

1. Introducing FDR (pp. 777–780)

a. You may get confused by all the acts and agencies set up by Franklin Roosevelt in an attempt to deal with the massive Great Depression of the 1930s. In fact, people in the Roosevelt administration didn't really have a consistent, coherent plan when they started out. Using the FDR quote leading off the chapter on p. 777, summarize in your own words what FDR's underlying philosophy was when he took office in March 1933.

b. Roosevelt was greatly aided by one of the most active and popular first ladies ever, his wife _____ (a niece of Theodore Roosevelt). As you read this section about FDR, list a few facts about his background and some of his personal characteristics.

(1) Background:

(2) Personal characteristics:

c. Roosevelt defeated the Republican _____ by a wide margin in the 1932 election. This election produced what historic shift in the voting patterns of African Americans (p. 797)?

2. Money and Jobs (pp. 780–787)

a. As soon as FDR was inaugurated in March 1933, the Democratic Congress passed a huge mass of New Deal legislation in what became known as the first “_____ Days.” The new laws dealt with the “Three R's” of the New Deal program: _____ (aid to those in immediate and desperate need), _____ (programs designed to stimulate the economy), and _____ (efforts to change permanently elements of the economic system that had contributed to the Depression). As you read the remainder of the chapter about New Deal efforts to overcome the Depression, try to classify the major programs (not necessarily all of them) into one of these three categories. Use the charts on pages 781 and 784 if needed. *** Then go back and put an asterisk (*) by those programs that you think are still in effect today.

Relief

Recovery

Reform

b. Roosevelt's first act in office was to declare a "banking holiday" as a prelude to reopening the sounder banks with government backing through the Emergency _____ Relief Act of 1933. Through the _____ - _____ Banking Reform Act, Congress restructured the financial services industry and established the _____ Insurance Corporation, (FDIC) which insures people's deposits in national banks. *** Looking at the chart on p. 782, what connection do you see between the establishment of the FDIC and the virtual end to bank failures after 1933?

c. Generally, in reasonably good economic times, the unemployment rate is around 4–5 percent of the workforce. When Roosevelt took office the unemployment rate was an unbelievable _____ percent. To help unemployed youth, the _____ (CCC) was established. FDR aide Harry _____ was in charge of other agencies that passed out direct relief payments to people through the Federal Emergency _____ Administration (FERA) and gave adults jobs on federal projects temporarily through the Civil _____ Administration (CWA) and later through the much larger and semipermanent Works _____ Administration (WPA), which built many of the buildings and bridges we're familiar with today.

d. Who were these three popular "demagogues" who argued against FDR and the New Deal?

(1) Father Charles _____ of Michigan:

(2) Senator Huey _____ of Louisiana:

(3) Dr. Francis _____ of California:

e. *** Remember the "trickle down" philosophy of Hoover as reflected in the aid to business given through his Reconstruction Finance Corporation (RFC)? He hoped that business would use government money to build factories, thus creating jobs and helping ordinary people. How do the relief and employment efforts of Roosevelt reflect more of a "bubble up" philosophy as opposed to Hoover's "trickle down" approach?

3. Laborers and Farmers (pp. 787–790)

a. Roosevelt first tried, ultimately unsuccessfully, to cooperate with business in putting people back to work. The vehicle was the National _____ Administration (NRA), whose symbol, the Blue _____, signified that business and labor in a particular company or industry had agreed on ways to increase employment and wages. The Supreme Court (in the Schechter "sick _____" case) killed this effort, but the authors that say it wasn't working well anyway because it required too much altruistic self-sacrifice. Note the rather contradictory efforts of the Agricultural _____ Administration (AAA) to raise farm prices by promoting scarcity (i.e., paying people not to produce) at a time of widespread hunger and unemployment. Drought and dust storms in the southern plains compounded farm problems—the famous _____ Bowl well portrayed in the Steinbeck novel _____ of *Wrath*. *** As you read about the causes of the Dust Bowl on p. 789, what environmental lessons are contained in this story?

