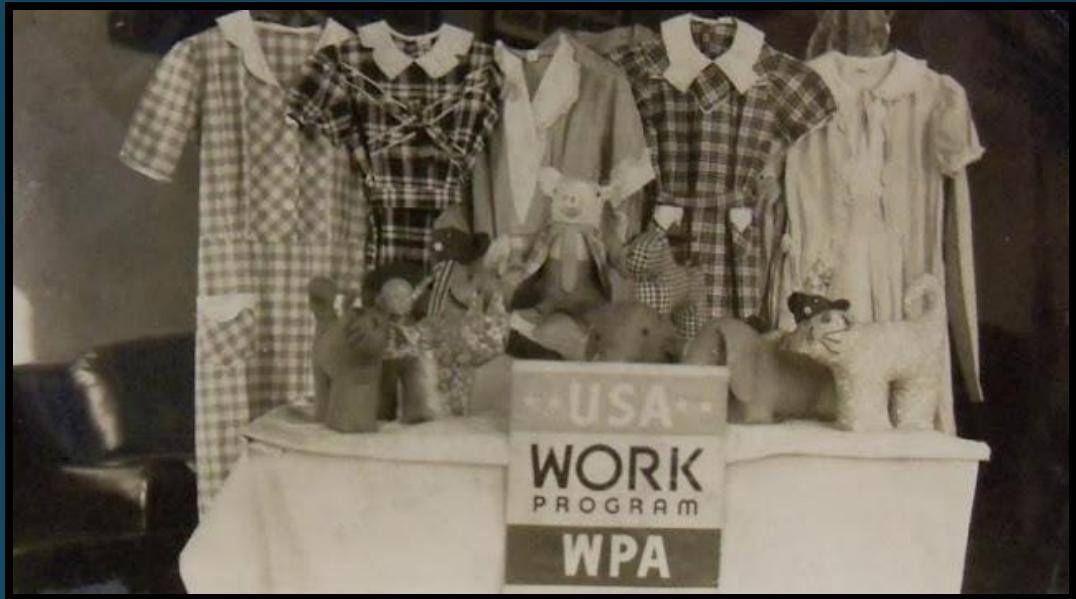
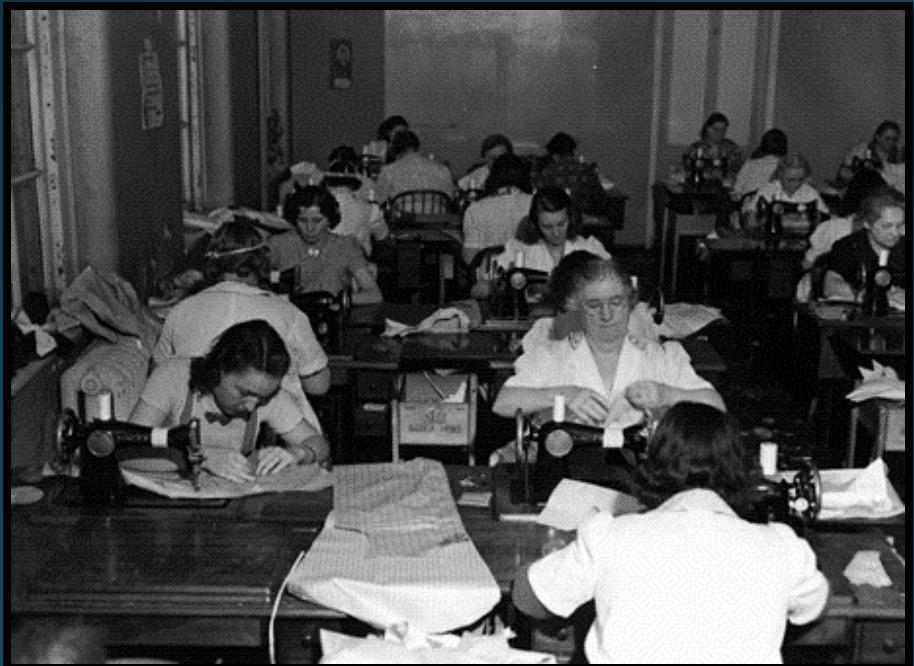


- Employed 7% of Nation's Labor Force
- Favored White Men over Women & African Americans
  - 13 Million Employees
    - \$10 Billion in Paychecks
- Historians, Artists, Musicians, Poets, Oral Historians
  - Oral Histories of Former Slaves
- Built:
  - 572,000 Miles of Roads
  - 78,000 Bridges
  - 67,000 Miles of City Streets
  - 40,000 Public Buildings

# Works Progress Administration (1935-1943)

Created:

- Sewing Jobs for Women
- ~100 Million Pieces of Clothing
  - Donated to Needy



# New Deal Supports Workers



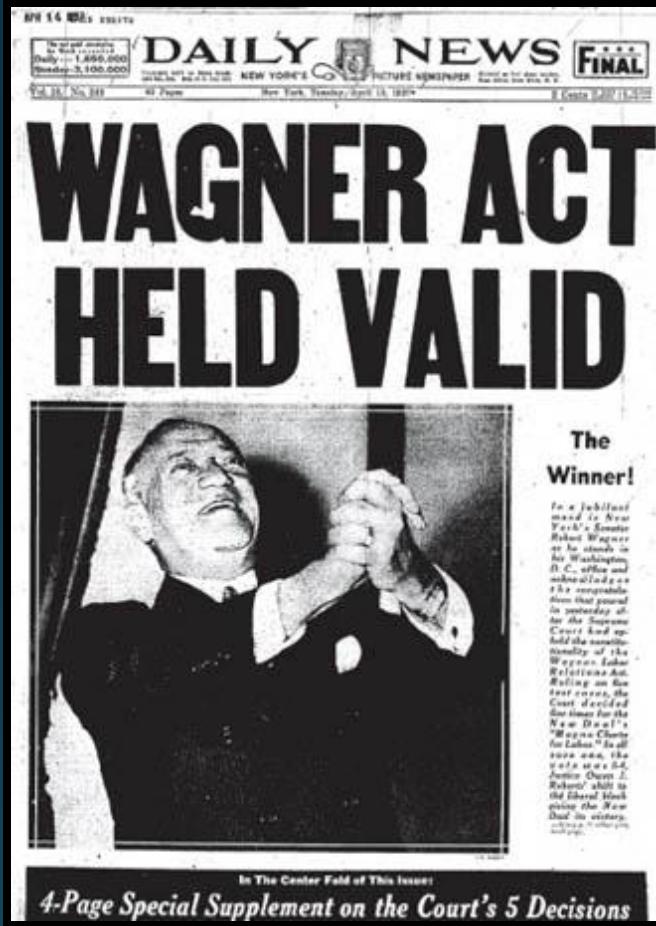
- New Deal: Encouraged Unions
- Unions Counterbalanced Big Corporations by Defending Workers
  - Maintain Wages
  - Provide Economic Peace
  - Commercial Stability
- 1934 Labor Strike Violence
  - Toledo, Minneapolis, San Francisco



# Wagner Act (National Labor Relations Act)

## July 1935

- Authorized Federal Government to Intervene in Labor Disputes
- Supervise Labor Unions Organization
- Gave Industrial Workers Right to Unionize
  - Federal Law Behind Workers
  - Companies Legally Required to Negotiate with Unions



# National Labor Relations Act

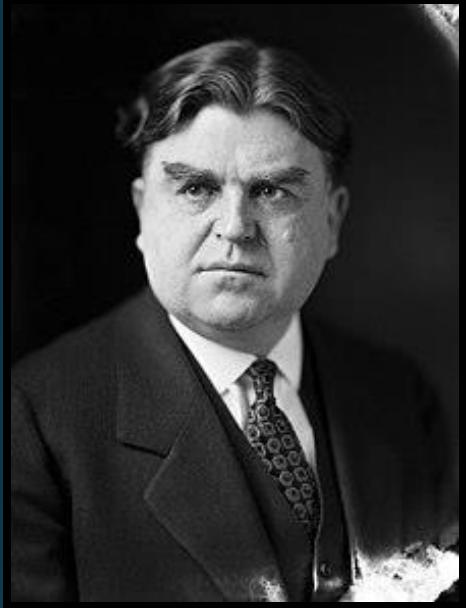
- 1933: 3 Million Union Members (Skilled) under AFL
- 1945: 14 Million Union Members
  - 30% of Industrial Workforce Unionized
- New Members
  - Unskilled & Factory Workers
  - Immigrants, Women, African Americans



# Congress of Industrial Organizations (CIO)

1935

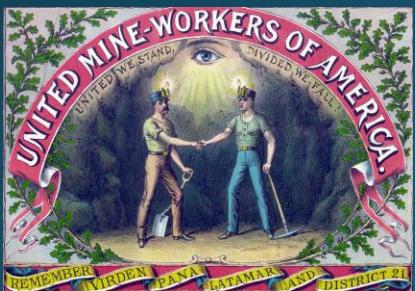
- United Mine Workers
  - (John L. Lewis)
- Amalgamated Clothing Workers
  - Sidney Hillman
- Unskilled Workers form CIO
  - Unions in Anti-Union Industries
    - Automobile & Steel
      - General Motors in 1936
        - Auto Industry Entirely Unionized by 1941
      - U.S. Steel 1937
        - Violence halts Movement (1937)
          - Stalls until 1941
      - Southern Textile Mills (?)
        - Stalls until 1941



