

Period Ch. 31 and 32

Group 1

The Republican “Old Guard” Returns

- Warren G. Harding is inaugurated in 1921.
- He has a charming stature yet is ill equipped to serve in office.
- He has many great advisors, however, two poor choices, in particular, leave a lasting negative effect on his campaign.

GOP Reaction at the Throttle

- Harding benefited enterprising industrialists.
- McKinley’s style of exhibition fell back into place.
- Improvements on the laissez-faire business doctrine are being made.
- Ex- president Taft served as Harding’s chief justice, which provided to be the way of obtaining a very needed liberal approach.
- In the early 1920s, the Supreme Court ended progressive legislation.
- **Adkins v. Children’s Hospital**
- Antitrust laws were usually ignored in the attorney general’s office.
- Larger industrialists reduced the level of competition by setting up trade associations.
- Secretary Hoover greatly encouraged this effort.

The Aftermath of War

- The War Industries Board disappeared as the economy began to downfall.
- **Esch-Cummins Transportation Act of 1920**
- **Merchant Marine Act of 1920**
- **La Follette Seaman’s Act of 1915**
- A strike in the steel industry broke out in 1919.
- The Railroad Labor Board ordered a wage cut to 12% in 1922.
- Labor Unions suffered in this political environment and membership saw a decrease.
- In 1919, the American Legion was founded by Colonel Theodore Roosevelt Jr. in Paris.
- **Adjusted Compensation Act**

American Seeks Benefits Without Burdens

- The United States, by rejecting the Treaty of Versailles, was still considered to be at war with the Central Powers.
- Isolation developed in Washington.
- Harding, however, could not turn his back on the Middle East.
- Disarmament became a big issue facing the government.
- Washington “Disarmament” Conference in 1921-1922
- Secretary Hughes posed the idea of a potential ten-year “holiday.”
- **Nine-Power Treaty of 1922**
- “Outlawry of War”
- **Kellogg-Briand Pact**

Group 2

Ch. 31 Note Sheet

- Hiking the Tariff Higher
- Because businessmen did not want Europe flooding American markets with cheap goods after the war, Congress passed the **Fordney-McCumber Tariff Law** in **1922** , raising the tariff from 27% to 38.5%.
- Presidents Harding and Coolidge were much more prone to increasing tariffs than decreasing them; this presented a problem: Europe needed to sell goods to the

U.S. to get the money to pay back its war debts. Europeans responded by also increasing tariffs.

● The Stench of Scandal

○ In **1923**, Colonel Charles R. Forbes, head of the Veterans Bureau, was caught stealing \$200 million from the government, chiefly in connection with the building of veterans' hospitals.

○ In the **Teapot Dome scandal (1921)**, the secretary of the interior, Albert B. Fall, convinced the secretary of the navy to transfer valuable oil-laden land to the Interior Department (the land was owned by the navy). Fall was then bribed with \$100,000 to lease the lands to oilmen Harry F. Sinclair and Edward L. Doheny.

○ Attorney General Daugherty was accused of illegally selling pardons and liquor permits.

○ President Harding **died** in San Francisco on **August 2, 1923** of pneumonia and thrombosis.

● "Silent Cal" Coolidge

○ Vice President Calvin Coolidge took over the presidency following Harding's death. He was extremely shy and delivered very boring speeches.

○ Coolidge did not change the business-friendly policies that Harding had created.

● Frustrated Farmers

○ After the end of WWI, farms struggled because the Federal government stopped guaranteeing high prices and other nations started to grow more crops. Machines also enabled farmers to grow more crops, but this created crop surpluses, which decreased prices.

○ The **Capper-Volstead Act** exempted farmers' marketing cooperatives from anti-trust prosecution.

○ The **McNary-Haugen Bill** sought to keep agricultural prices high by authorizing the government to buy crop surpluses and sell them abroad. President Coolidge vetoed the bill because the bill would've cost the government money.

