

Franklin D. Roosevelt and the New Deal



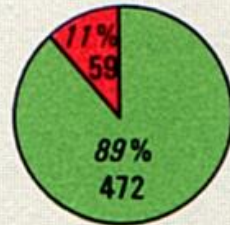
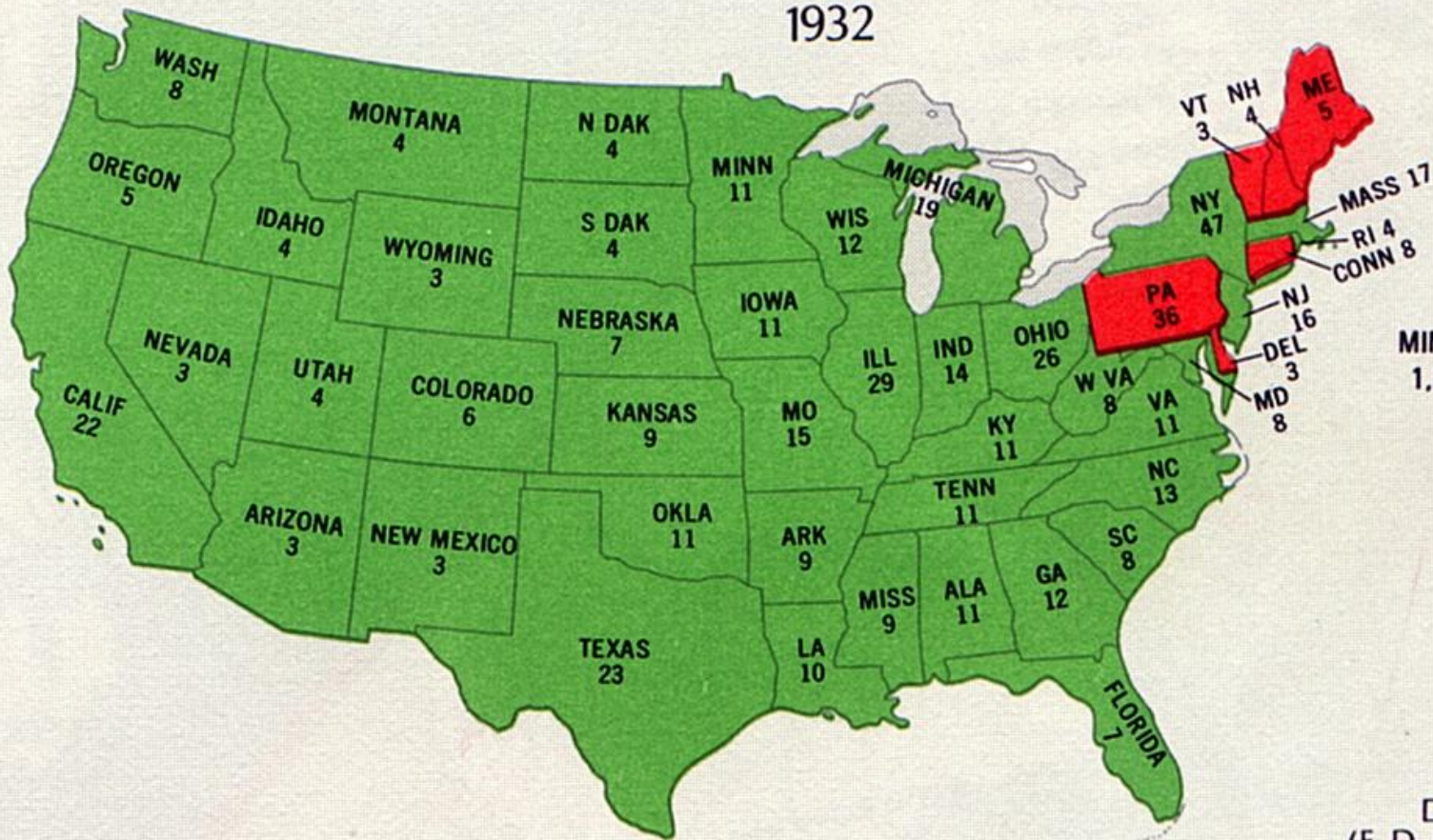
Redefined Democracy:
Political Rights ✦ Economic
Security ✦ Social Justice

Franklin D. Roosevelt's Appeal

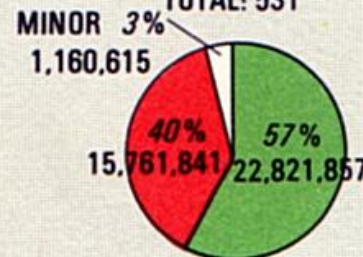
- In 1932 presidential election, **FDR** was perceived as a **man of action**.
- **Hoover** was viewed as a “do-nothing president.”
- **Norman Thomas**, the Socialist candidate, was viewed as a **radical**.
- Results: a **landslide for Democrats** and a mandate to use government as an agency for human welfare.