John L. Lewis  
(1880-1969)

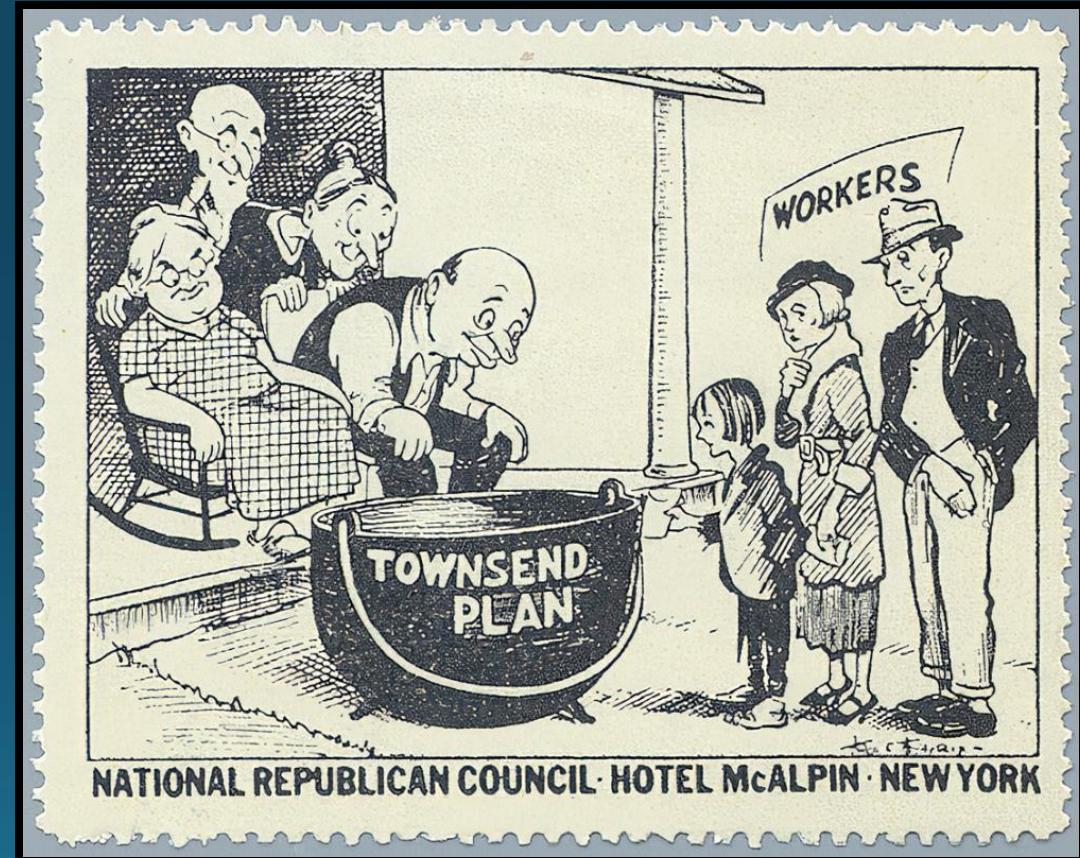


Sidney Hillman  
(1887-1946)



# Roosevelt's Legacy: Social Security

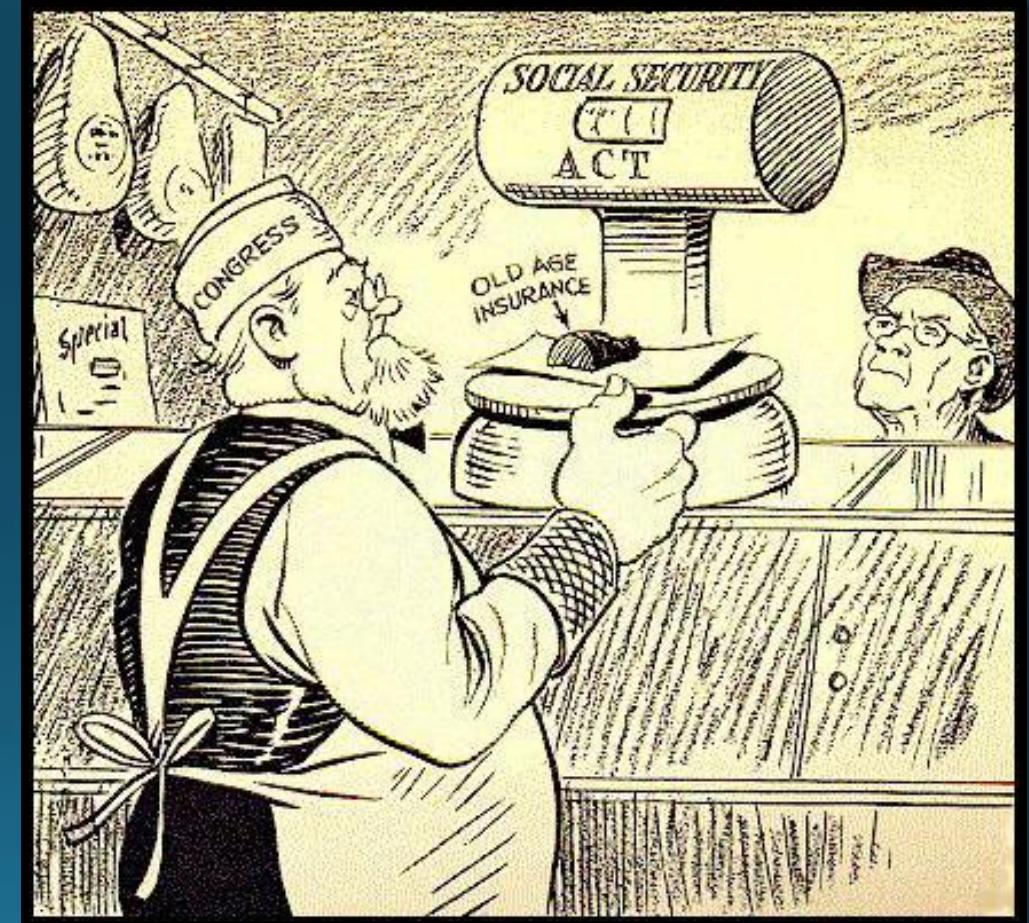
- Ambitious & Far Reaching
- Purpose: Modest Income to Relief of Elderly in Poverty
  - ~15% Private Pensions
- Neglected by Banks & Corporations
  - Corporations Fired & Demoted to Avoid & Reduce Pensions



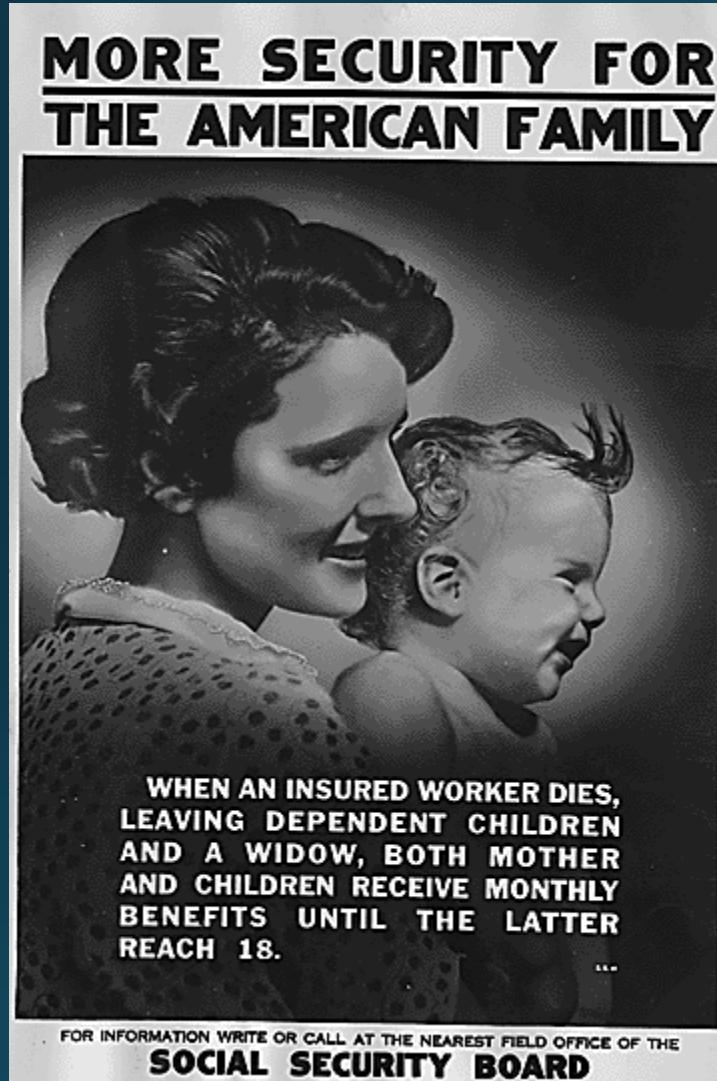
# Political Struggle for Social Security