Group 3

Three Way Race for the White House in 1924

- Calvin Coolidge (R)
 - "Keep Cool and Keep Coolidge"
- Democrats split
- John W. Davis (D)
 - Lawyer, corporation manager
- La Follette (P)
 - Supported mainly by farmers
- Progressive Party not as great as it once was
- La Follette- 5 million votes, 14 electoral votes
- Davis- 8 million, 136 electoral votes
- Coolidge- 16 million, 382 electoral votes

Foreign - Policy Floundering

- During Coolidge's second term Isolationist views continued in America.
- One exception to the isolation was the Caribbean and Central America.
 - After eight years American troops withdrawn from Dominican Republic in 1924, but stayed in Haiti from 1914-1934.
 - 1925, troops briefly removed from Nicaragua, where they had been since 1909, but in 1926 Coolidge sent five thousand back.

- In 1926 Mexico asserts claim over oil resources.
 - American oil companies push for war, but Coolidge negotiated for the oil companies.
 - Negotiation caused resentment south of the Rio Grande.
- After World War I America had moved from a debtor nation to creditor nation.
 - America loaned about 10 billion dollars to other countries.
- America wanted repayment for the money they loaned from the world war.
 - Allies protested the demand was unfair; they argued “they paid with the wall of flesh and bone that held back a common foe.”
- America’s post tariff walls made it far more difficult for Europe to sell goods to earn money and pay off debts.

Unraveling the debt Knot

- The United States demand for payment caused Allies to be extremely harsh on Germany.
 - French and British demanded Germans pay about \$32 billion to compensate wartime damages.
 - Wanting payment faster, France sent troops to Germany’s industrialized Ruhr Valley in 1923.
 - Berlin responded by allowing currency to inflate.
- America refused to let debt go, saying there was no connection between debt and reparations.
- Negotiated by Charles Dawes, the Dawes Plan of 1924 addressed the debt repayment issue.
 - Set up German reparations and allowed Americans to make private loans to Germany. The Germans used loans to pay the reparations, which the Allies used to pay the war debts to the Americans.
 - All the money coming from American credit; when that ran out in 1929, all other countries (except Finland) no longer able to pay debt and America never got its money.

The Triumph of Herbert Hoover, 1928

- Herbert Hoover (R)
 - Unpopular with political bosses, adored by the masses
- Alfred E. Smith (D)
 - Four-time governor of New York
 - Conflicted with prohibition and religion
- Radio became a political tool
 - Helped Hoover more than Smith
- Hoover the ideal American
 - Worked from an orphan to a president
- Hoover- 21 million, 444 electoral votes
- Smith- 15 million, 87 electoral votes

Group 4

President Hoover’ s First Moves

- As the Hoover years began in the late 1920s, prosperity was soaring.
- However, two major groups of people were not getting their share- the laborers and farmers.
- The farmers were especially loud in their outcry against the economy, which led to the Agricultural Marketing Act.
 - Passed by Congress in June of 1929
 - Designed to help the farmers help themselves, largely through producers’ cooperatives
 - Established the first major government program to help farmers maintain crop prices with a federally sponsored Farm Board that would make loans to national

marketing cooperatives or set up corporations to buy surpluses and raise prices.

○ Federal Farm Board: Agency of the U.S. Department of Agriculture; it offered farmers insurance against loss of crops due to drought; flood; or freeze. It did not guarantee profit or cover losses due to bad farming.

○ Federal Farm Board had half a billion dollars at its disposal

○ Money was lent generously to farm organizations seeking to buy, sell, and store agricultural surpluses

● In 1930, the Farm Board created the Grain Stabilization Corporation and the Cotton Stabilization Corporation. The goal of these organizations was to bolster sagging prices by buying up surpluses. However, the two agencies were soon suffocated by an avalanche of farm produce.

● Meanwhile, farmers had been clinging to the tariff as their savior from financial ruin.

● In his campaign, amateur Hoover had promised to call Congress into a special session to consider agricultural relief and to bring about “limited” changes in the current tariff, which was the Fordney-McCumber Act at 38.5%. This pledge no doubt gained him extra votes from the midwest, but it didn’t turn out as he had planned.

● The Hawley-Smoot Tariff of 1930 started out as a reasonable protective measure designed to aid the farmers. But by the time it had gotten all the way through the Senate, it had acquired about a thousand amendments. It turned out to be the highest protective tariff in the United States’ peacetime history.

● To the rest of the world, the Hawley-Smoot Tariff was a direct attack on their economies.

They perceived it as a declaration of economic warfare on the entire rest of the world.

● This act reversed a promising worldwide trend toward reasonable tariffs.