1932



ELECTORAL VOTE
TOTAL: 531

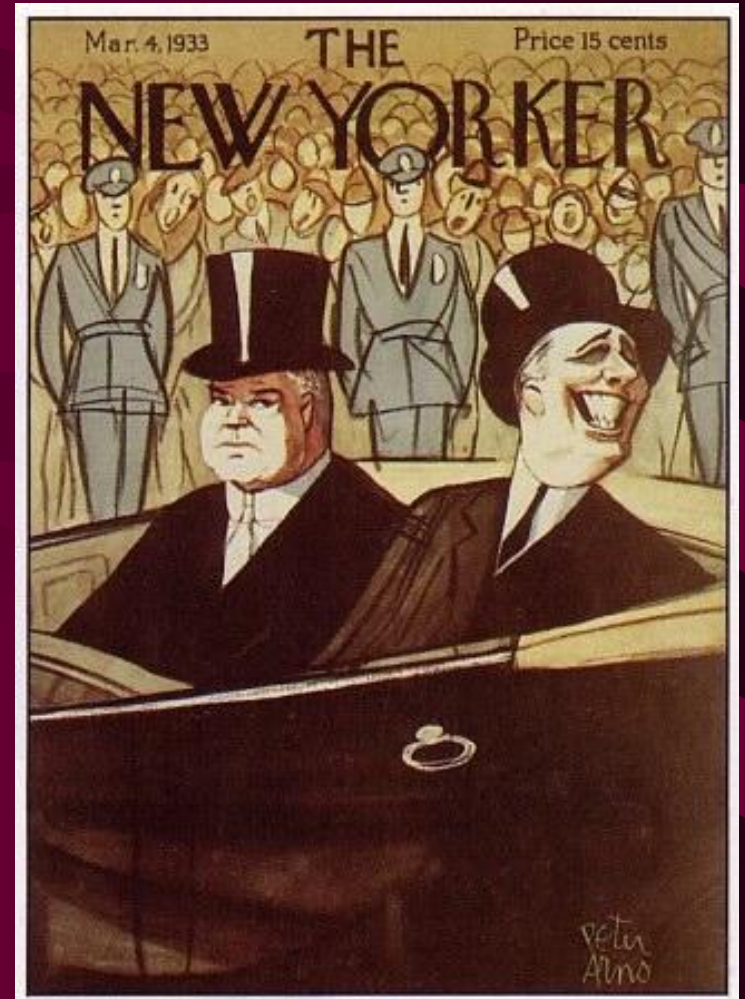


POPULAR VOTE
TOTAL: 39,744,313

Democratic
(F. D. Roosevelt) ■
Republican (Hoover) ■

Situation When FDR Entered Office

- In March 1933, the country was virtually leaderless and the banking system had collapsed.



FDR Restored Confidence

- In his inaugural address, he said *“The only thing we have to fear is fear itself....”*
- He promised vigorous leadership and bold action, called for discipline and cooperation, expressed his faith in democracy, and asked for divine protection and guidance.



FDR's Personal Qualities

- He was a **practical** politician who practiced the art of the possible.
- He was a **charismatic** person who exhibited a warmth and understanding of people.
- He **knew how to handle press** by focusing attention on Washington.
- He **provided dynamic leadership** in a time of crisis.
- He was **willing to experiment**



Purposes of the New Deal

- **Relief:** to provide jobs for the unemployed and to protect farmers from foreclosure
- **Recovery:** to get the economy back into high gear, “priming the pump”
- **Reform:** To regulate banks, to abolish child labor, and to conserve farm lands
- **Overall objective:** to save capitalism



Sources of New Deal Ideas

- **Brains Trust:** specialists and experts, mostly college professors, idea men
- **New Economists:** government spending, deficit spending and public works, government should prime economic pump
- **Roosevelt Cabinet:** included conservatives, liberals, Democrats, Republicans, inflationists, anti-inflationists -- often conflicting, compromising, blending ideas



First New Deal (1933-1934)

- **Emphasis:** reform
- **Political Position:** conservative
- **Primary aim:** economic recovery
- **Philosophy:** economic nationalism and economic scarcity (i.e., raise prices by creating the illusion of scarcity)
- **Objectives:** higher prices for agriculture and business
- **Beneficiaries:** big business and agricultural business



National Recovery Act (NRA)

- **Purpose:** recovery of industry
- Created a **partnership of business, labor, and government** to attack the depression with such measures as price controls, high wages, and codes of fair competition



First Agricultural Adjustment Act (AAA)

- **Purpose:** the recovery of agriculture
- **Paid farmers who agreed to reduce production** of basic crops such as cotton, wheat, tobacco, hogs, and corn
- Money came from **a tax on processors** such as flour millers and meat packers who **passed the cost on to the consumer**



Scene in county agent's office, San Augustine, Texas. Farmer is receiving his AAA check. Photo by Russell Lee, April 1939, LOC.