## Highlighted Class Differences

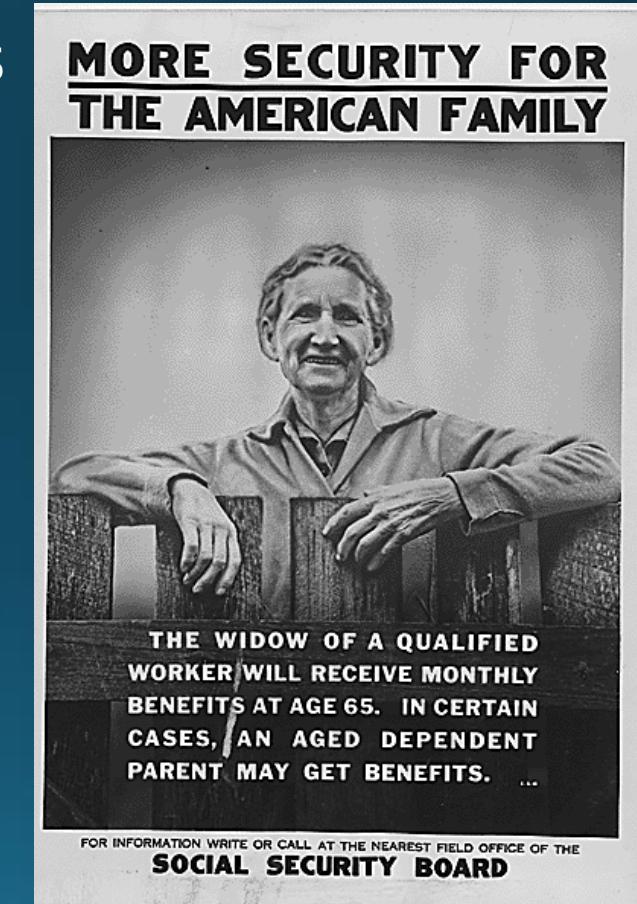
- Support from Elderly, Poor, Progressives, Leftists, Social Workers, Unions
- Opposed: Economic Conservatives
  - Claimed: Government Would Ruin Private Property, Destroy Initiative and Reduce Proud to 'Loafers'



# Social Security (1935)



- New Deal Majority in Congress
- Social Security Passed
- Fund Pensions for Elderly
- Workers Paid Into System to Benefit in Age
- No Proof of Impoverishment
  - Earned Benefits for Working
  - Unemployment Insurance
  - For Those Who Lost Jobs

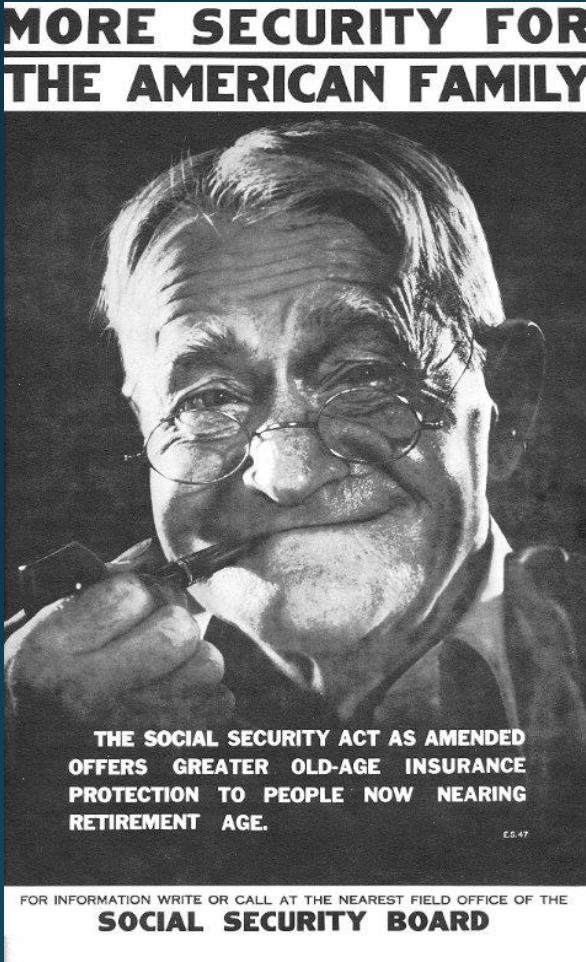


# Excluded by Social Security

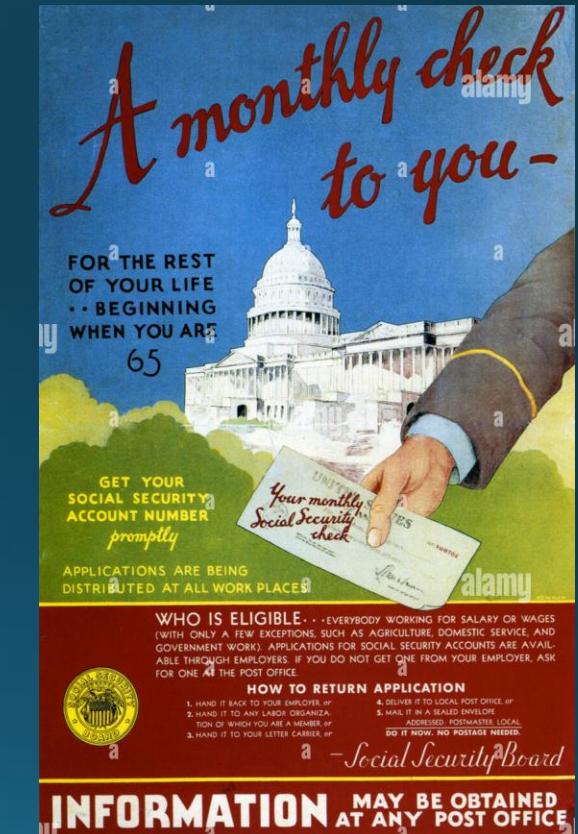
- Domestic & Agriculture
- ½ Black Population
- ½ Female Employees
- Religious Organizations
- Nonprofits
  - Schools & Hospitals



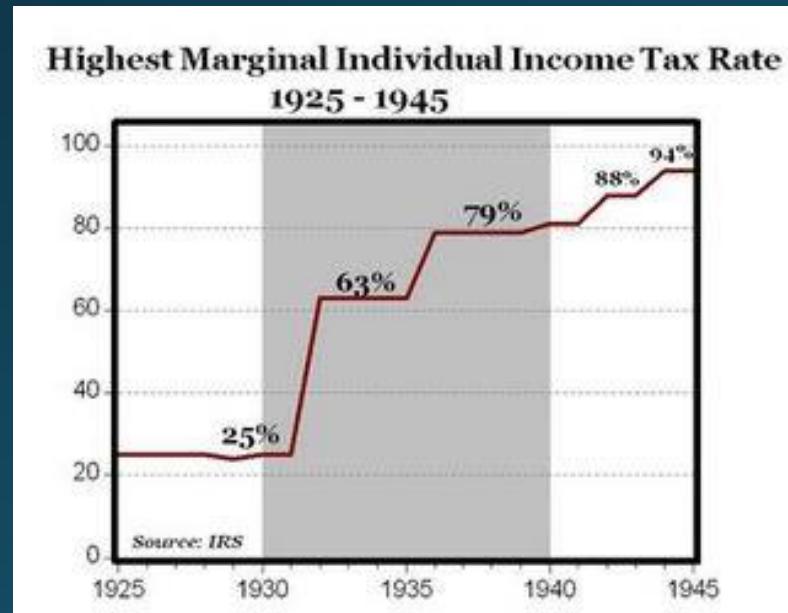
# Running of Social Security



- Multimillion Dollar Grants for Dependent Children, the Blind, & Public Health Services
- Expanded for Dependents of Deceased Recipients
- First Check: 1940 (\$41.30)
- Guaranteed Small Income in Old Age
  - Safety Net for Ordinary Folks