● America and the rest of the world plunged even more deeply into the depression.

● International financial chaos increased, and the United States were forced into even more economic isolationism.

The Great Crash Ends the Golden Twenties

● Herbert Hoover’s presidency augmented the “booming” economy near the end of the 1920s.

● America’s productive colossus--stimulated by automobiles, radios, movies, and other new industries--roared with a stronger sense of prosperity than was originally introduced at the beginning of the era.

● However, the people feared that the plateau of prosperity might “smother its own fires by pouring out too much,” meaning that the economy might reach a “bursting point” where all of the sudden economic and financial flourishments could soon potentially “crash” or become “burned out.”

● The speculative bubble soon neared its “bursting point.”

● Prices on the stock exchanged spiraled, creating a “fool’s paradise” on paper profits, despite Hoover’s early, but careless efforts to curb speculation through the Federal Reserve Board. In other words, the business transactions in the stock markets offered a chance for large gains in profit, but also involved a considerable amount of risk.

● On October 29, 1929 a catastrophic crash hit the stock markets.

- It was partially triggered by the British, who raised their interest rates in an effort to bring back capital lured abroad by American investments. The British needed money, and they were unable to trade with the United States due to high tariffs.
- This crash became known as the panicky “Black Tuesday” when 16, 410, 030 shares of stocks were sold in panic.
- By the end of 1929, two months after the initial crash, stockholders had lost \$40 billion, which was more than the total cost of World War I.
- The stock-market collapse heralded a business “depression,” at home and abroad, that is considered the most severe compared to any other industrialized nation.
- By the end of 1930, 4 million workers in the U.S. lost their jobs, and 2 years later, the figure had about tripled.
- Beginning in 1929, the so-called “Great Depression” lasted for about 10 years.
- The Great Depression captivated the misery and desperation of the people for many reasons. Wages and salaries were slashed, while searches for nonexistent jobs continued. Over five thousand banks collapsed in the first 3 years of the depression, carrying the life-savings of tens of thousands of people down with them. Along with their jobs and businesses, a countless amount of people lost homes and farms to foreclosures. Ultimately, stress became a major factor in the families’ lives, especially the fathers, for being unable to support them with a lack of food and money. Mothers refrained from having children, cultivating a massive decline in births.
- The overall attitude of prosperity changed in the nation.

Rugged Times for Rugged Individuals

- During the Great Depression, President Hoover’s reputation as a wonder-worker and efficiency engineer diminished.
- As a “rugged individualist,” Hoover believed that industry, thrift, and self-reliance were what made America great and that the government should play no role in the welfare of the people.
- The worsening of the depression made him realize that he must turn from his doctrine of “individualism” and make the welfare of the people in a nationwide catastrophe a direct concern of the government.
- Hoover developed a plan in which the government would help the railroads, banks, and rural credit corporations in the hope that if financial health was restored at the top of the economic pyramid, unemployment would be relieved as the prosperity trickled down.
- Hoover’s efforts were strongly criticized, especially by partisan critics, because he gave money to faraway Belgians instead of using federal funds to feed the people. He would likewise lend money to agricultural organizations to feed pigs instead of people. And lastly, he was said to have given government money to the big bankers who had allegedly started the depression.
- Although it was harsh and relatively true, the criticism was unfair to Hoover. His efforts with the rural industries could potentially have prevented a more serious collapse of the economy, and set the basis for the federal outlays of his successor for the New Deal, Franklin Roosevelt.

Hooked on the Horn of Plenty

- At the end of the 1920s, America had one of the best economies in the world.
- Due to World War I finances, Europe was struggling while America was flourishing.
- President Hoover was very hopeful and predicted that soon, the United States would see

the end of poverty.

● In a relatively short moment of triumph, everything fell apart. The stock market crash in 1929 set off a series of events that led to the worst economic downfall in American history.

● General historical knowledge points to the stock market crash as the single cause of the Great Depression. However, this is far too simplistic, as there were several factors that went into it.

● American Firms

○ They were earning record profits in early 1920s, which they reinvested into expansion.

○ By 1929, businesses had expanded to their breaking point.

○ Workers could no longer fuel more expansion, so a reversal was inevitable.

● The Rich

○ The richest one percent of Americans owned over one third of American assets.