4. Structural Reform (pp. 790–795)

a. Match up the New Deal programs listed below that continue today to be an accepted part of the role of government in the economy and society:

- | | |
|--|---|
| _____ (1) Protects investors in stocks and bonds against fraud, deception, and manipulation. | A. Federal Housing Administration (FHA) |
| _____ (2) Planned development of a region and entry by government into the power industry. | B. Securities and Exchange Commission (SEC) |
| _____ (3) Financial help to home-buyers and builders | C. Social Security system |
| _____ (4) Unemployment insurance/old-age pensions | D. Tennessee Valley Authority (TVA) |

b. *** Pick ONE of these programs and comment as to why you either agree or disagree that this activity is a legitimate function of the federal government. Program: _____

5. New Deal and Labor (pp. 795–797) Remember that the American Federation of Labor (AF of L) was a craft union organization, meaning that it was divided into skilled occupational groups such as carpenters, plumbers, electricians, etc. To expand the labor movement beyond these skill-based groups, in 1935 John L. _____ started what came to be known as the Congress of _____ Organizations (CIO), which included many unskilled workers and was organized by industry rather than craft—steelworkers, auto workers, teamsters, etc. Congress, for the first time, passed legislation supporting unionization in the form of the _____ Act of 1935 which was to be enforced by a new National _____ Board. In 1938, the Fair _____ Act was passed and helped set minimum wage and working conditions. Summarize the results of the New Deal’s pro-labor stance as reflected in the chart on p. 797.

6. End of the New Deal (pp. 797–802)

a. In the 1936 election, Roosevelt soundly defeated the Republican nominee, Alfred M. _____ of _____. In this election, FDR was able to put together for the Democrats a coalition (or combination of interest groups) that held together surprisingly well until just recently. Besides the “New Immigrants,” the authors say on p. 798 that this coalition was composed of the _____, the _____, the _____, and the _____. In the first act of his new term, Roosevelt squandered much of his political capital by trying (unsuccessfully) to expand the size and change the composition of the conservative _____ Court, which had overturned much New Deal legislation. Although he lost this fight, the Court thereafter became less hostile to the New Deal’s “socialistic” legislation. *** What does the chart on p. 800 tell you about the New Deal’s success or lack of success in dealing with the huge unemployment problems of the 1930s?

b. On pp. 800–801, focus on the economic reversals of the late 1930s caused at least partially by a slowdown of New Deal subsidies ordered by Roosevelt when he thought times were improving and he should move to balance the budget by cutting expenses. It’s important to understand the basic theories of British economist John _____ Keynes, which were introduced at this time and still have influence today. *** Why do you think Keynes would argue that governments should run an intentional deficit (i.e., spend more money than they receive in

tax payments) when unemployment is high and the economy is in bad shape? How can a government spend more than it receives? Where does the extra money come from?

(1) Why deficit spending in bad times?

(2) Where does the money come from?

7. New Deal Evaluated (pp. 802–804) The authors summarize well the many criticisms of the New Deal—that it was inefficient, bureaucratic, and inconsistent, and that it introduced big government, a high national debt, and elements of socialism into the American capitalistic system. Perhaps most significant, they point out that the New Deal really never ended the Depression and its high unemployment rates. These were only ended by the huge government spending associated with American entry into _____. And it was the war, not the New Deal, that caused the biggest expansion of the national debt, from \$_____ billion in 1939 to \$_____ billion in 1945. On balance, the authors seem to _____ (like or dislike) Roosevelt and his program. On p. 804, they say that FDR was like _____ in his espousal of big government, but like _____ in his concern for the common man. *** What do they mean, also on p. 804, when they conclude that Roosevelt “may have saved the American system of free enterprise.... He may even have headed off a more radical swing to the left by a mild dose of what was mistakenly condemned as ‘socialism’ ”? Does this argument make sense to you?

8. Varying Viewpoints (p. 805) Against arguments by historians such as Carl Degler that the New Deal was a “revolutionary response” to economic depression, or by others such as Barton Bernstein that it was not revolutionary enough, the authors obviously favor the more modern “constraints school” interpretation. *** What does historian William Lauchtenburg, a member of this school, mean when he calls the New Deal a “half-way revolution”?

