

Period 3 Ch. 31 and 32

Group 1

The Republican “Old Guard” Returns

- Warren G. Harding was inaugurated in 1921.
 - He had the appearance of a presidential figure
 - Appeared to be a kind, caring person towards people
 - In reality, he was a weak and inept candidate
 - “God! What a job!” was a common complaint
- Harding soon found himself as a sort of puppet of the “Ohio Gang”
 - Had a hard time saying no to his “friends”
 - Scheming politicians took advantage of this flaw
 - Harding was seen as being unable to recognize liars
- President Harding recognized his inadequacies
 - Surrounded himself with top Republican leaders
 - Charles Evans Hughes-Secretary of State
 - Andrew W. Mellon-Secretary of the Treasury
 - Herbert Hoover-Secretary of Commerce
 - The top leaders were offset by positions taken by “the worst”
 - Albert B. Fall- Secretary of the Interior
 - Harry M. Daugherty- Attorney General

GOP Reaction at the Throttle

- Harding was a perfect front for enterprising industrialists
 - Progress made during the war era receded
 - Harding was regarded as an “amiable boob”
- The new “old guard” wanted to improve on the business doctrine
 - Wanted the government to help businesses rather than control them
 - Put courts and administrative bureaus into the hands of people with similar ideals
 - Harding appointed four of nine justices in his three year presidency
 - These individuals refused to sway to popular demand
 - Taft was appointed chief justice
- The Supreme Court went after many labor legislations
 - It killed a federal child labor law
 - Also took away many gains made in labor
 - Court case *Adkins vs Children’s Hospital*
 - Reversed ruling of *Muller vs Oregon*
 - Took away protections for women in the workplace
 - The argument was that women were equals since they now have the ability to vote

- The issue of gender differences continued for several years afterwards
- Corporations were able to have more freedoms under Harding's presidency
 - Antitrust laws were either ignored, barely enforced, or loopholes were used
 - Interstate Commerce Commission was controlled by men sympathetic to railroad industry managers
- Big industrialists were able to set up trade associations
 - Manufacturers used associations to set standards for product, publicity, and other issues
 - The associations went against antitrust legislations but were encouraged by Hoover
 - Hoover encouraged efficiency over the waste of competition
 - He also encouraged businesses to govern themselves rather than be under the control of a large government.

The Aftermath of War

- Industrialist finally convinced the government to release the firm control they had on the economy during WWI
 - The **Esch-Cummins Transportation Act of 1920** was passed to return the railroads back to private managers
 - This guaranteed the Interstate Commerce Commission their profitability
 - The **Merchant Marine Act of 1920** permitted the government to sell the wartime fleet of 1,500 vessels at low costs
 - The **La Follette Seaman's Act of 1915** improved working conditions for sailors
 - This act ultimately hurt American shipping economically though because they then had a hard time competing with foreigners
- Labor did not have the luxury of being supported by a friendly government, so in return, there were many strikes and wage cuts
 - Congress created the **Veterans Bureau** in 1921, which operated hospitals and provided vocational rehabilitation for the disabled
 - The **American Legion** was created in 1919 by Colonel Theodore Roosevelt, Jr., which was a support and social group for veterans
 - The Legion convinced Congress in 1924 to pass the **Adjusted Compensation Act** so that every former soldier was given a sum of money, depending on how many years they served

America Seeks Benefits Without Burdens

- The U.S. was technically at war with Germany, Austria, and Hungary 3 years after the armistice because the Treaty of Versailles was rejected
 - Congress had to pass a joint resolution in July, 1921 to officially declare the war to be over

- **Isolationism** was prominent in Washington, and President Harding hated the **League of Nations** and at first, he refused to support its health program
- Secretary Hughes secured the rights for American oil companies to share oil lands in the Middle East of Britain
- World powers met at the **Washington “Disarmament” conference** in 1921-1922 to discuss disarmament of their navies
- The **Five-Power Naval Treaty of 1922** limited the construction of certain types of naval ships, and it applied ratio limits to the number of ships a country could build
 - Submarines and destroyers were not restricted under this treaty
 - The treaty also refrained the British and Americans from fortifying their Far Eastern possessions, which included the Philippines
 - However, the Japanese had no such restraints in their possessions
- A **Four-Power Treaty** between Britain, Japan, France, and the United States replaced the 20-year old Anglo-Japanese Treaty and preserved the Status quo in the Pacific
- By the late 1920s, Americans called for the “outlaw of war.”
 - Calvin Coolidge’s secretary of state Frank B. Kellogg signed with the French foreign minister the **Kellogg-Briand Pact** in 1928.
 - This pact was known as the **Pact of Paris**, and it was ratified by 62 nations to try to outlaw war, but the big exception to it was that defensive wars were still permitted