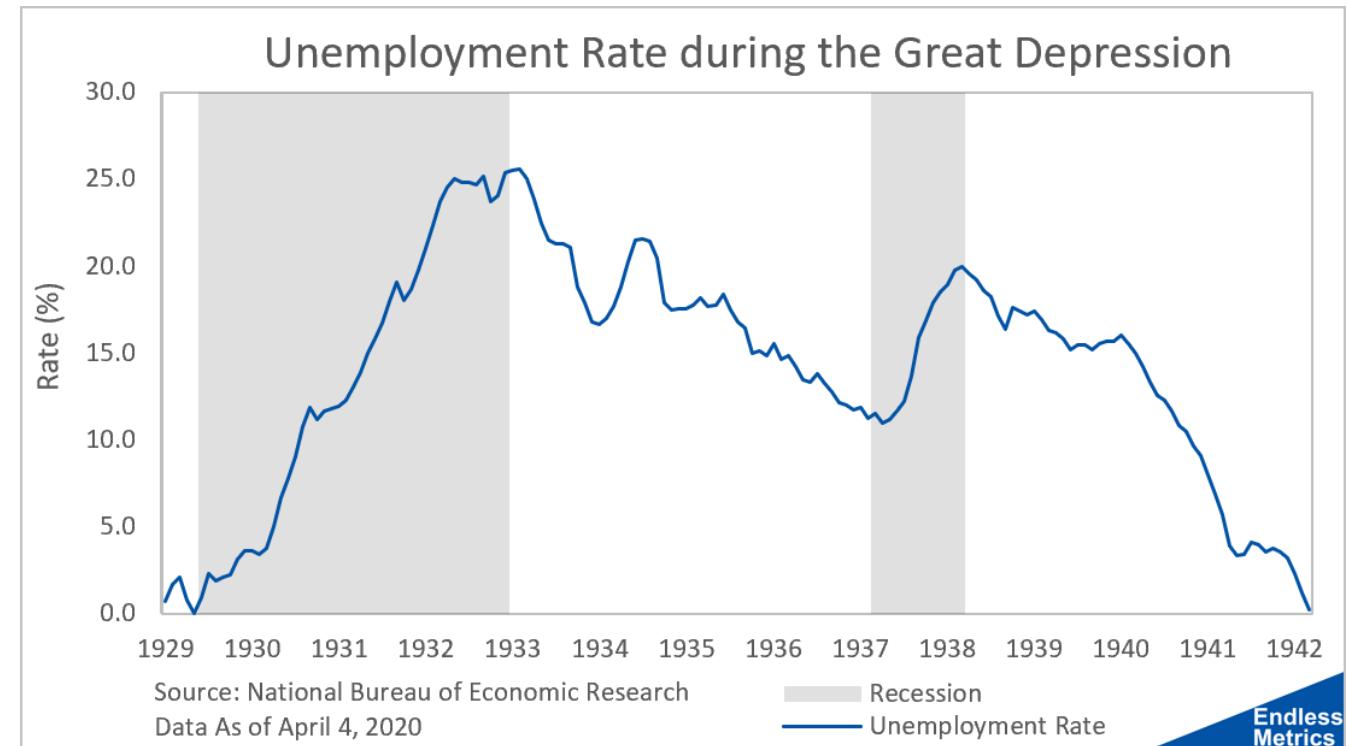
# Raising Taxes (1935)



- Roosevelt: Contempt for Moneyed Elite Who Ignored Suffering of the Poor
- Wanted to Tax
  - Corporations, Inheritance Tax, Increase in Maximum Personal Income Tax
- Congress:
  - Increased Taxes for Those with Higher Incomes

# Neglected by New Deal

- Two Tier Welfare State
- Top Tier:
  - Farmers & Organized Workers
- Bottom Tier:
  - Women, Children, Elderly
  - Unorganized, Unskilled, Uneducated, Unemployed
- 1930s Unemployment: ~17%
- Domestic Workers & Southern Mills
  - Mostly Women
- Agricultural Worker
  - Many Minorites



# Neglected by the New Deal



- #1 Neglected: African Americans
- 1/2 in Cities Jobless
- Rural South: Conditions Worse

AAA:

- Neglected Black Tenant & Sharecroppers
- 11/10,000 WPA Supervisors were Black
  - African Americans (1/3 of Regional Population)



# Roosevelt's Response

- Tread Carefully
  - Coalition of Southern Democrats  
Need to Pass Legislation
- New Deal Still Supported by  
African Americans (Voting)
  - Northern Blacks Shift from  
Republican to Democrat



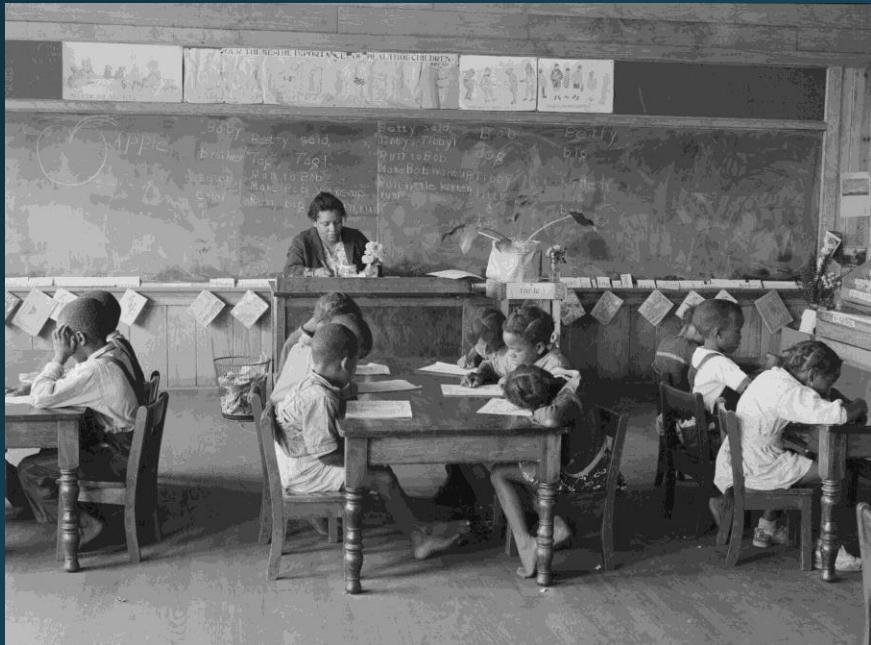
# The Other Roosevelt's Response

- Eleanor Blasts her Husband
  - Sponsored Mary McLeod Bethune to Head of Division of Negro Affairs in the National Youth Administration
- Highest Ranked Black Official in Roosevelt's Administration
  - Bethune & Others: Civil Rights Activists within New Deal Agencies
- $\frac{1}{4}$  Black People got Access to New Deal Relief Programs



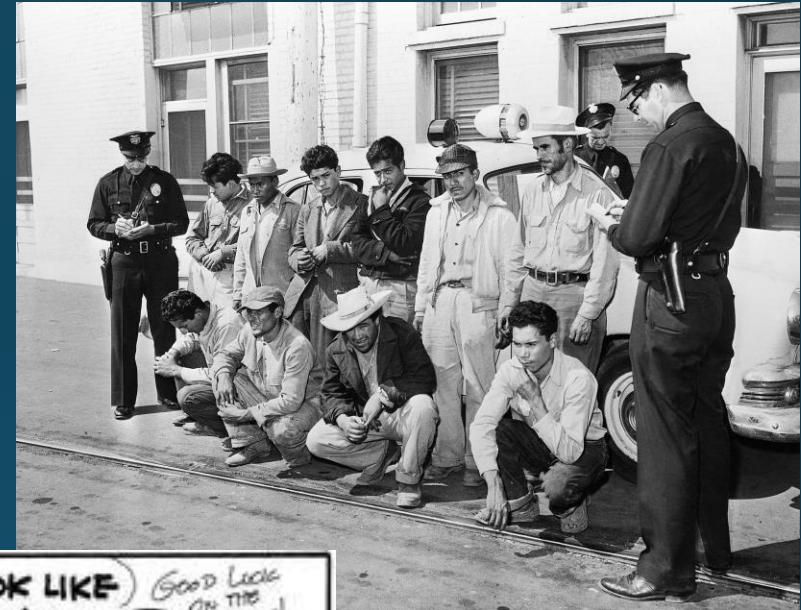
# African Americans in 1930s

- Most Black Workers:
  - Low Paying Menial Work
  - Unprotected by Social Safety Net
- Segregation & Unequal Education
  - 1% of Black Students Earned College Degrees
- Vigilante Violence Continued
- New Deal: Few Remedies



# Hispanic Americans & New Deal

- ~1 Million Lived in the US (1930s)
  - 1<sup>st</sup> & 2<sup>nd</sup> Generation
- Field Workers Wages Plummeted More
  - 5 or 10 cents per hour
- Government Ended Immigration from Mexico
- Deported Thousands of Mexican Americans
  - Their American-Born Children too



# Asian Americans & New Deal



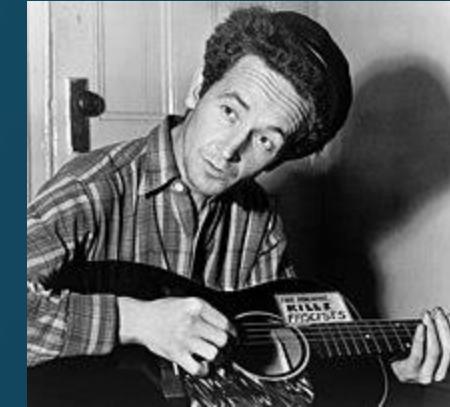
- Excluded from Citizenship & Owning Land
- 1930:  $\frac{1}{2}$  Japanese Americans born in US Still Discriminated Against

# Native Americans & New Deal

- Remained Poorest of the Poor
- Dawes Act & Indian Identity
- Indian Reorganization Act (IRA) (1934)
  - Provided Little Economic Aid
  - Restored Right to Own Land Communally
  - More Control Over Affairs
    - Foundation for Activism in 30 Years