Federal Emergency Relief Admin (FERA)

- Purpose: relief
- Gave money to states and municipalities so they could distribute money, clothing, and food to the unemployed



Civilian Conservation Corp (CCC)

- Purpose: relief
- Gave outdoor work to unemployed men between the ages of 17 and 29
- They received \$30 per month, but \$22 went back to the family



Second New Deal (1934-1941)

- **Emphasis:** reform
- **Political Position:** liberal
- **Primary aim:** permanent reform
- **Philosophy:** international economic cooperation and economic abundance
- **Objectives:** increased purchasing power and social security for public
- **Beneficiaries:** small farmers and labor



Social Security Act

- **Purpose:** reform
- Gave money to states for aid to dependent children, established unemployment insurance through payroll deduction, set up old-age pensions for retirees.



National Labor Relations Act

- Purpose: reform
- Put restraints on employers and set up a **National Labor Relations Board** to protect the rights of organized labor to **bargain collectively** with employers.



Second Agricultural Adjustment Act

- Purpose: recovery for agriculture
- Paid farmers for conservation practices, but only if they **restricted production of staple crops.**



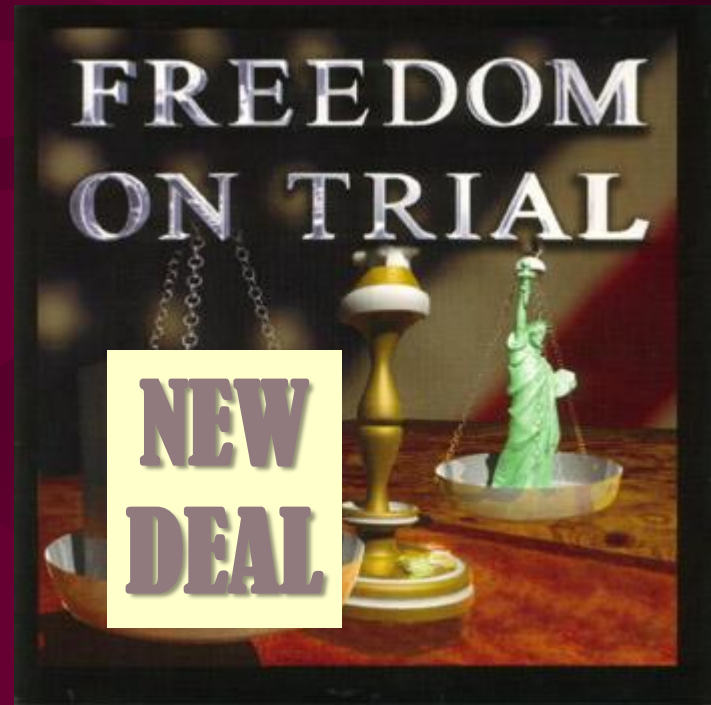
U.S. Housing Authority

- **Purpose:** recovery and reform
- Used federal funds to tear down slums and construct **better housing.**



The New Deal on Trial

- By 1935, political disunity was evident. There were critics on the right and the left.



Criticisms of Conservative Opponents

- Conservative opponents said the New Deal **went too far**:
 - It was **socialism** (killed individualism)
 - It added to the **national debt** (\$35 billion)
 - It wasted money on relief and **encouraged idleness**
 - It **violated the constitution** & states rights
 - It increased the **power of the Presidency** (FDR was reaching toward dictatorship, Congress a rubber stamp, independence of judiciary threatened, separation of powers shattered)



Anti-New Deal Organization

- Conservative opponents to the New Deal had an organization called the **American Liberty League**. They had money but were small in numbers, so FDR was not worried.



Criticisms of Radical Opponents



- Radical opponents said the New Deal did not go far enough. They were **demagogues** (rabble-rousers) and had popular followings, so FDR was concerned.

Senator Huey Long (LA)

- Senator Huey Long said New Deal relief measures were mere crumbs and advocated a **share the wealth** plan (i.e., a guaranteed annual income of at least \$5,000 for every American, financed by confiscating wealth of people who made over \$5 million per year).



Father Charles E. Coughlin

- Father Charles Coughlin was a rabble-rousing radio priest from Detroit. His broadcasts were called the “Golden Hour of the Little Flower.” He claimed there **was an international bankers conspiracy** and Jews were responsible. He **advocated nationalization of banking and currency** and national resources and demanded a **“living wage.”**



Dr. Francis E. Townsend

- Dr. Francis E. Townsend was an elderly physician from CA. He had a plan for the federal government to **pay \$200 per month to unemployed people over 60.** The program would be financed by a **2% national sales tax** and each pensioner would be required to spend the money in 30 days. This would stimulate the economy.