NEW DEAL—HISTORICAL INTERPRETATIONS

From the Introduction to *The New Deal* by Anthony J. Badger (1989)

In the postwar years conservatives condemned Roosevelt for introducing socialism; liberals applauded him for extending the responsibility of the federal government to cover the economic security of individual citizens. Most historians identified with the Democratic Party and liberalism and in the 1950s and early 1960s many aspects of the New Deal appealed to them. . . .

Both conservative critics and liberal defenders of Roosevelt believed that he had instituted a massive break with the past. Radical historians in the 1960s saw the New Deal differently. Acutely conscious of continuing racism and poverty in the 1960s, they believed that the New Deal had merely served to sustain the hegemony of corporate capitalism. . . . The New Deal did not nationalize the banks or discipline American businessmen; rather the corporate leaders themselves drafted the financial and industrial stabilization legislation. . . . Limited concessions, the radicals argued, undercut radicalism's appeal. . . .

In the 1970s, ideologues of the right challenged the notion that New Deal change had been minimal. Instead, they insisted that the New Deal had set the American political economy decisively and inexorably on the wrong course. . . . Right-wing intellectuals saw the Reagan victory of 1980 as the turning-point when the American people reversed a half century's drive towards collectivism and chose freedom instead. . . .

My preconceptions and conclusions will soon become clear: that the New Deal did represent a sharp break with the past; that the New Deal's impact was nevertheless precisely circumscribed, often constrained by forces over which the New Dealers had little control; that in the end the New Deal functioned very much as a 'holding operation' for American society; and that for many Americans the decisive change in their experiences came not with the New Deal but with World War II.

Write a paragraph about ONE of the following two questions (the second question being a bit more challenging).

1. What does this summary by Badger of New Deal "historiography" say about the influence of the times in which historians write on their interpretation of past events? If you had to classify the New Deal interpretation of your text authors into one of the categories listed by Badger, what would it be?
2. What is your interpretation of the significance of the New Deal in terms of its break with the past, its effect on the people it was designed to help, and its impact on the future course of history?

CHAPTER 34 TERM SHEET

Depression and the New Deal

Pages 777–780

Franklin D. Roosevelt

Eleanor Roosevelt

New Deal

“Brain Trust”

1932 election

Pages 780–787

Bank “holiday” (March 1933)

The “Hundred Days”

The “3 R’s”

Emergency Banking Relief Act (1933)

“Fireside chats”

Glass-Steagall Banking Reform Act

Federal Deposit Insurance Corp.

Civilian Conservation Corps (CCC)

Federal Emergency Relief Act

Harry L. Hopkins

Agricultural Adjustment Act (AAA)

Home Owners’ Loan Corp. (HOLC)

Civil Works Admin. (CWA)

“Demagogues”

Father Charles Coughlin

Sen. Huey P. Long

Dr. Francis E. Townsend

Works Progress Administration (WPA, 1935)

Pages 787–790

National Recovery Admin. (NRA “Blue Eagle”)

Schechter “sick chicken” decision (1935)

Public Works Admin. (PWA)

Harold L. Ickes

Frances Perkins

Twenty-first Amendment (1933)

Agricultural Adjustment Admin. (AAA)

“Parity prices”

Dust Bowl

Grapes of Wrath

The “Indian New Deal”

Pages 790–795

“Truth in Securities Act”

Securities and Exchange Commission (1934)

Tennessee Valley Authority (TVA)

Federal Housing Administration (FHA)

Social Security Act

Pages 795–797

Wagner Act (1935)

National Labor Relations Board

John L. Lewis

Congress of Industrial Organizations (CIO)

“Sit-down” strike

Fair Labor Standards Act (1938)

Pages 797–802

Alfred M. Landon

Twentieth Amendment (1933)

FDR’s court-packing scheme (1937)

John Maynard Keynes

Hatch Act (1939)