# Woody Guthrie



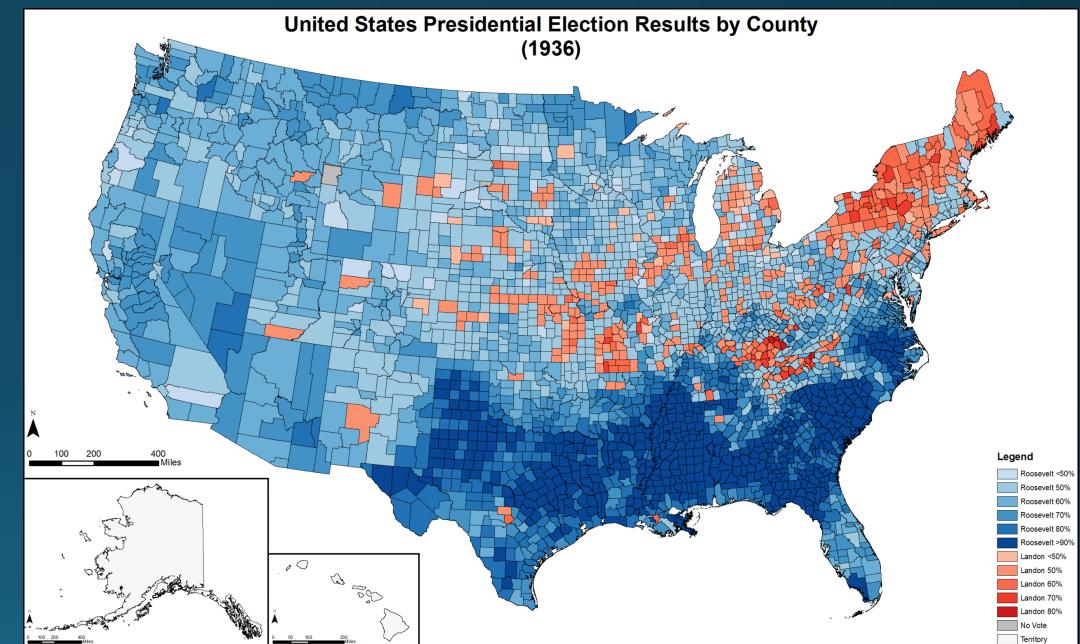
Woody Guthrie  
(1912-1967)

- Traveled Nation for 8 Years
- “how the home went to pieces, how ... the crops got to where they wouldn’t bring nothing, work in factories would kill a dog ... and — always, always [you] have to fight and argue and cuss and swear ... to try to get a nickel more out of the rich bosses.”
- “This Land is Your Land” (1945)

[The US Dust Bowl Video clips - Dust can't kill me - Woody Guthrie - YouTube](#)

# Roosevelt's Second Term: New Deal Loses Support

- Less on Cooperation with Business Leaders
- Relied on New Deal Coalition
- Countered:
  - Supreme Court
  - Republicans & Corporate Interests
  - Intensified Opposition to Welfare State



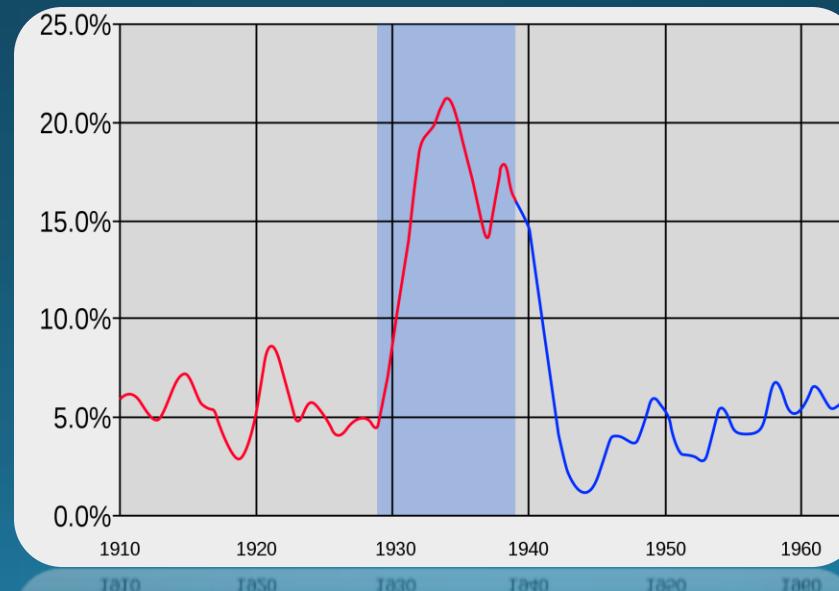
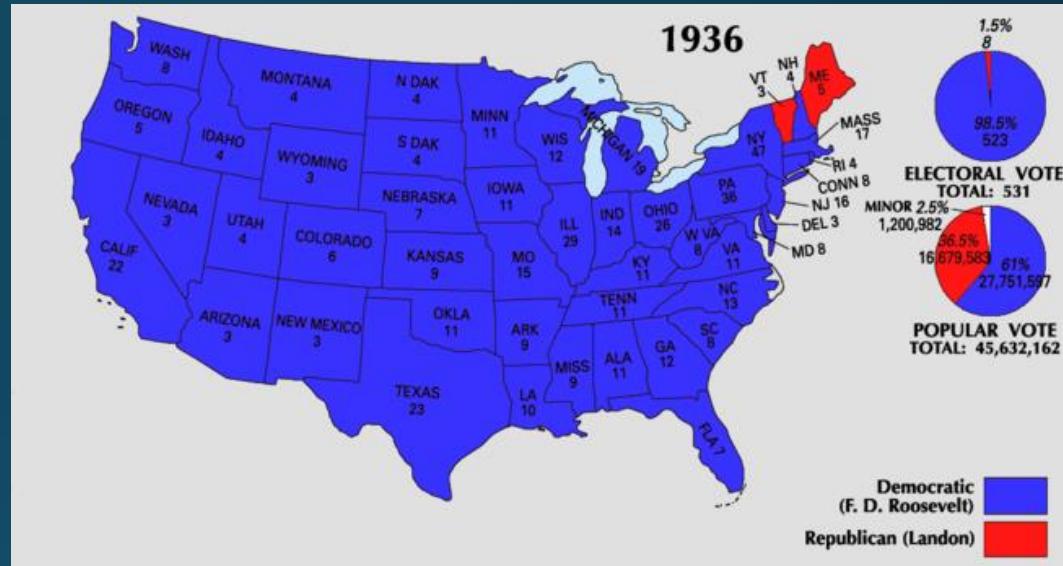


# New Deal Adds New Allies

- Farm States & Big Cities
- 1935 – Communism & “Popular Front”
  - Advance Fortunes of Working Class
    - Radical Embraced Ideas & Supported New Deal Programs & Encouraging Labor Union

# Presidential Election of 1936

- Landslide Win for Roosevelt
  - Economy Improving?
    - Reduced Government Spending via Advice (1937)
      - Tried Balancing the Budget
      - Recession within Depression
      - “Roosevelt Recession”
    - 1938 – Increased Spending



# Roosevelt's Political Outlook



- Tested Roosevelt
- Depression: Ongoing
- Conservatives: New Deal Failed
- Time for a Change
- Left-Wing: New Deal Should have Displaced Capitalism with Socialist Economy