Group 2

Hiking the Tariff Higher

- Businessmen did not want Europe flooding American markets with cheap goods after the war, so Congress passed the Fordney-McCumber Tariff Law, which raised the tariff from 27% to 35%.
- Congress passed the Fordney-McCumber Tariff Law in 1922.
- The United States adopted the Fordney-McCumber Tariff to protect businesses in the US from foreign competition.
- The Fordney-McCumber Tariff was a law that raised American tariffs on many imported goods in order to protect factories and farms.
- Duties on farm produce were increased, and the principle was proclaimed that the general rates were designed to equalize the cost of American and foreign production.
- A promising degree of flexibility was introduced for the first time, when fact-finding Tariff Commission, to reduce or increase duties by as much as 50 percent.

- Presidents Harding and Coolidge, granted with authority to reduce or increase duties, and always sympathetic towards big industry, were much more prone to increasing tariffs than decreasing them.
- However, this presented a problem: Europe needed to sell goods to the U.S. in order to get the money to pay back its debts, and when it could not sell, it could not repay.
- Europe suffered (they need to sell their goods in US to pay off debts, etc.). Europe erected tariff barriers also, both suffered, international economic distress.
- Further, the protective shield against foreign competition enabled the growth of monopolies in many American industries.

"Silent Cal" Coolidge

- Calvin Coolidge was born July 4th, 1872 in Plymouth Notch Vermont.
- He was elected Vice President in 1920.
- He became President following the death of Warren G. Harding in 1923.
- Former President before Coolidge died of a heart attack on August 2, 1923.
- He took office on August 3rd, 1923.
- On August 2, 1923, President Harding died unexpectedly in San Francisco while on a speaking tour of the western United States. Vice President Coolidge was in Vermont visiting his family home, which had neither electricity nor a telephone, when he received word by messenger of Harding's death. He dressed, said a prayer, and came downstairs to greet the reporters who had assembled. His father, a notary public and justice of the peace, administered the oath of office in the family's parlor by the light of a kerosene lamp at 2:47 a.m. on August 3, 1923; President Coolidge then went back to bed.
- He led the nation through most of the Roaring Twenties, a decade of dynamic social and cultural change, materialism and excess.
- Calvin Coolidge was serious, calm, and never spoke more than he needed to.
- "The words of a President have an enormous weight," he would later write, "and ought not to be used indiscriminately."
- He proved to be a bright figure in the Republican Party.
- Nicknamed "Silent Cal" for his quiet, steadfast and frugal nature, Coolidge, a former Republican governor of Massachusetts, cleaned up the rampant corruption of the Harding

administration and provided a model of stability and respectability for the American people in an era of fast-paced modernization.

- He was a pro-business conservative who favored tax cuts and limited government spending. Yet some of his laissez-faire policies also contributed to the economic problems that erupted into the Great Depression.
- January 5, 1933 (aged 60) Northampton, Massachusetts, U.S.
- Died of Coronary thrombosis

The Stench of Scandal

- **Charles R. Forbes**
 - Charles Robert Forbes (February 14, 1878 – April 10, 1952) was appointed the first Director of the Veterans' Bureau by President Warren G. Harding on August 9, 1921 and served until February 28, 1923
 - In the early 1920s, with the nation still recovering from World War I, President Warren G. Harding founded a huge new organization to treat disabled veterans: the US Veterans Bureau
 - Colonel Charles R. Forbes, a chance acquaintance of Warren Harding, was appointed to head the recently created Veterans' Bureau. It was later revealed that Forbes entered into corrupt arrangements with a number of contractors, particularly with those involved in the operation of hospitals, and sold government property at a fraction of its value. Charles F. Cramer, attorney for the bureau, committed suicide, which brought increased attention to the agency. In 1923, Forbes resigned his position and fled to Europe.
 - A Senate investigation in 1924 found that Forbes had looted more than \$200 million from the government. He was subsequently indicted for bribery and corruption, and was brought back for trial in 1925. He was convicted, fined \$10,000 and sentenced to two years in Leavenworth Penitentiary in Kansas.
- **Teapot Dome Scandal**
 - Teapot Dome Scandal, also called Oil Reserves Scandal or Elk Hills Scandal, in American history, scandal of the early 1920s surrounding the secret leasing of federal oil reserves by the secretary of the interior, Albert Bacon Fall. After Pres. Warren G. Harding transferred supervision of the naval oil-reserve lands from the navy to the Department of the Interior in 1921, Fall secretly granted to Harry F. Sinclair of the Mammoth Oil Company exclusive rights to the Teapot Dome (Wyoming) reserves (April 7, 1922). He granted similar rights to Edward L. Doheny of Pan American Petroleum Company for the Elk Hills and Buena Vista Hills reserves in California (1921–22).

