

New Deal Test Review Ideas Chap 28

Test Format:

- 15 multiple choice questions worth 3 points each.
- 4 short answer question worth 7 points each.
- 1 essay worth 25 points.
- 2 points for your name

Essay question:

During the past four decades, historians consistently have rated Washington, Lincoln. and Franklin D. Roosevelt as the greatest Presidents. Does he deserve to among these Presidents? Make clear the criteria on which you base your judgment.

Review Ideas:

1. **Define Keynesian economics – They theory stated that deficit spending was okay during hard times, like the Great Depression, as a way to stimulate the economy, increase investment, and create jobs.**

John Maynard Keynes said that the government had a responsibility to keep a nation's economy healthy. There are two things that the nation can do to keep the economy on even keels. First if there is a depression/recession where deflation (low prices) and high unemployment happen then the government should deficit spend and provide the people of the nation with monies (through building projects etc.) so that they will begin spending and stimulate the economy. With that they should also drop the interest rates at the Federal Reserve that would also instigate spending by businesses because they would be willing to borrow money at really low rates to increase the size of their businesses. When there are times of inflation and too much money in the economy, too high prices that government should raise taxes, pay back their debt, increase interests rates and try to slow the rise in prices. Two tools for the government to affect the economy not plan it or control it, just keep it healthy.

2. **FDR's election of 1932** – Was governor on NY. He proposed a New Deal to fix the nation.
3. **Banking Crisis** – In early 1933, before Roosevelt was inaugurated, thousands of banks closed, more than all of the other years of the depression combined.
4. **Banking holiday, FDIC** - As a way to rebuild faith in the banks that were still operating, he ordered banks to be closed on March 6, 1933 for a banking holiday. FDR created the Emergency Banking Relief Act, which allowed the American government to look into the banks' finances while they were closed and only reopen the banks deemed sound. He reassured Americans in his first Fireside Chat that banks were safe again.
 - **FDIC – guaranteed American's banking deposits** up to \$5,000 per deposit (Glass-Steagall led to this). Ams. banked with confidence, with govt. standing by in case of bank collapse.
5. **SEC** (Security Exchange Commission) – Regulated the stock market

6. **NLRB** (National Labor Relations Board) – mediated labor disputes
7. **NIRA/NRA** –
 - **NIRA (National industrial Recovery Act)** – consolidated businesses and coordinated their activities with the aim of eliminating overproduction and stabilizing prices. Ruled unconstitutional in the sick chicken case (Schechter v. US). Replaced by Wagner Act.
 - **NRA – (National Recovery Administration) NIRA created the NRA.**
8. **AAA** (Agricultural Adjustment Act) – Before this the more farmers produced, the further prices fell. The AAA paid farmers to cut their production in half, which in turn would increase prices
9. **FDR's inaugural address** - Declared a war against the Great Depression in his inaugural address in 1933, and asked Americans to give him the same broad amount of power given to presidents during wartime. Additionally, he attempted to instill a new confidence in Americans with his famous quote from his speech “The only thing we have to fear is fear itself – nameless, unreasoning, unjustified fear.
10. **Lame Duck Amendment** – 20th Amendment that moved inauguration from March to January.
11. **Fireside chats** - weekly radio shows that informed and calmed/instilled confidence in Americans during this difficult time full of poverty and unemployment.
12. **Goals of New Deal (3 Rs)** –
 - Relief – for people out of work
 - Recovery – business and economy as a whole (weakness)
 - Reform – American economic institution
13. **Welfare state** - a system whereby the government undertakes to protect the health and well-being of its citizens, esp. those in financial or social need, by means of grants, pensions, and other benefits. The foundations for the modern welfare state in the U.S. were laid by the New Deal programs of President Franklin D. Roosevelt.
14. **FDR “saving capitalism”** - Meaning that he saved the nation by preventing a communist revolution or a fascist revolution as was happening in other parts of the world. So by being moderate and doing some liberal ideas he actually saved the businesses from their own excesses.
15. **FDR's criticism from the right** – called the Wagner Act socialism, communism
 - Increased regulations, 2nd ND pronounced stance, borrowed money for govt. programs
 - American Liberty League – Conservative Dems and Republicans
 - i. Charles Lindberg (against WWII too), Al Smith, John Davis
 - Robert Taft – called New Deal Socialism
16. **Huey Long “Share Our Wealth”** - minimum income of \$5000 for every American family through a tax on the wealthy.
17. **Other left critics** – Socialists and extreme liberal Democrats said New Deal too much for business, too little for unemployed and working poor, didn't address ethnic minority problems as well as women and the elderly.
 - **Dr. Francis Townsend** – inspired **Social Security Act**