Protection of New Deal Accomplishments

- Steps FDR took to protect New Deal accomplishments (both failed):
 - **Court-Packing Plan** (proposed increasing Supreme Court from 9 to 15 members, caused in revolt in Dem. Party)
 - **Purge of the Democratic Party** in the Election of 1938 (came out strongly in favor of liberal Dem. Candidates, evidence that he interfered in a state campaign, Republicans gained strength in both houses of Congress)



Decline of New Deal Reform after 1937

- Reasons for decline of New Deal reform after 1937:
- Court-packing plan made Congress irritable.
- Recession of 1937-38 weakened confidence in New Deal measures. Republicans gained strength in both houses.
- Attempted purge of Democratic party failed.
- Conservative Democrats were elected to office. Resentful of attempted party purge, they joined ranks with Republicans to block New Deal legislation.
- Increasing focus on foreign affairs.

Bellwork: September 14, 2012

- Get out your notes from yesterday and get ready to add to them

Moderate Legislation

- FDR sponsored moderate legislation to silence radical opposition:
 - **Revenue Act of 1935** – Response to Huey Long. Increased taxes on large incomes and corporations.
 - **Banking Act of 1935** – Response to Coughlin. Extended federal control over private banking practices.
 - **Social Security Act of 1935**
Response to Townsend.
Included provisions for unemployables (dependent children, the disabled, blind), unemployment insurance, and old-age pensions.



The Election of 1936

- The Election of 1936:
 - Made the Democratic party the **majority party**
 - Created a **new Democratic coalition** composed of both traditional elements and new elements
 - Showed that the **American people rejected radical solutions** to depression

THE PEOPLE'S CHAMPION AND HOPE - 1932
FIGHT IN DEMOCRACY
THE PROVEN FRIEND AND HUMANE LEADER - 1936

Roosevelt Appreciators' League
MEMBERSHIP ENROLLMENT
AND
Democratic Committee's
REGISTRATION DRIVE
WITH
ROOSEVELT
ROUND-UP RALLY

National League Baseball Field, Boston
FRIDAY, OCTOBER 30, 1936

We invite every fair-minded man and woman who holds the future welfare of this nation above Party Politics to take an active part in the re-election of America's ablest and most humane leader since Lincoln by enlisting as a member of our League, and thus co-operate in meeting the slanderizing opposition with the League's 21 issues. In this way, the vote of November 3rd will be the greatest ever given a candidate for the office of President of the United States of America and will again deliver the state to Franklin Delano Roosevelt.

THE MOST *Stupendous and Spectacular Night Show* EVER STAGED

Invited Honored Guest Speakers
President FRANKLIN D. ROOSEVELT
U. S. Senator JOSEPH ROBINSON
Gov. GEORGE EARLE of Pennsylvania
and Entire State Tickets

Master of Ceremonies, EDDIE DOWLING
Entertainment:
American Legion and Veterans of Foreign Wars BANDS AND DRUM CORPS
REVIEW AND STREET PARADE
FIREWORKS WITH MAMMOTH UNIQUE CAMPAIGN SET PIECES

★ Membership Subscription of \$1.00 includes free admission to Rally, FREE personal opinion ballot and picture of President ROOSEVELT in full color.

Headquarters: COPLEY SQUARE HOTEL
Corner Huntington Avenue and Exeter Street, Boston

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TRUTHS
OPEN



The Election of 1936

Candidate	Party	% Popular Vote	Electoral Votes
FDR	Democratic	60.3%	523
Alfred E. Landon	Republican	36.56%	8
William Lemke	Radical	1.93%	
Norman Thomas	Socialist	0.41% (2.21 in 1932)	
Earl Browder	Communist	0.17 (0.25 in 1932)	

The Roosevelt Coalition

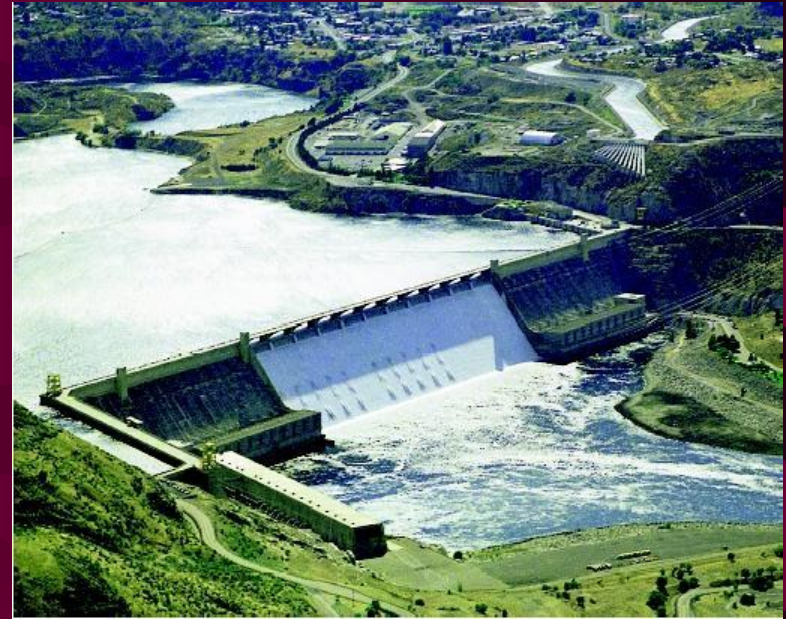
- While Republicans were still relying on their traditional base of political support (big business, big farmers, and conservatives), Democrats broadened their constituency by appealing to **small farmers** in the Midwest, **urban political bosses**, **ethnic blue collar workers**, **Jews**, **intellectuals**, and **African Americans**.