- Albert Bacon Fall, (born Nov. 26, 1861, Frankfort, Ky., U.S.—died Nov. 30, 1944, El Paso, Texas), U.S. secretary of the interior under President Warren G. Harding; he was the first American to be convicted of a felony committed while holding a Cabinet post.
- When these leases and contracts came under investigation by committees of the U.S. Senate, it was disclosed that shortly after the signing of the Teapot Dome lease, Fall and members of his family had received from an unknown source more than \$200,000 in Liberty bonds under circumstances indicating that the bonds came from a company organized by Sinclair and others receiving benefits from the lease. Also, it appeared that prior to the execution of the Pan American contracts and leases, Doheny, at Fall's request, sent \$100,000 in currency to Fall as a "loan" that had not been repaid.
- When the affair became known, Congress directed President Harding to cancel the leases; the Supreme Court declared the leases fraudulent and ruled illegal Harding's transfer of authority to Fall. Although the president himself was not implicated in the transactions that had followed the transfer, the revelations of his associates' misconduct took a severe toll on his health; disillusioned and exhausted, he died before the full extent of the wrongdoing had been determined. Fall was convicted of accepting a bribe in the Elk Hills negotiations and imprisoned. Doheny and Sinclair were acquitted of charges of bribery and criminal conspiracy, but Sinclair spent 6 1/2 months in prison for contempt of court and contempt of the U.S. Senate. Although the secretary of the navy, Edwin Denby, had signed all the leases, he was cleared of all charges. While "Teapot Dome" entered the American political vocabulary as a synonym for governmental corruption, the scandal had little long-term effect on the Republican Party. Calvin Coolidge, a Republican, was elected president in 1924.

Frustrated Farmers

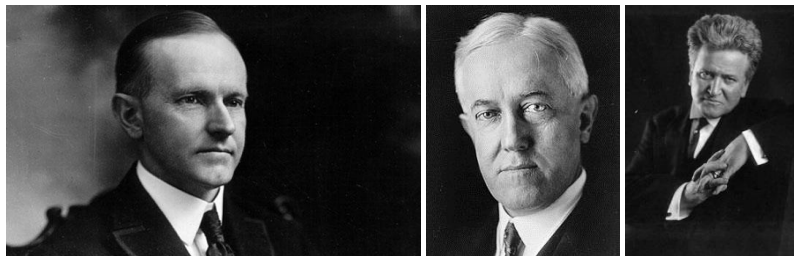
- World War I had given the farmers prosperity, as they'd produced much food for the soldiers.
- New technology in farming, such as the gasoline-engine tractor, had increased farm production dramatically.
- The postwar decade caught farmers in a boom-or-bust cycle.
- While the fighting had raged, they had raked in money.
- By the spring of 1920, the price of wheat shot up to an incredible \$3 a bushel.
- The wartime boom had encouraged them to bring vast new tracts under cultivation, especially the "wheat belt" of the upper Midwest.