○ Wealth so severely concentrated in the hands of so few limited economic growth.

○ The rich saved a lot of their money, so it wasn't put back into regulation in the economy for the middle and low classes to earn.

○ Meanwhile, the middle class was getting themselves further into debt by purchasing automobiles and new household appliances.

● Structural Weaknesses

○ Banks had few regulations and guarantees, so reckless users ruined them.

○ Agricultural prices had already been low during the 1920s, leaving farmers unable to spark any sort of recovery.

○ When the Depression spread across the Atlantic, Europeans bought fewer American products, worsening the slide.

Group 5

Hoover Battles the Great Depression

- President Hoover convinced Congress to allocate \$2.25 billion for useful public works. (ex: the Hoover Dam 1930-1936)
 - Was the most imposing public enterprise
 - Created on the Colorado River for irrigation, flood control, and electric power



- Hoover opposed any projects that he viewed as "socialistic."
 - Muscle Shoals Bill
 - designed to dam the Tennessee River and sell government-produced electricity in competition with citizens in private companies
 - Hoover was against the competition between the two, which led to the bill being vetoed
- In **1932**, Congress responds to Hoover's appeal
 - Reconstruction Finance Corporation (RFC)
 - lent money to insurance companies, banks, agricultural organizations, railroads, and state and local governments
- Hoover's administration provided indirect benefits for labor
 - Congress passed the Norris-La Guardia Anti-Injunction Act in 1932
 - outlawed antiunion contracts and barred federal courts from stopping strikes, boycotts, and peaceful picketing
- Despite criticism, Hoover started the road of government assistance for the needy, one which FDR would continue on much further
- Forced to battle the Congress's refusal of cooperation
 - Congress deliberately manufactured many of Hoover's troubles to harass and show opposition

Routing the Bonus Army in Washington

- Many veterans of World War I were numbered among the victims of the depression
 - thoughts of the former soldiers naturally turned to what the government owed them for their services in 1917-1918
 - drive for premature payment of the deferred bonus (payable in 1945)
- Thousands of impoverished veterans prepared to move on to Washington
 - creation of "Bonus Expeditionary Force" (BEF)
 - demand the Congress the immediate payment of their entire bonus



- Converging in 1932 these supplicants set up camps in a gigantic "Hooverville"
 - created a menace to the public health, while attempting to intimidate Congress by their presence
- Following riots, Hoover responded to the demands of Washington

- ordered the army to evacuate the unwanted guests
 - the eviction was carried out by General Douglas MacArthur with bayonets and tear gas
 - far more severe than Hoover had planned on applying to the “Bonus Army”
- This brutal episode marked downfall of the American opinion of Hoover
 - “Hoover depression”
 - Cynics claimed the Hoover “ditched, drained, and damned the country”
 - Primed the Democratic Party for the upcoming election and Franklin D. Roosevelt

Japanese Militarists Attack China

- Militaristic Japan stole the Far Eastern spotlight
 - September 1931 : Japanese imperialists lunged into Manchuria
 - Manchuria = coveted Chinese province
 - Recognized that the West was in a depression and took advantage of the weak point
 - Bolted shut the Open Door in the conquered area
- Violation of the League of Nations covenant as well as other international agreements
 - led Americans to urge strong measures ranging from boycotts to blockades



- The League was handicapped in the nonmember ship of the US
 - Washington rebuffed initial attempts in 1931 to secure American cooperation
 - applied economic pressure on Japan
- The Stimson Doctrine of 1932
 - the US would not recognize any territorial acquisitions achieved by force
 - righteous indignation would substitute for solid initiatives
 - did not affect the Japanese
- Smarting under a Chinese boycott, the Japanese bombed Shanghai in 1932
 - Americans launched informal boycotts of Japanese goods
 - there was no real sentiment for intervention
 - were still strongly isolationists
- Collective security died and World War II was born in 1931 on the plains of Manchuria
- League members had the economic and naval power to halt Japan
 - lacked the courage to act against Japan

- they could not count on America's support therefore were not keen to engaging the Japanese