The Significance of the New Deal

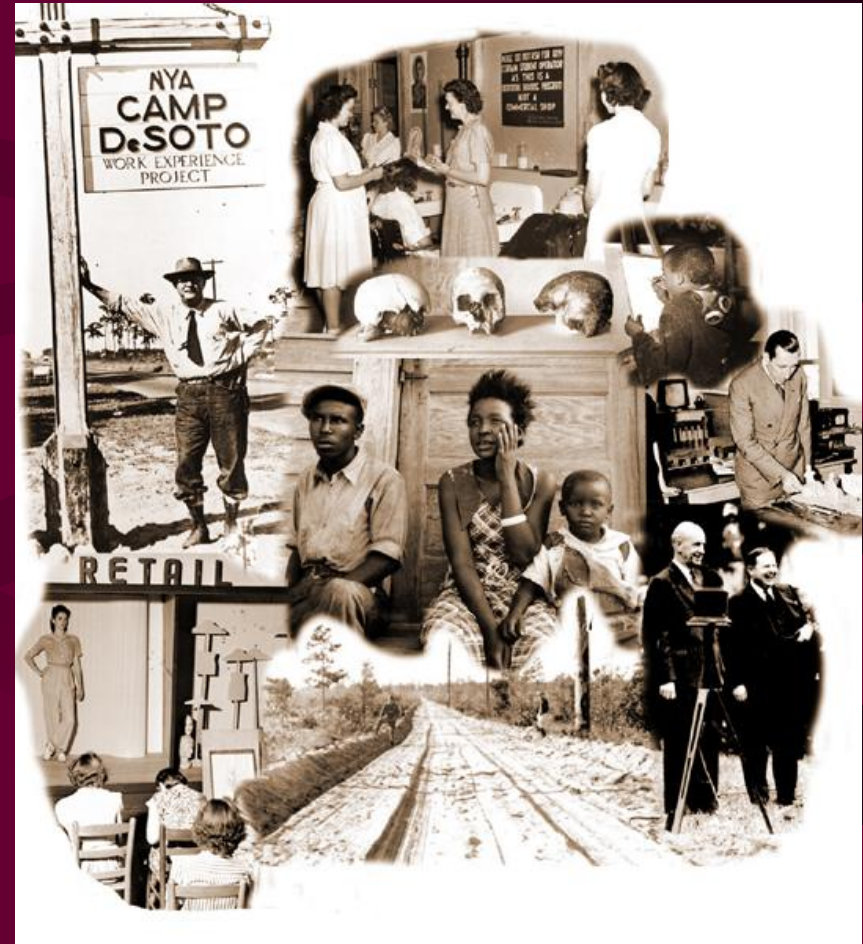
Physical Rehabilitation of Country

- Attacked soil erosion
- Built dams and planted trees to prevent floods
- Reclaimed the grasslands of the Great Plains
- Developed water power resources
- Encouraged regional reconstruction projects like the TVA and Columbia River project



Human Rehabilitation

- Established the principle that government has responsibility for the health, welfare, and security, as well as the protection and education of its citizens
- Embraced social security, public health, housing
- Entered the domain of agriculture and labor



Revitalization of Politics

- Strengthened **executive branch**
- Reasserted **presidential leadership**
- **Revitalized political party** as a vehicle for the popular will and as an instrument for effective action.



