

Lesson 13

The New Deal: Overhaul or Overthrow?

Objective

- To understand how FDR's New Deal rejuvenated American capitalism

Notes to the Teacher

By 1933, it had become clear that Hoover's policy of "rugged individualism" could not solve the deep-rooted problems of the Great Depression. Franklin Roosevelt, with few precedents for government involvement in the economy, experimented with countless programs his advisers suggested might relieve suffering, restore the economy to health, and prevent future depressions. Despite his efforts to deal with both the causes and effects of the worst depression in American history, FDR faced considerable opposition from both the right and the left. Business interests labeled his solutions communist or socialist and bitterly opposed his efforts to take money from the rich to give to the poor. Others, notably Francis Townsend, Father Charles Coughlin, and Huey Long, gained considerable support for their more radical proposals. Francis Townsend urged the use of a 2% sales tax in order to pay a pension of \$200 per month to unemployed Americans over the age of 60; his requirement that the money be spent within thirty days would have created a steady purchasing power to stimulate the economy but would have put the elderly as a group among the top income brackets in the country. Charles Coughlin, the "radio priest," attributed the Depression to "international bankers" and Communists. His attacks on labor unions and his establishment of the National Union for Social Justice won him many listeners and advanced his own political ambitions. Huey Long's "Share the Wealth" program would have limited fortunes and annual incomes in order to finance a homestead grant of \$6000 per family, free education from kindergarten through college, veterans' bonuses, old-age pensions, radios, cars, and an abundance of cheap food for all. Socialists Eugene V. Debs and Norman Thomas urged subsidizing consumers rather than producers to relieve unemployment. They recommended

weekly emergency grants to the unemployed and a five-day work week. The popularity of these proposals—at least among the poor—prompted Roosevelt to push for what many at the time considered drastic measures, including Social Security and, later, the Fair Labor Standards Act.

In this lesson, students analyze a cartoon to understand the course Roosevelt took in dealing with the Depression. In preparation for this lesson, students should have read the textbook section on the New Deal. You may wish to assign the following thirteen terms as identification for homework: AAA, NIRA, NYA, CCC, WPA, SEC, FDIC, TVA, Social Security Act, Wagner Act, HOLC, FERA, and FDR's court packing bill.

Procedure

1. Introduce the topic using material in the Notes to the Teacher. Distribute **Handout 13**, and complete Part A as a large-group activity.

Suggested responses: Part A

- (1) *a. FDR; b. U.S. Economic System; c. New Deal; d. agencies and programs of the New Deal*
- (2) *to repair the U.S. economy*
- (3) *AAA and NIRA*
- (4) *scrap the economy and replace it with an alternative, perhaps socialism or communism*
- (5) Relief:
 - FERA—to give immediate aid to persons threatened with starvation*
 - CCC—to employ teenagers in needed conservation projects and keep them off the job market*
 - NYA—to keep older youth in school and out of competition for jobs*
 - WPA—to provide meaningful employment in a variety of public works projects as well as in artistic, literary, cultural, and related programs*
 - HOLC: to prevent home foreclosures*

Recovery:

AAA—to raise farm prices by reducing acreage in cultivation and also paying subsidies for lost acreage

NIRA—to put people back to work at decent jobs at decent wages and under decent working conditions to stimulate purchasing power and thus production

TVA—to rehabilitate a poorer section of the country and increase purchasing power to stimulate the economy

Reform efforts:

FDIC—to protect savings accounts and prevent runs on banks

SEC—to provide meaningful information about stocks and stock market investments and regulate stock purchases on credit

Wagner Act—to guarantee workers, particularly unskilled ones, the right to bargain collectively in order to guarantee a minimum purchasing power for workers

Social Security—to guarantee minimum purchasing power for the elderly, handicapped, and unemployed.

(6) *Answers will vary.*

(7) *Congress was not willing to upset the balance of power among the branches and give the president dictatorial power.*

(8) *He gained the political support of, among others, the unemployed, elderly, and working class.*

(9) *Answers will vary; students may see the programs as random experimentation, as an attempt to build a political coalition, or as an attempt to promote relief, recovery, and reform.*

2. Have students complete Part B individually and then read some of their answers to the class. Answers will vary, but students should see that FDR is trying to fix the economy rather than replace it with another economic system. Specific evidence should come from the programs shown on the cartoon.

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Part A. Study the cartoon below, and answer the questions that follow.