Hoover Pioneers the Good Neighbor Policy

- Hoover's arrival brought a more hopeful turn to relations with America's southern neighbors
- After his election in 1928, Hoover took a goodwill tour of Latin America
 - followed the stock-market collapse of 1929,
 - Americans had less money to invest abroad
- Economic imperialism became much less popular in the United States
 - losing money abroad
 - the depression softened attitudes of aggression in America
- Hoover strove to abandon the interventionist twist given to the Monroe Doctrine by Theodore Roosevelt
 - negotiated a new treaty with the republic of Haiti in 1932
 - provided for the complete withdrawal of American platoons by 1934
 - troops left Nicaragua in 1933
- Herbert Hoover happily engineered the foundation stones of the "Good Neighbor" policy
 - Later these stones will lead to the rise of the imposing edifice, Franklin D. Roosevelt

Group 6

1. FDR: Politician in a Wheelchair

- a. Franklin Delano Roosevelt became paralyzed from the waist down when he was 39 years old. Most people contribute this to Roosevelt being diagnosed with Polio while others believe he had Guillain-Barré syndrome, a disease which causes a rapid-onset muscle weakness caused by the immune system damaging the peripheral nervous system.
- b. Franklin Roosevelt married his distant cousin, Eleanor Roosevelt.
- c. Many consider Eleanor Roosevelt to be the most active First Lady in history. Some believe she was a little too involved in the presidency. Some believed she was the real force behind the presidency and that she had more power than her husband did.
- d. Roosevelt was nominated as the Presidential candidate for the 1932 election after he revealed his belief in heavy state spending to relieve human suffering. He believed that money, rather than humanity, was expendable and showed his concern for the "forgotten man" while he was assailed by the rich as a "traitor to his class."
- e. Roosevelt smashed precedent by accepting the nomination in person and electrified the public with the quote, "I pledge you, I pledge myself to a new deal for the American people."

2. Presidential Hopefuls of 1932

- a. During the 1932 Presidential campaign, Roosevelt seized the offensive with an attack on the Republican Old Dealers.
- b. Roosevelt consistently preached a New Deal for the "forgotten man," but was annoyingly vague and contradictory.
- c. The "Brains Trust," a small group of young college professors, wrote many of Roosevelt's speeches and later authored much of the New Deal legislation.
- d. The high spirits of the Democrats found expression in "Happy Days Are Here Again."

e. Herbert Hoover remained in the White House battling the depression advocating “Prosperity Is Just Around the Corner,” “The Worst Is Past,” and “It Might Have Been Worse.”

3. Hoover's Humiliation in 1932

a. One striking feature of the election was the beginning of a distinct shift of blacks, traditionally grateful to the Republican party of Lincoln, over to the Roosevelt camp. By the election of 1932, they became a vital element in the Democratic party.

b. Hard times unquestionably ruined the Republicans; an overwhelming majority voiced a demand for a new deal. Virtually any Democrat could have been elected over a Republican.

c. With Washington deadlocked, the American economic machine came to a halt; one worker in four was without a job, and banks were locking their doors all over the nation.

4. FDR and the Three R's: Relief, Recovery, Reform

a. On Inauguration Day, March 4, 1933, Roosevelt provided Americans with inspirational hope.

b. He declared a nationwide banking holiday, March 6-10, as a prelude to opening the banks on a sounder basis and he summoned Congress into special session to cope with national emergency.

c. For the first hundred days of his presidency, members of Roosevelt's cabinet cranked out remedial legislation. Roosevelt's New Deal programs aimed at three R's: relief, recovery, and reform of current abuses.

d. Congress gave the president extraordinary blank-check powers.

e. The Hundred Days Congress passed many reforms, which owed much progressive movement. The New Deal embraced pre-WWI progressive ideals of unemployment insurance, old-age insurance, minimum-wage, conservation/development of national resources, and restrictions on child labor.

Group 7

Group 8

- **National recovery Administration:** a prime New Deal agency established by U.S. president Franklin D. Roosevelt (FDR) in 1933. The goal was to eliminate "cut-throat competition" by bringing industry, labor, and government together to create codes of "fair practices" and set prices.
- **Fair Competition:** When the competition between companies or businesses is based on factors like quality, price and customer service and not on practices which is condemned by public or law like predatory pricing or bashing of competitors.
- **Schechter Poultry Corp. v. United States:** a decision by the Supreme Court of the United States that invalidated regulations of the poultry industry according to the nondelegation doctrine and as an invalid use of Congress' power under the commerce clause.
- The NRA was declared unconstitutional by the Supreme Court in 1935 (*Schechter vs. United States*), because the NRA gave legislative powers to the President, and it allowed Congress to control individual business, not just interstate commerce.
- **Public Works Administration:** part of the New Deal of 1933 was a large-scale public works construction agency in the United States headed by Secretary of the Interior Harold L. Ickes. It was created by the National Industrial Recovery Act in June 1933 in response to the Great Depression. The agency spent over \$4 billion on thousands of projects, including public buildings, highways, and dams.