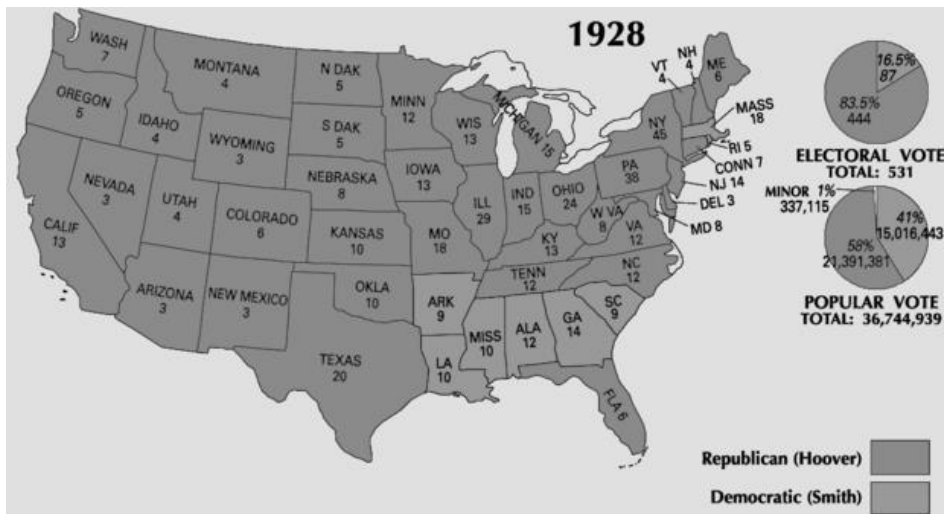
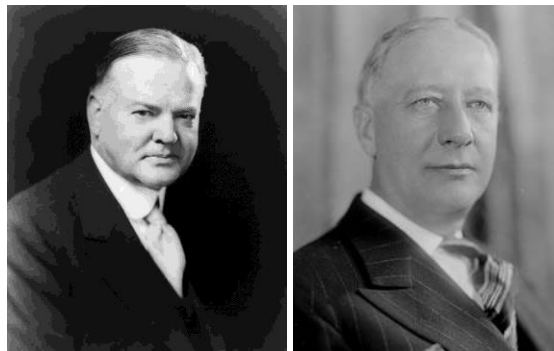
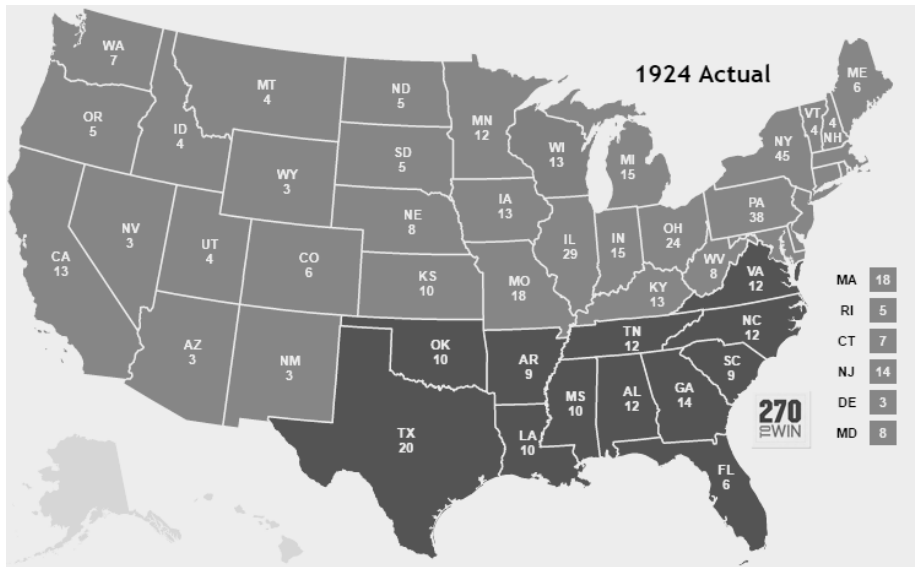
- The end of the war also brought an end to government-guaranteed high prices and to massive purchases by other nations, as foreign production reentered the stream of world commerce.
- Machines also threatened to plow the farmers under an avalanche of their own overabundant crops.
- By 1915 fourteen Illinois tractor companies had opened shop. They included Charter Gas Engine Company of Sterling, Caterpillar, Stover Engine Works, C. L. Best, Holt, Temple Pump, Electric Wheel, Avery, Fairbanks Morse & Company, John Deere, Petro Hall, Emerson-Brantingham Implements, Joliet Oil Tractors, and Hume.
- The basic of a tractor in 1920 was somewhere around \$500
- The glory of farming didn't last long though
- A withering depression swept through agricultural districts in the 1920s
- A counter to the depression was the Capper-Volstead Act
 - It exempted farmers' marketing cooperatives from antitrust prosecution.
- **McNary-Haugen Bill** sought to keep agricultural prices high by authorizing the government to buy up surpluses and sell them abroad.
- Coolidge vetoed it twice

Group 3

(A Three Way Race for the White House in 1924- The Triumph of Herbert Hoover, 1928)

Meghana Bhaskara and Harman Casey





Group 4

President Hoover's First Moves

The disorganized wage earners and the disorganized farmers were not getting rich in the growing economy.