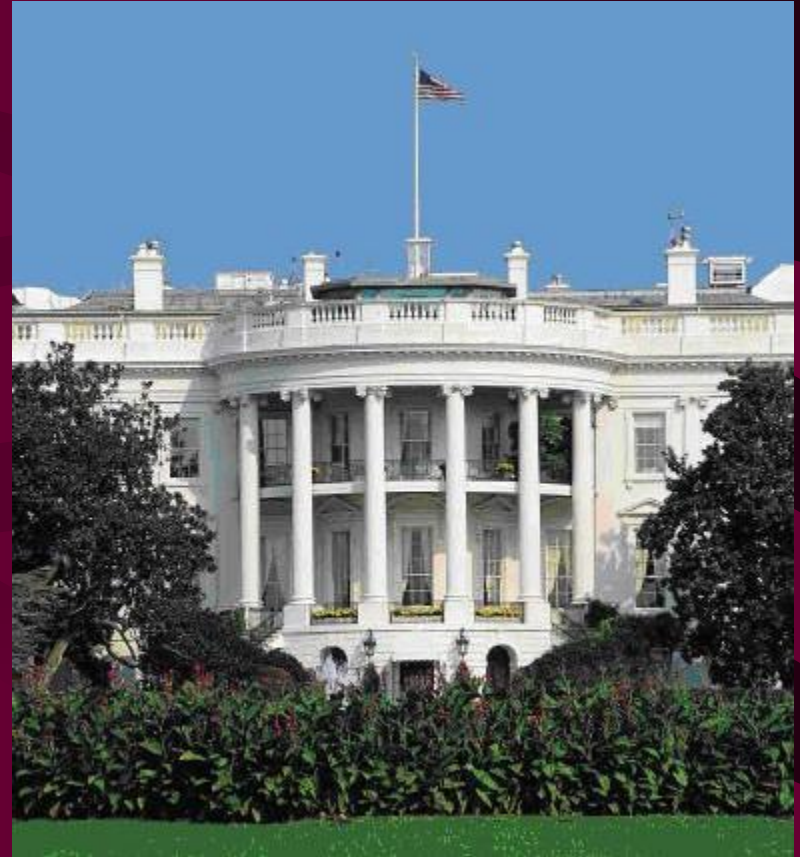
Extension of Democracy

- Redefined the concept of democracy so that it included not only political rights but economic security and social justice as well.



Maintenance of a Democratic System

- The New Deal maintained a democratic system of government and society in a world threatened by totalitarianism.
 - Increased size and scope of government to meet needs of the depression
 - Provided the leadership that enabled Congress to put through the necessary relief, recovery, and reform measures.
 - Sponsored moderate legislation to neutralize the popularity of radical opponents

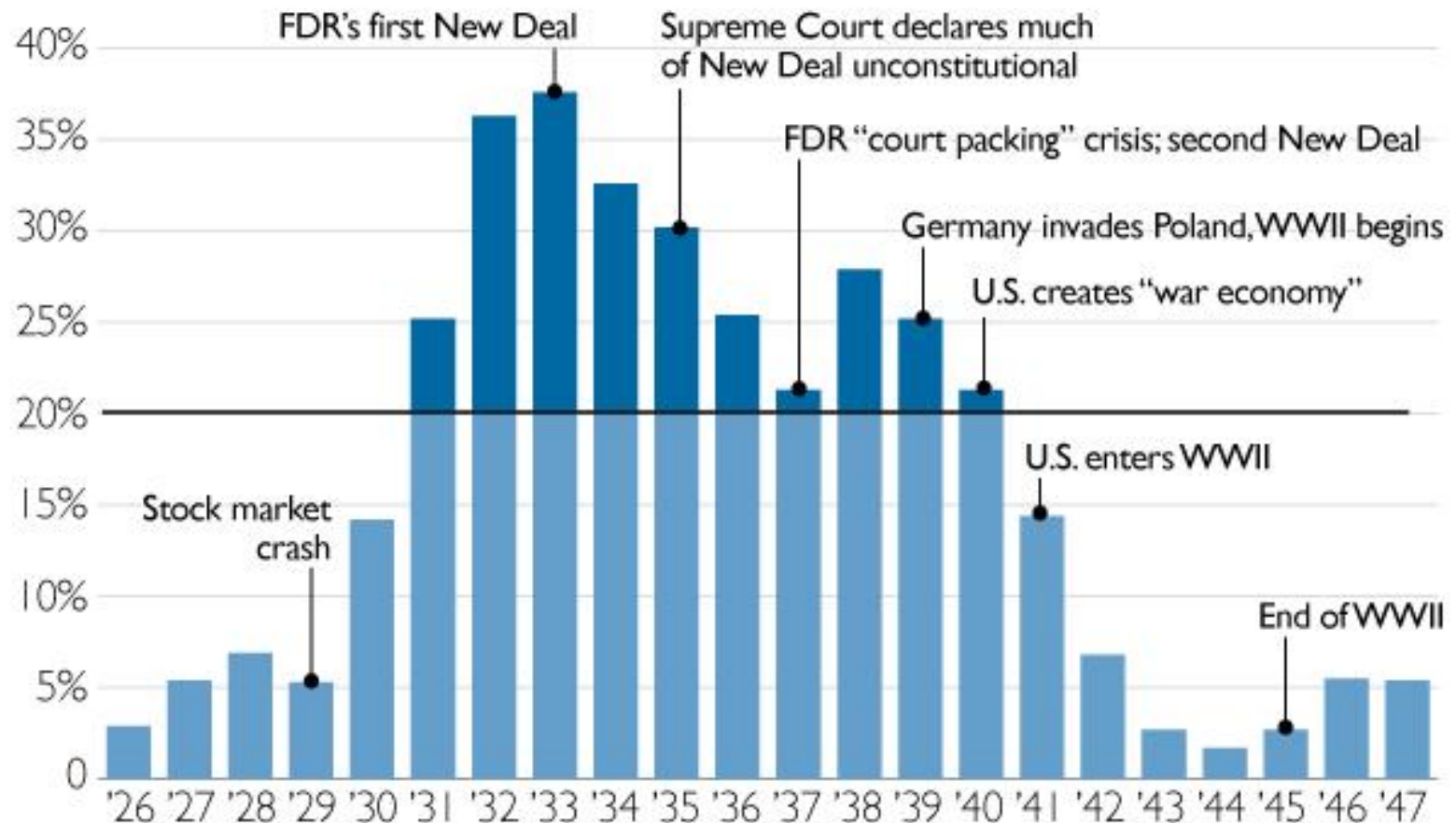


That's how it created the political reality of the America we live in...