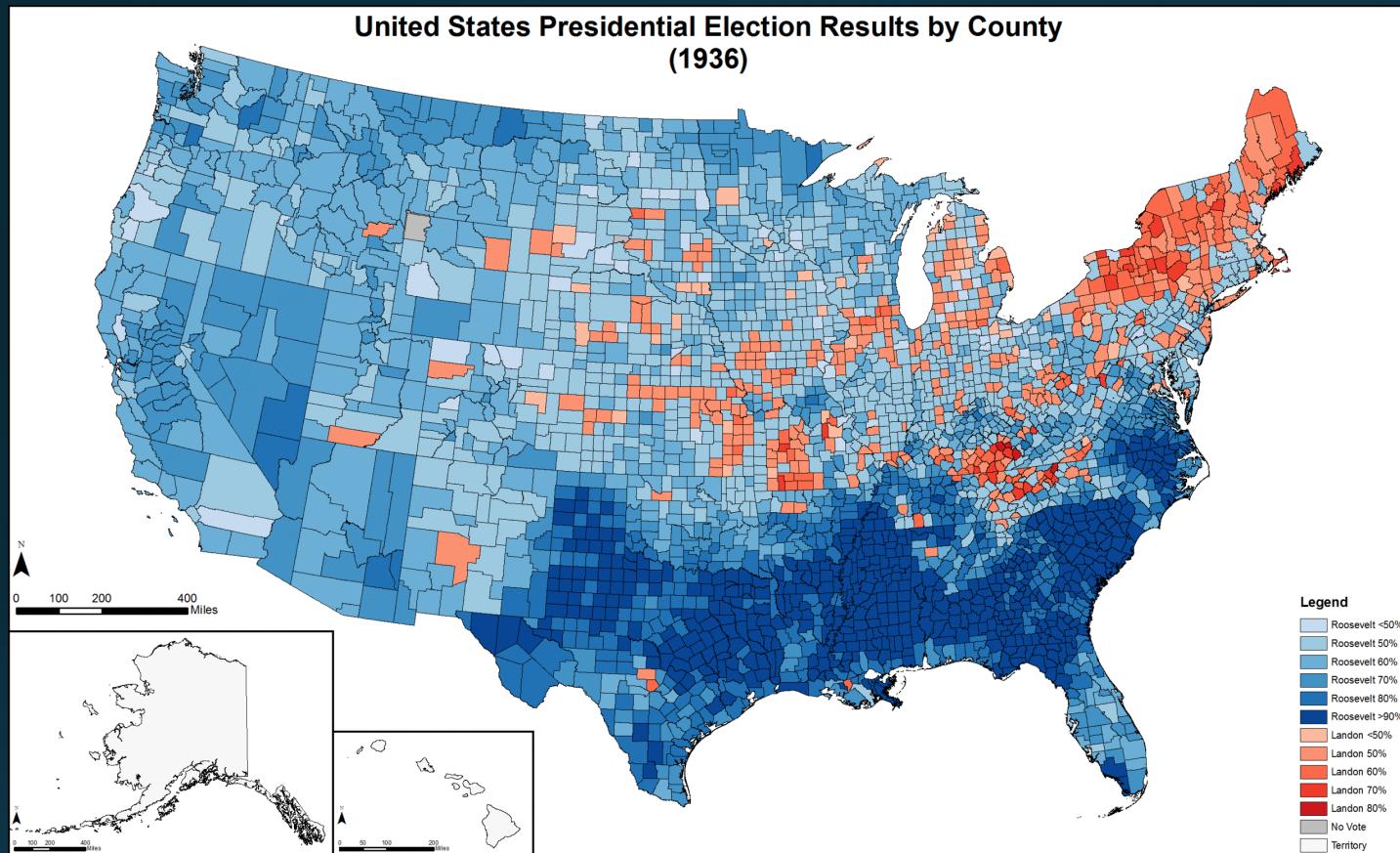
# Presidential Election of 1936

- Republicans Nominated:
- Alfred (Alf) Landon (Kansas Governor)
  - Moderate
  - Balance Federal Budget
  - Reduce Government Bureaucracy
  - Old-Fashioned Neighborly Help Rather than Federal Programs like Social Security



Alfred Landon (1887-1987)

# Presidential Election of 1936



- Roosevelt's First Term:
  - "the forces of selfishness and lust for power met their match"
- Roosevelt's Second Term:
  - "these forces met their master"
- Roosevelt: Landslide
  - 60.8% Popular Vote
  - Widest Margin of Victory to Date
  - Congressional Results Mirrored Roosevelt's Success
  - 3:1 Ratio of Democrats vs. Republicans

# Court Packing Scandal

- Roosevelt: 'How to Remove Opposition to New Deal Reform?'
  - More Supreme Court Justices!
- Supreme Court:
  - Conservative Justices Ruled Against 11 Parts of New Deal
- Under Consideration Next:
  - Social Security, Wagner Act, Securities & Exchange Commission



# Court Packing Scandal

- Logic to Add Justice:
  - One Justice for Every Current Justice 70+ & Served 10+ Years
    - 6 Justices to Outvote Elderly, Conservative, Republican Justices
- Public Response?
  - 2/3 Americans Believed in SCOTUS Independence
  - Even New Dealers Disagreed
  - Elderly Congress Members Offended
- Roosevelt Backed Off



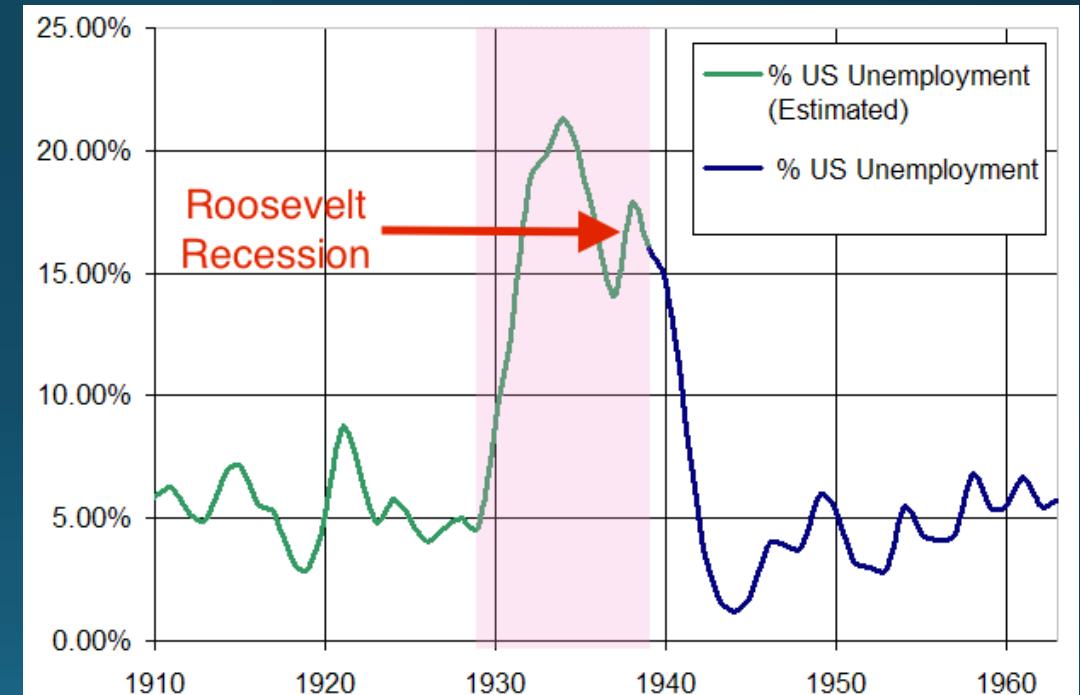
# Court Packing Scandal

- Supreme Court
  - Message Received
  - Four Elderly Justices Retired
    - “Four Horsemen of Reaction”
- Roosevelt: Named 8 Justices to the Court over 12 Years
  - Secured New Deal Laws Despite Packing Failure



# Economic Slump Slows New Deal Reforms

- Republicans Emboldened
  - "...Republican Party alone... guardian of... the charter of freedom."
- New Deal Coalition Debated
- Roosevelt Himself Desired Slowing Pace of New Deal Reform
  - New Measured Boosted Economy & Eliminated Depression Crisis
- Regimes of Germany, Italy & Japan
  - U.S. Looked to Defending Country, Not Changing



# Roosevelt's Mistaken Optimism



- Roosevelt:
  - Did Not Realize Gross National Product of 1937 Shortly Equaled 1929: Dropped Lower for Rest of the Decade
- Unemployment: 14% (1937)
  - Spiked Higher & Stayed until 1940
  - Peak of Recovery: 7 Million Without Jobs
- Income & Production 1937:
  - 2/3 Economics Gains since 1933 – Gone by June 1938

# Roosevelt's Mistaken Optimism

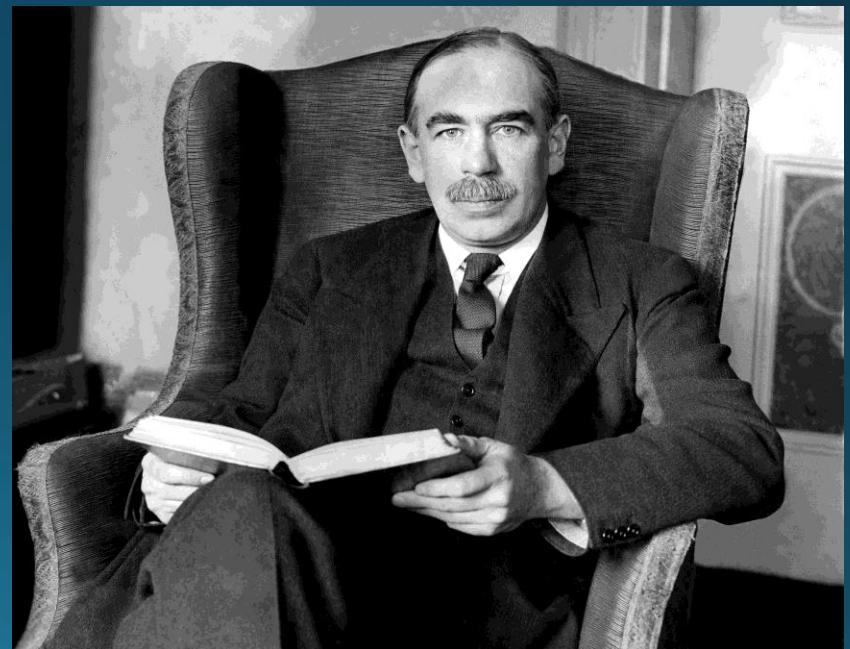
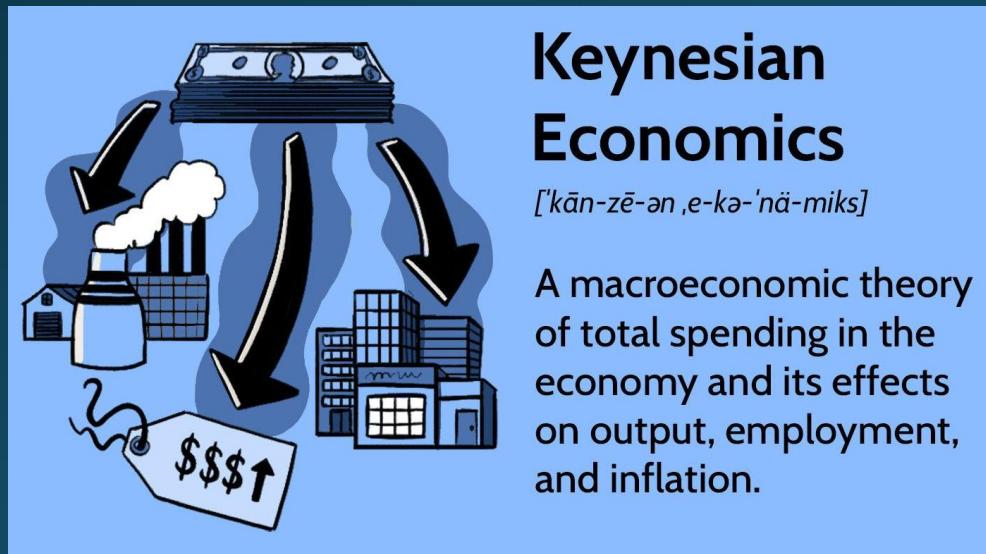
- Tried Balancing Budget
- Reduced Federal Spending
  - “Roosevelt Recession”
- Hurt New Deal Politically
  - Conservatives: “Illusion of Progress”
  - Tax & Spend Less
  - Wait for Natural Supply & Demand to Fix Itself
- 1938: Massive New Program Federal Spending



Library of Congress Prints and Photographs Division [LC-DIG-fsaac-1a334185].