The Agricultural Marketing Act, passed in 1929, was designed to help the farmers by setting up the Federal Farm Board. The Board purchased agricultural surpluses, hoping to stabilize agricultural prices. The Board created the Grain Stabilization Corporation and the Cotton Stabilization Corporation, which also purchased surpluses. The corporations failed after farmers produced too much surplus, exceeding the budget of the Board.

The Hawley-Smoot Tariff of 1930 was intended to be a mild tariff, but Congress tacked on several amendments, turning it into a bill that raised the tariff to an unbelievable 60%. This was the nation's highest protective tariff during peacetime. The tariff deepened the depression that had already begun in America and other nations, and it increased international financial chaos. Foreigners hated this tariff that reversed a promising worldwide trend toward reasonable tariffs and widened the yawning trade gaps.

The Great Crash Ends the Golden Twenties

The stock market crashed in October 1929. 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 the high tariffs.

On "Black Tuesday" of October 29, 1929, millions of stocks were sold in a panic. By the end of 1929, two months after the initial crash, stockholders had lost \$40 billion.

As a result of the crash, millions lost their jobs and thousands of banks closed. The United States was the hardest industrialized nation to be hit.

This crash led to the Great Depression.
Hooked on the Horn of Plenty

One of the main causes of the Great Depression was overproduction by farms and factories. The nation's ability to produce goods had outrun its capacity to consume or pay for them. All of the money was being invested in factories and other agencies of production; not enough money was going into salaries and wages. Over-expansion of credit also contributed to the depression.

The Great Depression worsened the economic state in Europe, which had not yet fully recovered from WWI.

In the 1930s, a drought scorched the Mississippi Valley, causing thousands of farms to be sold.

Hooverilles: a nickname for tin-and-paper shantytowns.

Rugged Times for Rugged Individuals

In the beginning of the Great Depression, President Hoover believed that industry and self-reliance had made America great and that the government should play no role in the welfare of the people. He soon realized, however, that the welfare of the people in a nationwide catastrophe was 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, then

unemployment would be relieved as the prosperity trickled down. Hoover's efforts were criticized because he gave government money to the big bankers who had allegedly started the depression.

Group 5

Hoover Battles the Great Depression

- Hoover voted to withdraw \$2.25 billion for projects ease the suffering of the depression.
 - The Hoover Dam of the Colorado River
- However, he vetoed more socialist projects.
 - The Muscle Shoals Bill, which was designed to dam the Tennessee River and ultimately embraced by the Tennessee Valley Authority.
- Early 1932 - Congress responded to Hoover's appeal by establishing the Reconstruction Finance Corporation (RFC), which became a government lending bank.
 - This was a large step for Hoover away from laissez faire policies and toward policies the Democrats (FDR) would later employ.
- Giant corporations benefited most from this, and the RFC was another one of the targets of Hoover's critics.
- In 1932, Congress passed the Norris-La Guardia Anti-Injunction Act, which outlawed anti-union contracts and forbade the federal courts to issue injunctions to restrain strikes, boycotts, and peaceful picketing (this was good for unions)
- In past depressions, the American public was often forced to "sweat it out," not wait for government help. The trend was changing at this point, forced to do so by the Depression.

Routing the Bonus Army in Washington

- Many veterans, who had not been paid their compensation for WWI, marched to Washington, D.C. to demand their entire bonus
 - The "Bonus Expeditionary Force" erected unsanitary camps and shacks in vacant lots, creating health hazards and annoyance.
 - Riots followed after troops came in to intervene (after Congress tried to pass a bonus bill but failed), and many people died.
 - Hoover falsely charged that the force was led by riffraff and reds (communists), and the American opinion turned even more against him.