But how **SUCCESSFUL** was the New Deal in dealing with the depression?

Unemployment Rate During the New Deal

Percentage of Jobless Nonfarm Workers, 1926–1947

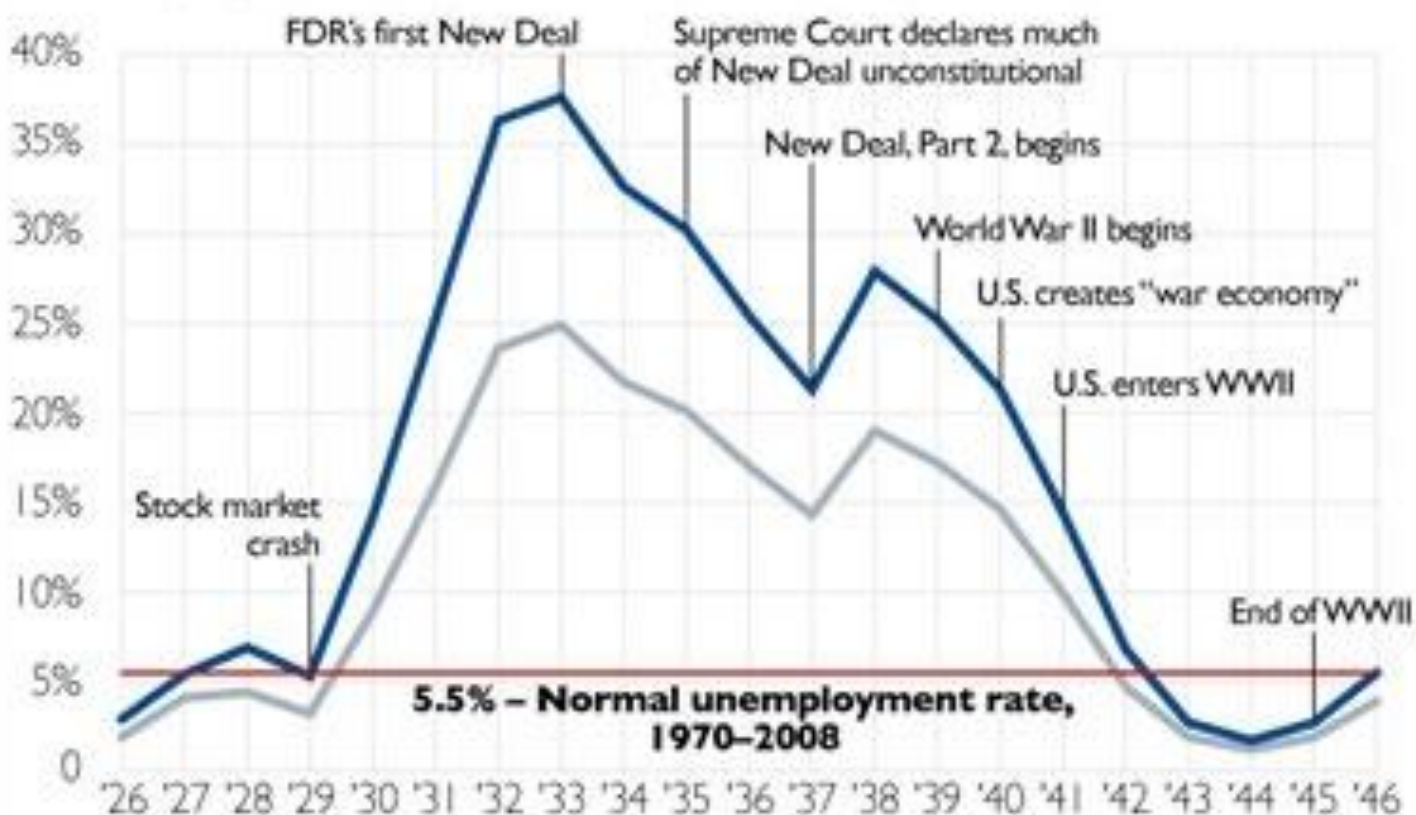


Source: U.S. Department of Commerce, Bureau of the Census, Bicentennial Edition Historical Statistics of the United States Colonial Times to 1970 Part I (1975) Washington D.C., Series D 1-10 "Labor Force and its Components 1900-1947", p.126

Unemployment Rates During the New Deal

— Census Bureau data
— Alternative estimates* including prisoners, government relief workers, the institutionalized