# Roosevelt Turns to Keynesian Economics

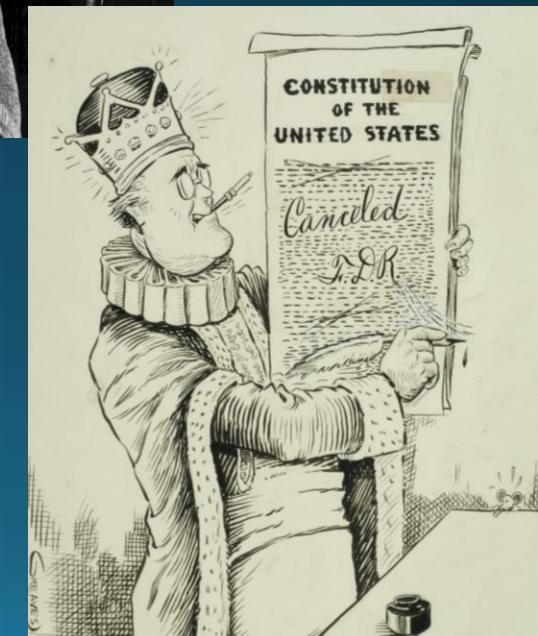
- English Economist John Maynard Keynes
  - Pump Money Into Economy to Restore Prosperity
  - Large-Scale Spending to Stimulate Economic Growth



John Maynard Keynes (1886-1946)

# New Deal Reforms as New Deal Loses Momentum

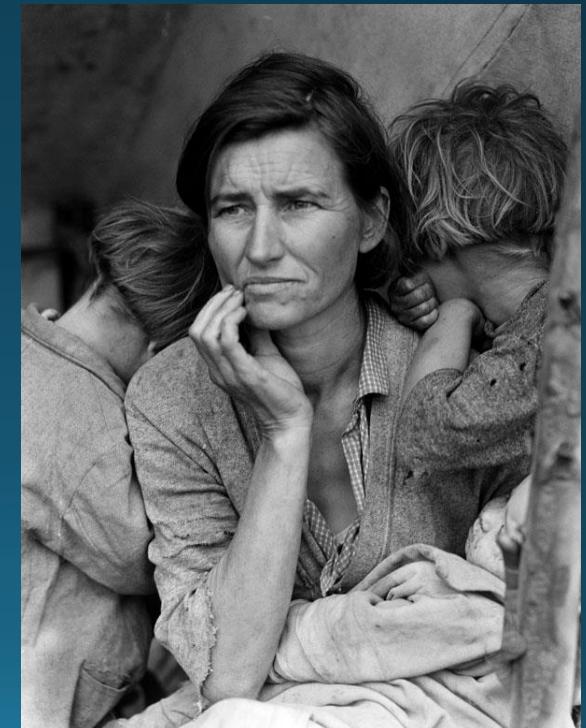
- Wanted to Expand Powers of the Presidency
  - Ripe to do it
- Conservatives:
  - Government Centralized too Far
- New Deal Friends Tired
- Midterm: Congress Balked at New Initiatives
  - One Last Big Reform



# Farm Security Administration (FSA)

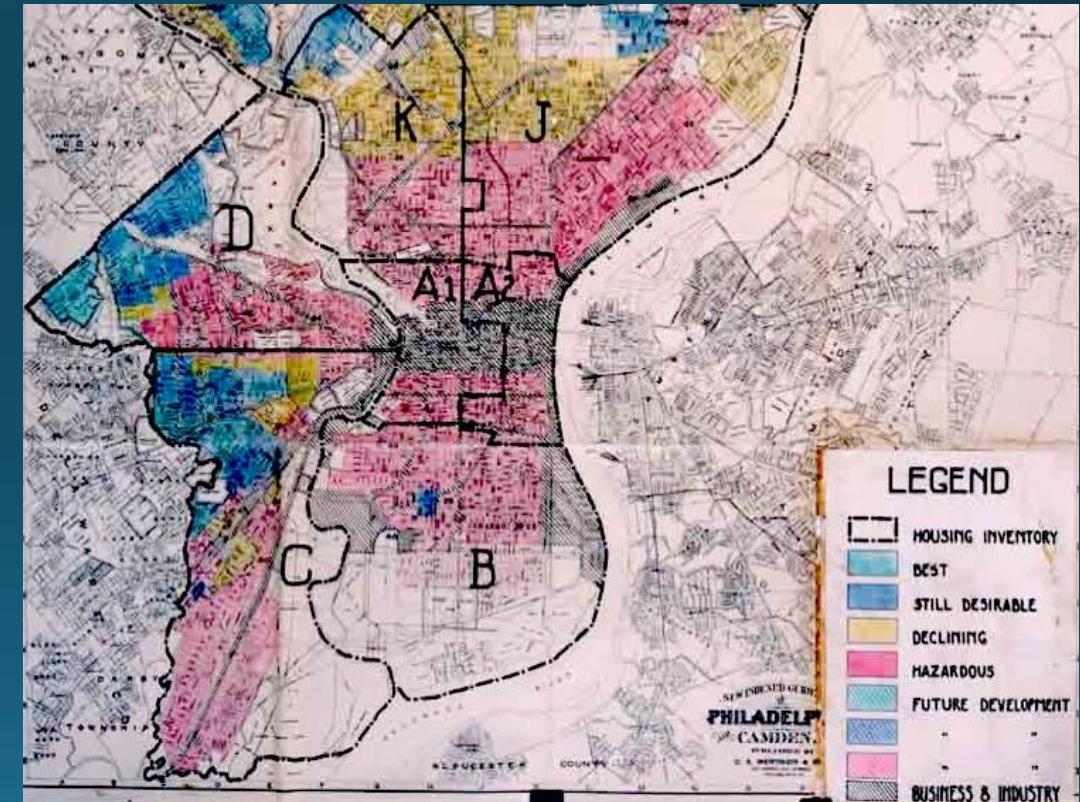


- Housing & Loans to Tenant Farmers
- Renewed Prosperity
- Agricultural Adjustment Act (AAA) of 1938
  - Production Quotas:
    - Corn, Cotton, Tobacco, Wheat, Rice, etc.
  - Food Stamps
    - Allowed Surplus Foods for People



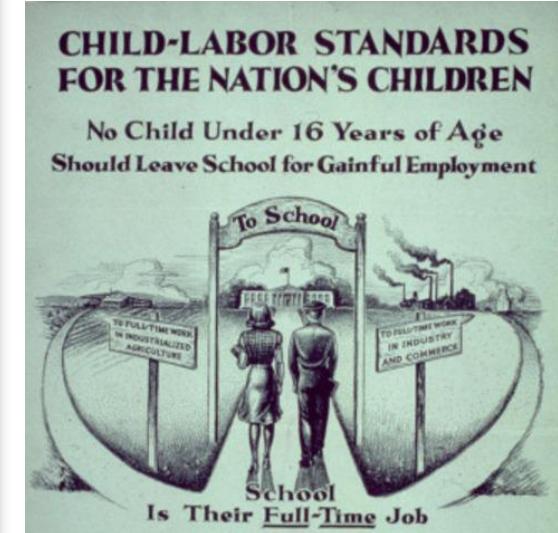
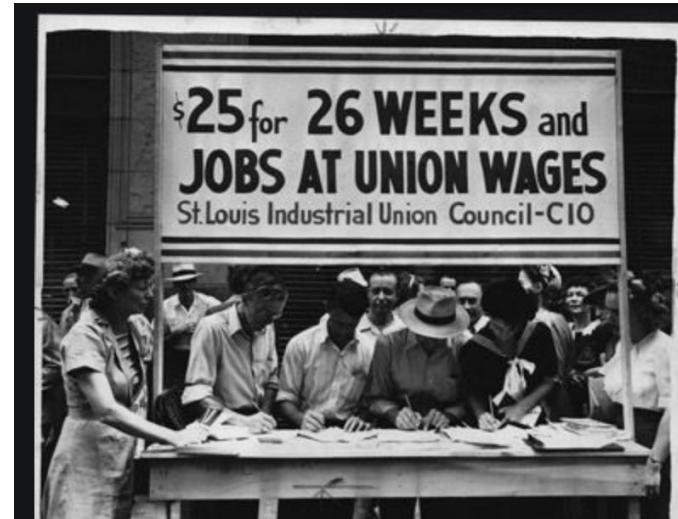
# Finally Acknowledged by New Deal