Japanese Militarists Attack China

- In 1931 Japanese imperialists invaded Chinese province of Manchuria while rest of Western world was weakened by financial lows
 - Japanese Imperialism began during the Meiji Restoration - Japan began to introduce western ideas and culture
 - Previous incident to Manchuria invasion was the Wanpaoshan Incident
 - On September 18th, 1931 Kwantung Army invaded Manchuria
- League of Nations couldn't perform a blockade from lack of power without United States
 - Preach-and-run policy instead of actual action, even though there was a small portion of Americans who wanted retaliation towards the Japan's act of aggression towards China
 - Government was hesitant to act due to economic ties with Japan
- In 1932, Japanese bombed Shanghai even though the Shanghai Municipal Council had agreed to Japan's terms earlier that day

Hoover Pioneers the Good Neighbor Policy

- Before election of 1928 had a goodwill tour around Latin America in U.S. battleship
 - American imperialism became less popular as there was less money in economy
- President Hoover created new treaty with Republic of Haiti in 1932 to withdraw American troops from Haiti by 1934
- Nicaragua also had American troops recede in 1934
- These new actions implemented the Good Neighbor policy and created problems with the next president Franklin Roosevelt

Group 6

FDR: POLITICIAN IN A WHEELCHAIR:

- Born in 1882
- Went to Harvard and was in a fraternity
- Contracted Polio in 1921
- Became the 32nd President
- Married Eleanor in 1905 (fifth cousin)
 - Became “the legs” for FDR
 - Most prominent first lady ever
 - Fought oppression and poverty
 - He cheated on her with his secretary
- Both liberals and conservative people alike liked FDR
- Stated “I pledge you, I pledge myself to a new deal for the American people.”

PRESIDENTIAL HOPEFULS OF 1932

- Wanted to prove himself
- New Deal for the “forgotten man”
- “Throw the Spenders Out!” and “Out of the Red with Roosevelt.”
- Optimistic and appeal
- Hoover still dealing with the depression trying to hold on.

HOOVER’S HUMILIATION IN 1932

- Herbert Hoover was elected in an economically robust time frame.
- the electoral count stood at 472 to 59 with Roosevelt
- African Americans were affected the most during the depression
- Democrats used hatred for Hoover to their advantage
- After FDR won and met with Hoover.
 - War debts: “It’s not my baby,”
- The Depression worsened in 1933.

FDR AND THE THREE R’S: RELIEF, RECOVERY, REFORM

- Inauguration Day, March 4, 1933

- Waged war on the Great Depression
- “ Let me assert my firm belief that the only thing we have to fear is fear itself.”
- Summoned Democratic Congress
- Roosevelt’s New Deal: three R’s—relief, recovery, and reform
- Congress trusted FDR
 - Child labor

Group 7

Roosevelt Manages the Money

- Emergency Banking Relief Act (1933)
 - Allowed President to regulate banking transactions and foreign exchange and to reopen solvent banks
- “Fireside Chats”
 - FDR
 - Via radio- 30 “chats” in total
 - 35 million people tuned in
 - Gave assurance that it was safer to keep money in a reopened bank than “under the mattress”
- Glass-Steagall Banking Reform Act
 - Provided for the Federal Deposit Insurance Corporation
 - Insured deposits up to 5k, later raised
 - Ended the epidemic of bank failures dating back to Andrew Jackson
 - At the time of inauguration in 1933 no Canadian banks had failed
- Gold
 - Reserved dwindling
 - FDR ordered all private holdings of gold to be surrendered to the Treasury in exchange for paper currency
 - Took nation off of gold standard
 - Emergency Congress canceled gold payment clause in all contracts and authorized repayment in paper money
- “Managed Currency”
 - Inflation
 - Believed it would relieve debtors burdens and stimulate new production
 - Gold buying
 - FDR instructed Treasury to buy gold at increasing prices (\$21 an ounce in 1933 to \$35 an ounce in 1934)
 - Did cause an increase in paper money circulation
 - Holders of gold cashed in at elevated prices
 - “Sound money”
 - Criticized the “baloney dollar”
 - Limited gold standard
 - Gold only used for international trade at \$35 per oz.

Creating Jobs for the Jobless

- Unemployment
 - One out of four workers unemployed when FDR took office
 - Highest level in the nation’s history
 - Financial help
 - FDR used federal money to assist the unemployed
- Civilian Conservation Corps (CCC)