- **Father Coughlin – more popular than FDR on radio (Fascist and anti-Semitic)**
18. **Supreme Court on the 1st New Deal** – NIRA/NRA ruled unconstitutional in sick chicken/Schechter case and AAA unconstitutional in *Butler v. US*
 19. **FDR's Court Packing Plan** – He responded to unconstitutional rulings by court by attempting to pack the courts with justices who supported his policies, adding up to 6 justices to the court.
 20. **2nd New Deal – why did there have to be one?** – 1st two years focused on recovery, needed another round of laws and programs. **Focused on relief and reform.**
 21. **CCC (Civilian Conservation Corps)** - gave jobs to young men to improve parks, plant trees, and help with conservation
 22. **WPA, TVA**
 - **WPA – (Works Progress Administration)** - provided jobs to build roads, bridges, and public buildings. Artists were paid to create art as part of Federal Arts Project. Writers, actors and musicians were also employed under the Federal Writers', Theatre, and Music Projects.. (The National Youth Administration (NYA) trained and gave part time jobs to students, both male and female.)
 - **TVA – (Tennessee Valley Authority)** - The city at the Norris Dam was run by the US government as part of the TVA, which built dams and supplied energy to the Tennessee Valley region. This helped stabilize the economy of this region.
 23. **New union tactics** - The Wagner National Labor Relations Act gave workers the right to join a union and for unions to bargain collectively.
 24. **Wagner Act (aka National Labor Relations Act)** – see “New union tactics”
 25. **Social Security and AFDC(welfare – dependent children)** - The Social Security Act provided insurance, funded by workers, to receive monthly payments after retirement. This act was inspired by the Dr. Francis Townsend's Plan, used in California to provide economic security for older citizens.
 26. **Recession of 1937** – (2nd term) caused by two things – Roosevelt felt the New Deal was doing its job so he cut back government programs to balance the budget and the Federal Reserve board tightened credit supply. Both actions took money out of circulation and slowed down the economy. Social Security tax reduced spending too. Lasted 3 years.
 27. **New Deal Coalition** – pact between different groups of people and voting groups that supported the New Deal and voted for Democratic presidential candidates until 1960's.
 28. **Dust Bowl, causes and effects** – drought, killing all crops and turning soil into dust that blew as far as boats hundreds of miles out on the Atlantic. Many farmers moved out west to California after foreclosing on their land.
 29. **Culture of the Great Depression - Escapism was a big part of American culture in 30's** - *Gone With the Wind*(Clark Gable), *Goldiggers*, *Mickey Mouse*, *Wizard of Oz*, *Mae West*(racy/risque), *Comic books*(*Dick Tracy*, *Wonderman*, *Betty Boop*-for adults, for girls)

- 30. African Americans and the New Deal, Eleanor Roosevelt** – She supported African Americans (along with Ickes) in 1939. African Americans were cared about for the first time.
- 31. Brain trust** - Roosevelt's advisors many of whom he worked with as gov. of NY. He appointed minorities – African American, Catholics, Jews, and women.
- 32. Conditions of the nation in 1933** - see above “Bank Crisis”
- 33. Causes of the Great Depression-** Stock market crash, uneven distribution of wealth, stock market speculation(speculative bubble), excessive use of credit(borrowed money), overproduction(farmers), little government involvement/regulation in economy(companies), global economic problem.