- **Harold L. Ickes:** The Interior Secretary in charge of the PWA, he hired private contractors instead of workers on a government payroll, it indirectly served the purpose of work relief
- **The 21st Amendment:** the United States Constitution repealed the Eighteenth Amendment to the United States Constitution, which had mandated nationwide Prohibition on alcohol on January 16, 1919. The Twenty-first Amendment was ratified on **December 5, 1933**.
- **Eleanor Roosevelt-** Advocate for women's rights, civil rights, and was one of the first women in the political scene
- **Frances Perkins-** Establish unemployment benefits, welfare, pensions, first minimum wage and overtime laws, reduced workplace accidents, and helped make laws against child labor
- **Mary McLeod Bethune-** Started private school for African- American students in Daytona Beach, Florida that was later dedicated to her and turned into a college
- **Ruth Benedict-** first women to be recognized as a prominent leader of a learned profession
- **Margaret Mead-** Talked about bold new ideas of sexuality and gender roles changing traditional cultures
- **Pearl S. Buck-** Wrote the *Patterns of Culture* which was a best-selling fiction book in the U.S., won the Pulitzer Prize, and Won the Nobel Prize in literature
- **Agricultural Adjustment Act (AAA)-** a United States federal law of the New Deal era which reduced agricultural production by paying farmers subsidies not to plant on part of their land and to kill off excess livestock.

Soil Conservation act and Domestic Allotment Act- United States federal law that allowed the government to pay farmers to reduce production so as to conserve soil and prevent erosion.

Group 9

Dust Bowls and Black Blizzards

- The dust bowl arrived in 1933 when a prolonged drought struck the midwest.
- A combination of wind, drought, and over cultivation caused huge clouds of dust to sweep across the plains.
- These dust clouds left the land barren and caused many people to relocate outside of the midwest.
- Thousands of refugees fled from the storms and within five years 35,000 people relocated to southern California.
- When these people left they only took what they could carry or fit into their waggon or car.
- In 1934 the Government enacted the Frazier-Lemke Farm Bankruptcy Act which made the suspension of mortgage foreclosures for five years.
- This law was later voided by the Supreme Court and a revived law which changed the suspension from five to three years was upheld.
- FDR enacted the Resettlement act in 1935 which meant relocating landless farmers and planting more than 200 million trees to replenish the land.
- The Indian Reorganization Act of 1934 encouraged tribes to promote their native culture and traditions and stop the loss of their land.

Battling Bankers and Big Business

- The Federal Securities Act was passed which forced stock brokers to be transparent in the communication of the reliability of stocks and bonds.
- One of the main reasons for the Great Depression and the stock market crash of 1929 was the false information about Stocks and Bonds spread by stock brokers.
- The Securities and Exchange Commission (SEC) was formed in 1934 to serve as a protective agency to oversee ethical stock market practices.
- In 1935 the Public Utility Holding Company Act took aim at public utilities which often were more worried about making money than supplying reliable service to their customers.

The TVA Harnesses the Tennessee

- Electric Power companies seen as greedy taking from public water sources and charging outrageous rates for electricity.
- The TVA served as a measuring stick for other electricity companies and although encountering some criticism, brought a poverty stricken Tennessee to flourishing and abundant wealth.

Housing Reform and Social Security

- The Federal Housing Commission (FHA) was set up in 1934 to aid in the recovery of the housing market by supplying loans for the construction or renovation of houses.
- Congress later formed the United States Housing Authority (USHA) in 1937 to continue the success of the FHA by providing loans for states and communities for the construction of housing projects.
- Opposition to affordable housing was very strong by real estate promoters, landlords, and builders which caused the slums areas of America to stop growing
- Enacted in 1935 the Social Security Act provided for Federal-State unemployment insurance and as source of income for retired workers.
- Social Security is supported by taxes on both employers and employees.
- Republican opposition to these new reforms which were inspired by European policies were strong.