- Most popular of the New Deal “alphabetical agencies”
- Provided employment in fresh-air government camps for about 3 million uniformed young men
 - Reforestation, fire-fighting (47 lost lives), flood control, swamp drainage
 - Required to send most of money earned home to parents
 - Both human and natural resources were conserved
 - Minor complaints about “militarizing” youth
- Federal Emergency Relief Act
 - Immediate relief over long-range recovery
- Federal Emergency Relief Administration (FERA)
 - Harry L. Hopkins
 - FDR’s friend, a social worker from New York
 - Granted about \$3 billion to the states for direct dole payments or for wages on work projects
- Agricultural Adjustment Act (AAA)
 - Made many millions available to help farmers pay for mortgages
- Home Owners Loan Corporation (HOLC)
 - Designed to refinance mortgages on nonfarm homes
 - Assisted about a million badly pinched homes
 - This helped banks, and helped secure votes from the middle class to the Democratic Party
- Civil Works Administration (CWA)
 - Established by FDR, not Congress in 1933
 - Branch of FERA- under Hopkins
 - Designed to make purely temporary jobs during the winter emergency
 - “Boondoggling”
 - Tens of thousands of jobs in leaf raking and other make-work tasks
 - Widely criticized because of its emphasis on labor

A Day for Every Demagogue

- Continued support
 - Support is supplemented after the emergency winter of 1933-1934
 - Unemployment still high
- Demagogue
 - “Microphone Messiah”
 - Father Charles Coughlin
 - Catholic priest from Michigan
 - 1930- began broadcasting
 - “Social Justice”
 - Anti-New Deal harangues (lengthy and aggressive speech) to 40 million people
 - Silenced in 1942 because it became too anti-Semitic (against Jews), fascistic, and demagogic
- Promises
 - Dr. Francis E. Townsend
 - Retired California physician- promised everyone over sixty \$200 a month
 - Senator Huey P. Long
 - Louisiana
 - “Share our Wealth” promised to make “Every Man a King”
 - Every family was supposedly going to receive \$5000 at the expense of the rich.

- H. L. Mencken criticized Long's chief lieutenant Gerald L. K. Smith
 - Long is assassinated in 1935
- Fear of Government
 - People saw links between fascism and economic crisis
 - Japan
 - Authoritarian rule
 - Germany
 - Hitler- absolute authority
 - Feared that FDR would become a dictator
- Works Progress Administration (WPA) -1935
 - Employment of useful projects
 - Under Hopkins
 - Spent about \$11 billion on public buildings, bridges, and hard-surfaced roads
 - Some controlled crickets in Wyoming, others built a money pen in Oklahoma City
 - John Steinbeck counted dogs in his California county (would eventually win the Nobel Prize)
 - Federal Art Project
 - Hired artists to create posters and murals
 - Many of these still adorn post office walls
 - Critics were against the WPA
 - "We Provide Alms"
 - Not necessarily true, because in a period of 8 years, nearly 9 million people were given jobs, not handouts.
 - Nourished talent, preserved self-respect, and fostered the creation of more than a million pieces of art.

Group 8

New Visibility for Women by Tyler Wisner

- Gender Barriers
- Ruth Benedict
- Pearl Buck
- Ballots
- Lady Eleanor Roosevelt
- "Black Cabinet"

A Helping Hand for Industry and Labor by Brianna Kempf

- NRA
- Philadelphia Eagles
- Prohibition

Paying Farmers Not to Farm by Tyler Wisner

- Agricultural Adjustment Administration
- Soil Conservation and Domestic Allotment Act of 1936
- The Second Agricultural Adjustment Act of 1938

Dust Bowl and Black Blizzards by Brianna Williams

- The Dust Bowl
- Dry-farming Techniques
- John Steinbeck
- Frazier-Lemke Farm Bankruptcy Act
- Resettlement Administration
- Civilian Conservation Corps
- John Collier

Battling Bankers and Big Business by Brianna Williams

- New Dealers
- Federal Securities Act
- Securities and Exchange Commission
- The Public Utility Holding Company Act of 1935

Group 9

TVA Harnesses the Tennessee:

- The booming of the electric-power industry caught the eyes of the New Deal reformers
- New Dealers accused the industry of charging the public excessive rates
- The act creating the Tennessee Valley Authority (TVA) was designed to construct dams on the Tennessee River
- This was now a “yard stick” could be set up so that private companies could charge fair rates
- Private companies lashed back to this government control
- In response, the New Dealers pointed their fingers at the amazing achievements of the TVA
- Projects like TVA made electricity available to almost all Americans by 1960

Housing and Social Security:

- Roosevelt set up the Federal Housing Administration (FHA) to speed recovery and better homes, as early as 1934
- The building industry were to be given loans to house holders, for improving their homes and making new ones