- New York Senator Wagner Pushed:
- National Housing Act (1937)
  - 1941: ~160,000 Residences for the Poor Via Affordable Rents
  - First Attempt at Addressing Urban Housing



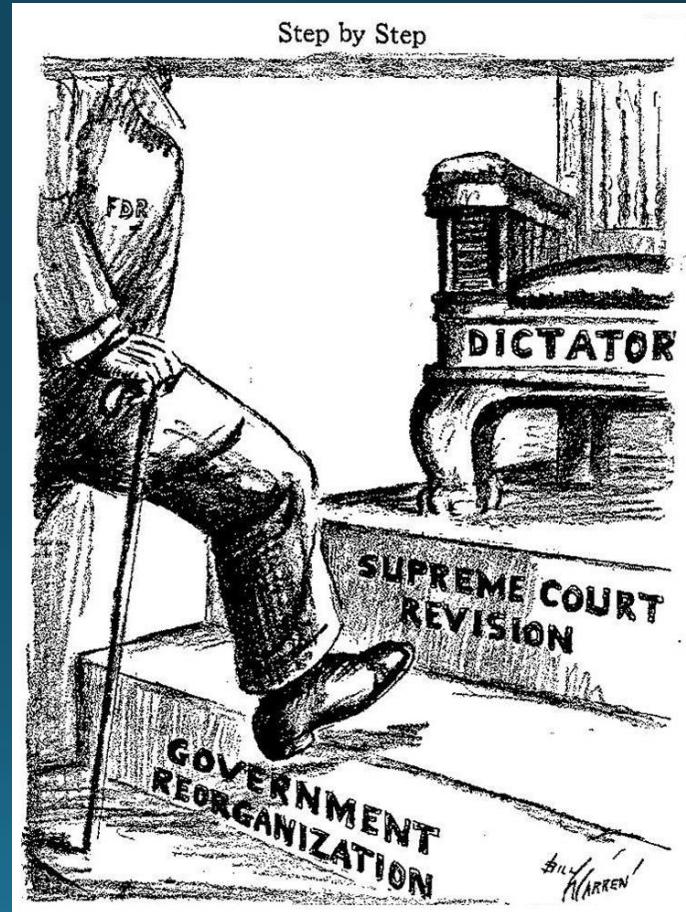
# Fair Labor Standards Act of 1938

- Last Big Piece of New Deal Legislation:
- Set Wages
  - Minimum Wage Level:
    - 25 Cents/Hour
- Set Standard Hours
  - 40 Hour Work Week
- Curbed Use of Child Labor



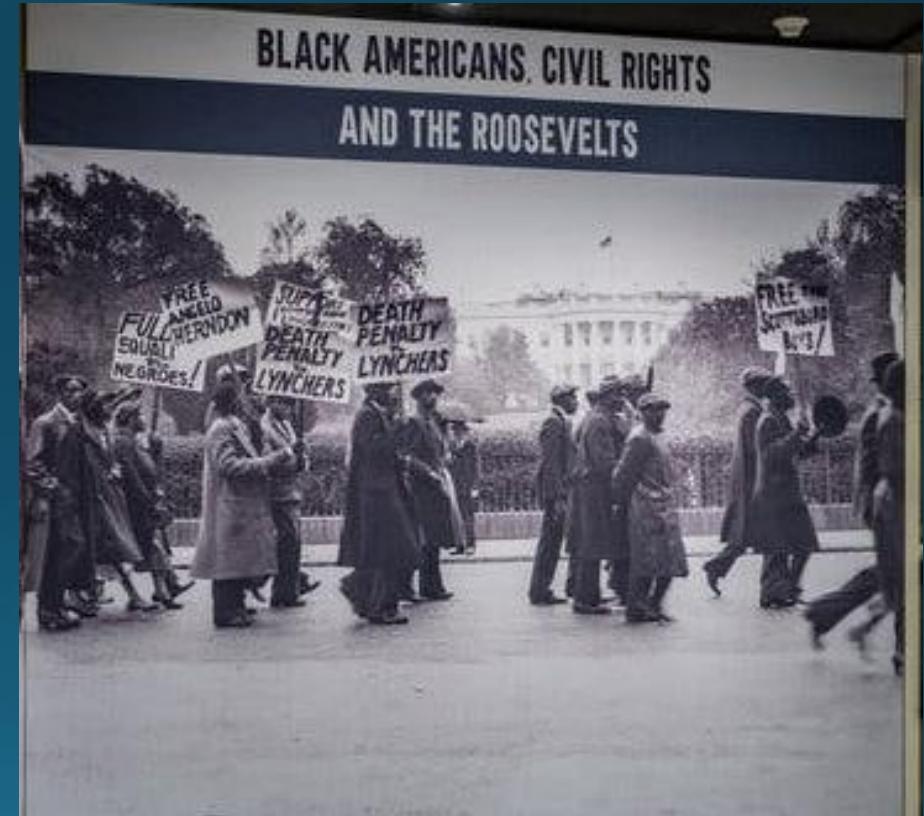
# Critics

- “Government Interference”
  - “It was. It interfered with the fellow running that pecan shelling plant... [and] told him he couldn’t pay that little widow seven cents an hour.”
- How to Get the Conservative Voters?
  - Exclude Domestic Workers & Farm Laborers
    - Excluded Most Women & Black Americans



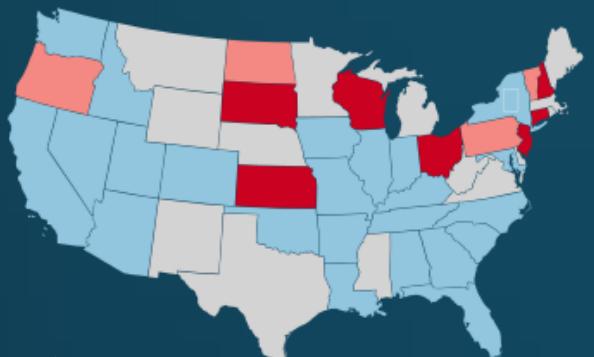
# Final Reform? Failed

- Addressing Racial Injustice
  - Denounced Lynching as Murder
  - Would Not Anger Southern Democrats (Coalition Needed)
- Congress Voted Down Bill:
  - Lynching as Federal Crime
  - Laws to Eliminate Poll Tax Met Same Fate
- New Deal: Refused to Address Racial Injustice

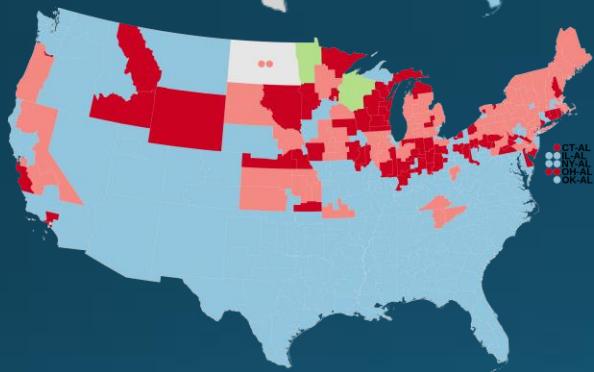


# Congressional Elections of 1938

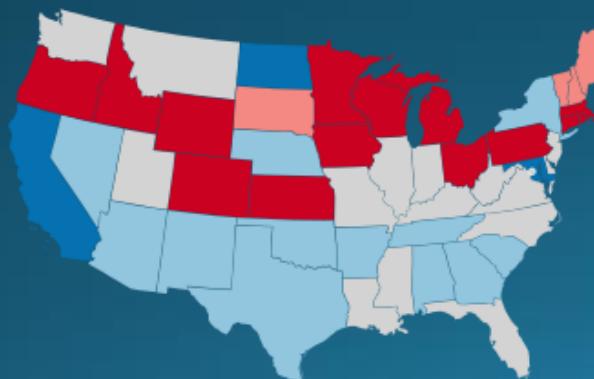
Senate Elections:  
Republicans Gain 8



House Elections:  
Republicans Gain 81



Gubernatorial Elections:  
Republicans Gain 12



- Republicans Made Some Gains
- Unprecedented Achievements:
  - Had Not Ended the Depression
- Message to Congress (1939)
  - Halt to New Deal Reforms
  - Focused on Preserving it, Not Expanding it
  - Discussed Aggressors in Germany & Japan
- Proposed Defense Expenditures
  - More than New Deal Spending

# Central Themes

- The Election of Franklin Delano Roosevelt
- The Goals & Achievements of the First New Deal
- Opposition to the New Deal
- New Deal's Creation of the Welfare State
- New Deal Loses Support in Roosevelt's Second Term
- Conclusion: Achievements & Limitations of the New Deal