Roosevelt and the New Deal

ONE AMERICAN’S STORY

Dynamite Garland’s father had worked for the railroad. When the Depression struck, Dynamite’s father lost his job, and her family moved into a rent-free garage.

A VOICE FROM THE PAST

We had a coal stove, and we had to each take turns, the three of us kids, to warm our legs. It was awfully cold when you opened those garage doors. . . . In the morning, we’d get out and get some snow and put it on the stove and melt it and wash around our faces.

Dynamite Garland, quoted in Hard Times

Starting in 1933, Franklin Delano Roosevelt, the new Democratic president, created a number of programs to help the economy and people like Dynamite. This section describes those programs.

Roosevelt Takes Charge

Millions of people lacked food and shelter. Yet the country had to endure a frustrating four-month wait from the November election to Roosevelt’s inauguration. The Twentieth Amendment, which moved the inauguration date to January, was not ratified until 1933. President Roosevelt, nicknamed FDR, was finally inaugurated on March 4, 1933.

Roosevelt differed from Hoover in two important ways. First, he gave Americans hope, beginning with his inaugural address: “Let me assert my firm belief that the only thing we have to fear is fear itself.” Second, he was willing to try new ideas and change the way government worked. Though he had no fixed plan to end the Depression, he set up a “brain trust” of advisers, including college professors and economists.

Roosevelt took three immediate steps that boosted public confidence. First, he declared a “bank holiday”—a temporary shutdown of all banks.
Second, he promised that only the banks that were in good shape would be allowed to reopen.

Third, the day before the banks reopened, FDR gave the first of many fireside chats. In these radio talks, he explained his policies in a warm, friendly style. He said it was safer to “keep your money in a reopened bank than under the mattress.” The next day, people deposited more money into the banks than they withdrew.

The Hundred Days

During the campaign, FDR had pledged a “new deal” for Americans. This snappy phrase, the New Deal, came to stand for FDR’s programs to fight the Depression.

In the session of Congress lasting from March 9 to mid-June 1933, Roosevelt sent Congress a pile of new bills. Many of them passed with little debate in this famous session of Congress, called the Hundred Days.

The laws passed during the Hundred Days had three major goals, known as the “three Rs.”

1. relief for the hungry and jobless
2. recovery for agriculture and industry
3. reforms to change the way the economy worked

FDR wanted not only to ease suffering but also to try to prevent such a severe depression from happening again. The major programs passed during the Hundred Days included relief, recovery, and reform plans that related to jobs, banking, wages, and agriculture. The chart on page 737 lists several major programs and explains what those programs accomplished.

Responses to the New Deal

Some conservatives thought the New Deal went too far. They opposed the growth of the federal government and questioned how it would pay for all the new programs. They also feared that the New Deal was moving the country toward socialism.

Yet, other critics charged that the New Deal didn’t go far enough. Louisiana senator Huey Long declared, “Unless we provide for redistribution of wealth in this country, the country is doomed.” But Long’s motives were far from noble. For years, he had ruled his state like a dictator. Attacking FDR was a way to increase his own power.

Father Charles Coughlin, a priest with a popular radio program, also argued for changing the economy to help the poor. He eventually began to blame Jews for the nation’s problems. In the 1940s, the Catholic Church stopped his broadcasts. Another critic, Francis Townshend, proposed giving $200 a month to every American over age 60. He said a sales tax would pay for the pension, but economists disputed his figures.
In the 1934 congressional elections, voters had a chance to react to these criticisms. The party in power usually loses seats in a nonpresidential election. But, indicating their support for Roosevelt, voters in this election sent even more Democrats to Congress.

The Second New Deal

Although he rejected Townshend's plan, FDR did want to help the elderly. Bank failures and the stock market crash had stolen the savings of many old people. Some had lost their homes or had to beg for food.

In August 1935, Congress passed one of the most important bills of the century. Under the Social Security Act, workers and employers made payments into a special fund, from which they would draw a pension after they retired. The act also gave help to laid-off workers, disabled workers, and needy families with dependent children.

A VOICE FROM THE PAST

We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

Franklin D. Roosevelt, quoted in Promises to Keep

Social Security was part of a set of programs passed in 1935. These became known as the Second New Deal. Other programs of the Second New Deal are listed in the chart on the next page.

In 1936, the Democrats nominated Roosevelt for a second term. Business leaders opposed his reelection because they feared higher taxes. They also thought he was increasing government power at their expense. But a widespread alliance of working-class Americans supported FDR.
They included African Americans, who until then had remained loyal to the Republican Party—the party of Lincoln, who had issued the Emancipation Proclamation during the Civil War. However, FDR’s programs to help the poor convinced many African Americans to vote Democrat. On Election Day, FDR won every state except Maine and Vermont.

**Roosevelt Fights the Supreme Court**

From the high point of his 1936 victory, Roosevelt’s presidency took a downward turn. Most of the nine justices of the Supreme Court didn’t support FDR’s programs. Using the power of judicial review (see Chapter 10), in 1935 the Court struck down laws that it believed gave the federal government too much power. These actions threatened to destroy the New Deal.

In 1937, FDR asked Congress to pass a bill allowing him to add up to six justices to the Supreme Court. He planned to appoint justices who shared his ideas about government. This would give him the majority he needed to overrule the Court's previous decisions.
needed to save his programs from being overturned. Both Republicans and Democrats harshly criticized FDR’s Court-packing bill. They said it interfered with the system of checks and balances that were set up by the U.S. Constitution. Congress agreed and voted it down.

In the end, Roosevelt did achieve his goal of a more sympathetic Court. Within the next two and a half years, retirements and deaths allowed Roosevelt to name five liberal justices to the bench. But the president may have lost more than he won. His clumsy attempt to pack the Court with allies damaged his image and gave ammunition to his critics.

**The New Deal Slows Down**

Opposition to Roosevelt grew after the Court-packing attempt. Then in late 1937, the economy worsened again. The amount of goods produced by industry fell, and unemployment rose. Many Americans blamed Roosevelt for the downturn.

Critics also attacked Roosevelt’s use of **deficit spending**, or using borrowed money to fund government programs. Roosevelt himself had doubts about it. Even though some economists said that huge amounts of deficit spending were needed to boost the economy, FDR hesitated to take that course. He proposed few new programs in his second term. Meanwhile, as Section 3 explains, Americans continued to suffer from harsh economic conditions.