- New Deal efforts to expand the project collided with brick-wall opposition from real estate promoters, builders, and land lords (“slumlords”)
- New Dealers in the field of unemployment insurance and old-age pensions was incomparably more important
- The best victory was Social Security Act of 1935- one of the most complicated and far-reaching laws ever to pass congress
- To provide security for old age, specified categories of retired workers were to receive regular payments from Washington
- By 1939 over 45 million people were eligible for Social Security benefits

A New Deal for Labor:

- Summer 1934, many walkouts occurred
- Supreme Court killed NRA
 - Congress passed the National Labor Relations Act of 1935
 - Wagner Act, congressional sponsor NY senator, Robert F. Wagner
- Unskilled workers began to organize into unions
 - John L. Lewis
- CIO moved to the automobile industry
- 1936, workers began sit-down strikes
- The United States Steel Company
 - 1937, Memorial Day massacre at plant of Republic Steel Company in South Chicago

Landon Challenges “the Champ”:

- The New Dealers had amounted to much progress as the presidential campaign of 1936 drew closer, leaving millions of “reliefers” grateful to their bountiful government.
- The Republicans, on the other hand, were having trouble trying to find a candidate that could challenge “the Champ.”
- The results of the election revealed that Landon only carried two states, Maine and Vermont.
- The election of 1936 bore out Republican charges of class warfare.

- Roosevelt's success lied in the fact that he appealed to the "forgotten man."

Nine Old Men on the Bench:

- Since the Twentieth Amendment to the Constitution had been ratified in 1933, Roosevelt took the presidential oath on January 20, 1937, making him the first do skip the awkward six week period before the inauguration.
- With his victory, Roosevelt wanted to continue New Deal reforms; however, he believed the cloistered old men on the supreme bench stood stubbornly in the way of progress.
- Roosevelt was growing more and more impatient with what he regarded as the obstructive conservatism of the court.

Group 10

The Court Changes Course

- The nation was convulsed with Roosevelt's court-packing plan that expands the Supreme Court.
- He was accused of attempting to break down the checks and balances among the three branches and of grooming himself as dictator by trying to browbeat the judiciary.
- Justice Owen began to vote on the side of the liberals.
- In 1937 the Court upheld principles of a state minimum wage for women by five-to-four.
- It also upheld the National Labor Relations Act and the Social Security Act.
- Congress voted for full pay over seventy justices
- Congress passed a court reform bill, but it only applied to lower courts. This gave Roosevelt his first major legislative defeat.

Twilight of the New Deal

- In 1937, the economy took a sharp downturn.
- The New Deal had run deficits, but all were small and none were intended.
- Also in 1937, Roosevelt announced a program that would stimulate the economy through planned deficit spending.
- Keynesianism became a new economic orthodoxy and remained like that for decades.

- Keynesianism is the use of government spending and fiscal policy to “prime the pump” of the economy and encourage consumer spending.
- In early 1937 he urged Congress to authorize a reorganization of the national administration in the interest of streamlined efficiency.
- In 1939, Congress passed the Reorganization Act, which gave Roosevelt limited powers for administrative reforms.
- In 1939 Congress adopted the Hatch Act.
- It was broadened in 1840.

New Deal or Raw Deal?

- The New Deal was criticized by different political platforms. Conservatives feared that the New Deal was bringing America closer to Communism; leftists felt that the New Deal did not do enough for the poor; business employers felt that it intervened too much in business affairs.
- Bureaucracy increases as the government becomes more involved in the country’s economy.
- States’ rights are pushed aside as the federal government took charge.
- The National debt increases from \$19 billion to around \$40 billion.
- Business people fear that America was becoming more socialist.
- FDR unsuccessfully attempts to rid the Supreme Court of Democrats who did not support him by endorsing their challengers in the 1938 elections.
- Despite its efforts, the New Deal does not rid the United States of depression.

FDR’s Balance Sheet

- Roosevelt supporters claim that the New Deal had relieved the United States of the worst crisis in 1933.
- The New Deal introduced the idea that the federal government has a moral obligation to protect its citizens from starvation by managing the economy.
- The New Deal avoided the collapse of America’s economic system and saved free enterprise
- Contrary to popular, the great increase in national debt was due to the start of World War II and not the New Deal.

- Roosevelt's peaceful shift in power is similar to Jefferson's.
- Roosevelt's beliefs and practices mirrored those of Hamilton and Jefferson.

Group 11