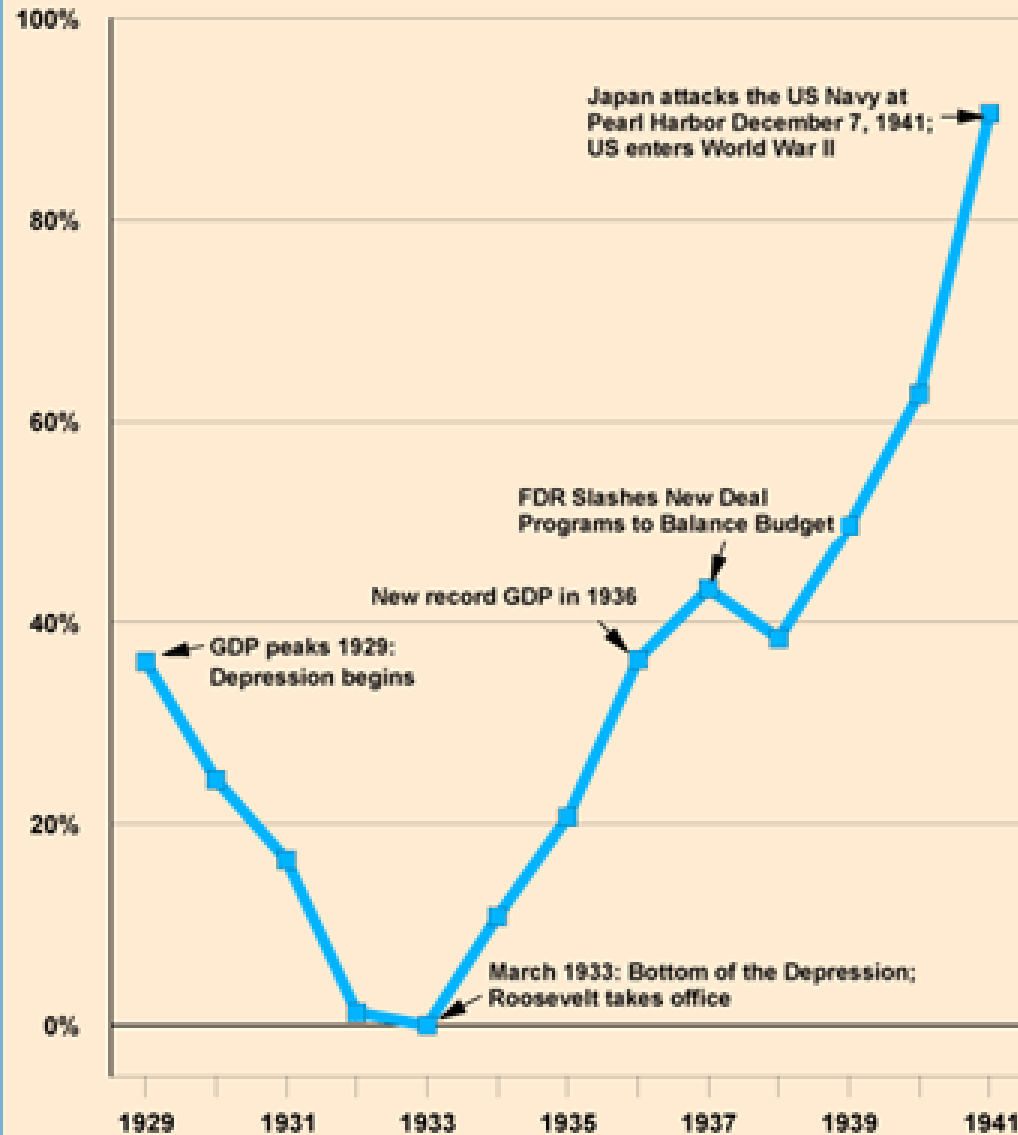
Percentage of Jobless Nonfarm Workers, 1926 – 1946



* From Stanley Lebergott, "Annual Estimates of Unemployment in the United States, 1900–1950."

Sources: U.S. Census Bureau, Bureau of Labor Statistics, Global Insight.

U.S. Gross Domestic Product, 1929-1941



Source: U.S. Department of Commerce and MBG Information Services

U.S. Industrial Production, 1928-1941



Source: Federal Reserve Board and MBG Information Services

Government Expenditures

- The total cost of the **current bailout now exceeds \$13.8 trillion** dollars. It has cost more than all of these government expenditures combined. Figures in parentheses have been adjusted for inflation:
 - **Marshall Plan:** Cost: \$12.7 billion (\$115.3 billion)
 - **Louisiana Purchase:** Cost: \$15 million (\$217 billion)
 - **Race to the Moon:** Cost: \$36.4 billion (\$237 billion)
 - **S&L Crisis:** Cost: \$153 billion (\$256 billion)
 - **Korean War:** Cost: \$54 billion (\$454 billion)
 - **The New Deal:** Cost: \$32 billion est.(\$500 billion est.)
 - **Invasion of Iraq:** Cost: \$551billion (\$597 billion)
 - **Vietnam War:** Cost: \$111 billion (\$698 billion)
 - **NASA:** Cost: \$416.7 billion (\$851.2 billion)
 - **TOTAL:** \$3.92 trillion