Group 10

A New Deal for Labor:

- The NRA had been essential to organized labor. Unemployment dropped and labor became more self assertive.
- Walkouts then occurred in 1934 in the largest strike in American history.
- Congress passed the National Labor Relations Act. Wagner Act, of 1935.
- Under the National Labor Relations Board, unskilled workers began to unionize.
- Led by John L. Lewis, the Committee for Industrial Organization (CIO) formed.
- Friction between the CIO and the American Federation of Labor occurred. Unions associated with the CIO were suspended.
- The CIO then moved on to a sit-down strike at General Motors in Flint, Michigan.
- General Motors accepted CIO as the sole bargaining agency for its employees.
- The US Steel company permitted workers to unionize.
- In 1937 the Memorial Day Massacre occurred when police officers shot and killed 10 unarmed men.
- The Fair Labor Standards Act set up companies to pay minimum wage with overtime pay.
- Labor was prohibited for kids under the age of sixteen.
- This was strongly opposed by southern textile manufacturers.\
- The CIO surged forward known as the Congress of Industrial Organization under the presidency of John L. Lewis

Landon Challenges the "Champ":

- Roosevelt was nominated again on his new deal platform.
- Republicans nominate Alfred M. Landon whose platform condemns the New Deal.
- Backing Landon was former president Hoover echoing the American Liberty

League.

● The republicans campaign completely failed resulting in them only winning two states.(Vermont and Maine)

● The Battle of 1936 was class warfare. Economic groups attacked each other.

● The Republicans lost their votes from colored people.

● FDR primarily won because he appealed to all types of people.

9 Old Men on a Bench:

● Roosevelt took the presidential oath on January 20th, 1937, instead of March 4th.

● In 1933, Congress ratified the 20th Amendment which shortened the post election recess of Congress and the awkward period before inauguration by 6 weeks.

● The Supreme Court had thwarted the Roosevelt administration 7 times. The Court was very conservative and none had been appointed by Roosevelt and 6 were over 70.

● Roosevelt felt the public wanted the New Deal passed and the Supreme Court should reflect the public opinion.

Group 11

- The Court Changes Course
- Court-packing plan: Roosevelt's plan to expand the Supreme Court
- Was vilified for attempting to break down the checks and balances among three branches of the government
- Roosevelt accused of seeking dictatorship
- Justice Owen J. Roberts began to vote alongside his liberal colleagues
- Formally regarded as a conservative
- "A switch in time saves nine"
- By a five-to-four decision, the Court upheld the principle of a minimum wage for women

- The National Labor Relations Act (the Wagner Act): protected the rights of employees and employers, encouraged collective bargaining, and curtailed certain private sector labor and management practices
- The Social Security Act: created a system of transfer payments in which younger, working people supported older, retired people
- Congress voted full pay for justices over seventy who retired; one of the oldest conservative members resigned, and was replaced by a New Dealer, Justice Hugo Black
- Congress passed a court reform bill, but this only applied to the lower courts
- Even though Roosevelt suffered his first major legislative defeat by his own party in Congress, he incidentally won his campaign, making the Court more accepting to the New Deal reforms
- Enabled him to make nine appointments to the tribunal
- More than any of his predecessors since George Washington
- FDR aroused conservatives of both parties in Congress
- He squandered much of the political goodwill that had carried him to a victory in the 1936 election