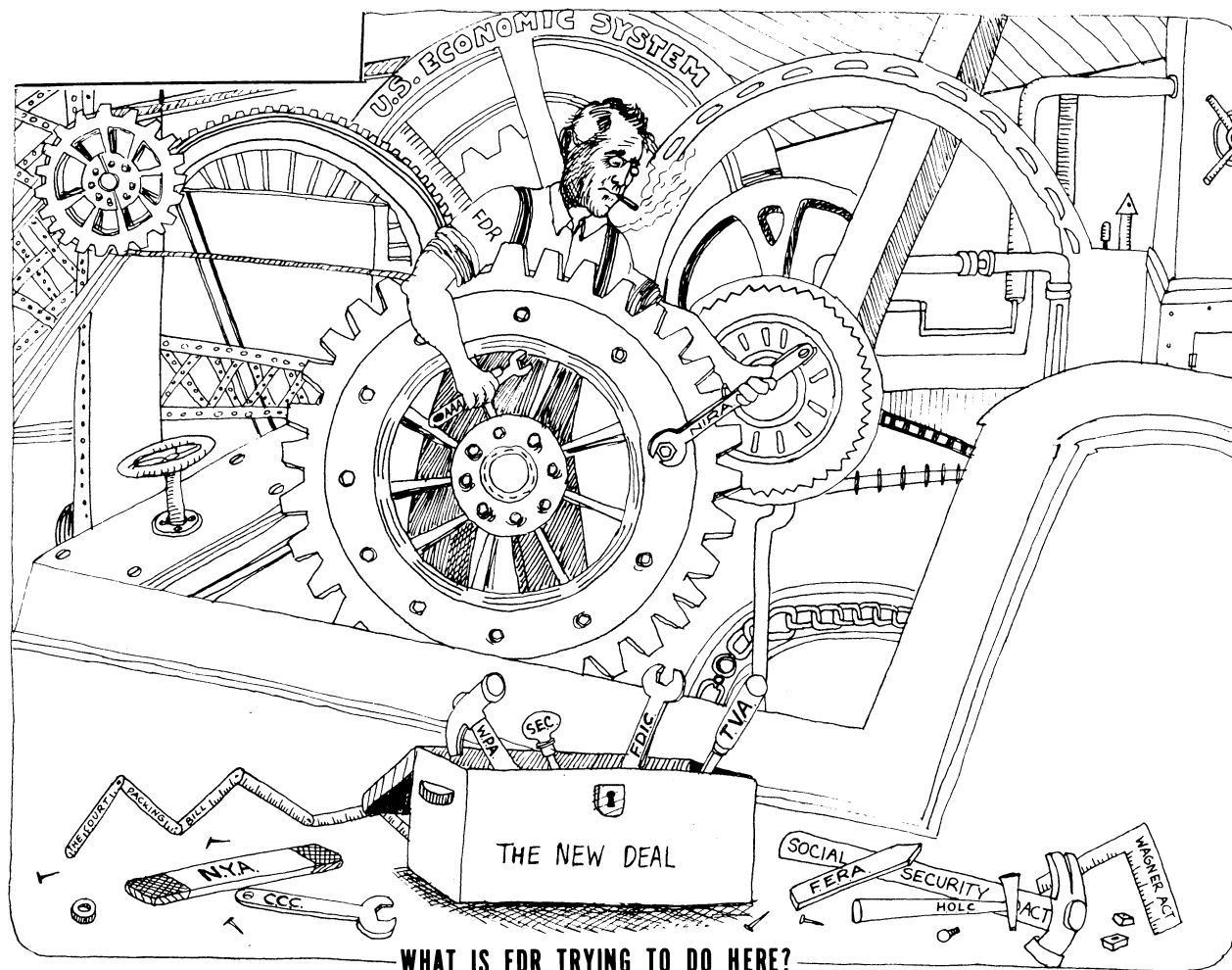


Figure 13.1

1. Identify each of the following parts of the cartoon:

a. the man:

b. the machine:

Social Studies Resource Materials: American History and Government (Cleveland, OH: Cleveland Public Schools, 1974), 108.

c. the toolbox:

d. the tools:

2. What is FDR's aim in this visual:

3. What are the two key tools he is using?

4. What is his alternative if the machine cannot be restored to proper functioning?

5. FDR's programs have been termed an effort to promote relief, recovery, and reform. Relief suggests help in reducing unemployment, hunger, and suffering. Recovery means restoring the economy to vigor, and reform means efforts to prevent another depression. How do each of the following programs promote these goals?

Relief:

FERA:

CCC:

NYA:

WPA:

HOLC:

Recovery:

AAA:

NIRA:

TVA:

Reform efforts:

FDIC:

SEC:

Wagner Act:

Social Security:

6. Was FDR's court-packing plan an attempt to gain dictatorial power or an effort to secure Supreme Court approval for his programs? Explain your answer.
7. Why did Congress, which had a Democratic majority, refuse permission for FDR's court-packing proposal?
8. In what respect did the New Deal programs allow FDR to forge a permanent majority for the Democratic party?
9. To what extent did the New Deal programs reflect a coherent policy?