- Twilight of the New Deal
 - Roosevelt's first term did not banish the depression from the land
 - Unemployment persisted in 1936 at about 15%
 - But is lower than the 1933's 25%
 - In 1937, the economy took another downturn with the "Roosevelt recession"
 - A severe depression-within-the-depression that the president's critics named
 - Governmental policies had caused the descent, as new Social Security taxes began in payrolls and as administration cut back on spending out of continuing reverence
 - In April 1937, Roosevelt announced a program to stimulate the economy by planned deficit spending, and although the deficits were still too undersized to alter save the depression, this policy reversal marked a major turning point in the government's relation to the economy
 - Keynesianism: the use of government spending and fiscal policy to "prime the pump" of the the economy and encourage consumer spending
 - This became the new economic orthodoxy and remained for numerous decades
 - Roosevelt urged the conservative Congress to authorize a reorganization of the national administration reforms in the interests of streamlined efficiency
 - The issue became confused with his ambitions in regard to the Supreme Court, causing another defeat
 - Two years later, Congress partially relented and in the Reorganization Act gave him limited powers the administrative reforms, including the key new Executive Office within the White House
 - Congress adopted the Hatch Act of 1939 to remedy the accusations that the New Dealers had the richest campaign chest and that the government relief checks had a curious habit of coming in bunches just before ballot time
 - This act secured federal administrative officials, except the highest policy making officers, from active political campaigning and soliciting
 - Also forbade the use of government funds for political purposes and the collection of campaign contributions from people receiving relief payments
 - By 1938, the New Deal lost most of its popularity
 - In the congressional elections of 1938, the Republicans cut heavily into the New Deal majorities in Congress, though failing to control either house
 - The international crisis in 1938-1939 shifted public attention away from domestic reform and saved Roosevelt's "spendocracy"
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- New Deal or Raw Deal?
 - Foes of the New Deal condemned its alleged waste, incompetence, confusion, contradictions, and cross purposes
 - Also hated its opening of alphabetical agencies- "alphabet soup"
 - "Roosevelt did nothing that an earthquake couldn't have done better"
 - Critics hated the "crackpot" college professors, "leftist pinkos," and outright Communists

- Claimed they were trying to change America to be like the Bolshevik-Marxist image under “Roosevelski”
 - Roosevelt was accused by conservatives of being Jewish (“Rosenfield”)
 - He had been tapping too many bright young Jewish intellectualists, “the Jew Deal”
 - The Try Anything Guy
 - Business people were shocked by the leap-before-you, try-anything-once, jolly improviser spirit of Roosevelt
 - Thought he was confusing noise and movement with progress
 - Others appreciated the president’s do-something approach
 - Will Rogers (humorist, “poet lariat”) said that if Roosevelt were to burn down the capitol, people would say, “Well, we at least got a fire started, anyhow”
 - “Bureaucratic meddling” and “regimentation”
 - Bureaucracy actually did end up blossoming
 - The federal government became the largest single business in the country and the states faded farther in the background
 - The national debt went from 19, 487,000,000 in 1932 to 40,440,000,000 by 1939
 - “Gimmies” wishbones were becoming larger than americans backbones
 - New Deal Accusations
 - Fomenting class strife, laborer and farmer getting “pampered”
 - Republicans claim they could pull themselves out of the depression if they got the gov’t of their backs
 - Private enterprise being stifled by “planned economy”
 - States rights were being ignored
 - “Dictatorship of do-gooders”
 - Aggressive Roosevelt
 - “One-man supergovernment”
 - Heavy fire on his attempts to browbeat the supreme court
 - “Dummy congress”
 - Tried to “purge” democratic members of congress
 - New Deal failed to cure the depression
 - Afloat in a sea of red ink
 - Merely administered aspirin and bandages
 - Better results thru greater deficit spending (put more money into the economy to help the peeps climb out)
 - Not until WWII was unemployment solved
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- FDR’s Balance Sheet
 - Relief not the economy had been the fight of the New Dealers
 - Some argued the New Deal had relieved the worst of the crisis and promoted the policy of “balancing the human budget”
 - New principle that the federal government was morally bound to prevent mass hunger and starvation by managing the economy

- Roosevelt's promise "Nobody is going to starve"
- FDR should have been the patron saint
- Saved American system of free enterprise
- FDR's quarrel with capitalists not capitalism
- Mild dose of what was mistaken as "socialism"
- Head of socialist party said that New Deal had carried out its agenda-on a stretcher
- New deal did not supposedly raise the nation's debt, WWII did
- 40 billion 1939- 258 billion 1945
- Roosevelt provided bold reform without a bloody revolution
- Many Europeans predicting either communism or fascism for america
- Left wing radicals said not far enough, while right wing said too far
- Chose middle road- greatest conservative since Hamilton
- Hamiltonian in want for big gov't
- Jeffersonian in his concern for the "forgotten man"
- Relieved the erosion of the nation's greatest resource- its people
- Helped preserve democracy in America
- Helped gird the nation towards its part for the titanic war in its future