

CHAPTER
15

The New Deal

SECTION 1

A New Deal Fights the Depression

President Roosevelt takes many actions to combat the Depression.

SECTION 2

The Second New Deal Takes Hold

The Second New Deal institutes new programs to extend federal aid and stimulate the nation's economy.

SECTION 3

The New Deal Affects Many Groups

New Deal policies and actions affect Americans in all walks of life. The Democratic Party forms a new political coalition.

 **VIDEO** *A SONG FOR HIS PEOPLE*

SECTION 4

Society and Culture

Motion pictures, radio, art, and literature all blossom during the period of the New Deal.

SECTION 5

The Impact of the New Deal

The New Deal affects American society not only in the 1930s but also in the decades that follow.

"The only thing we have to fear is fear itself."

Franklin Delano Roosevelt



★ Franklin Delano Roosevelt is inaugurated.

● Congress creates the TVA.

● Indian Reorganization Act is passed.

● Congress creates the SEC.

● Huey Long is assassinated.

● Supreme Court declares the NIRA unconstitutional.

● CIO is organized.

● Congress passes the Social Security Act.

● Women wait in line for New Deal relief.

THE UNITED STATES
THE WORLD

1933

1934
1934

1935
1935

● Hitler and the Nazi Party come to power in Germany.

● Fulgencio Batista y Zaldívar seizes control of the Cuban government.

● Chinese Communists engage in the Long March.

● Lázaro Cárdenas becomes president of Mexico.

● Italy invades Ethiopia.


● British Parliament passes the Government of India Act.

LIVING HISTORY

WRITING A NEW DEAL DIARY

Imagine that you are a worker who has been laid off from his or her job during the Great Depression. You eventually get work through one of the New Deal agencies, such as the CWA, CCC, or WPA. Use your textbook and other sources to gather information about the agency. Then write diary entries about your experiences over two or three weeks or more. Be sure to include information about the following:

- any training you receive
- the kind of work you do
- the tools you use
- the pay you receive

 **PORTFOLIO PROJECT** Save your diary entries in a folder for your American history portfolio.



★ President Roosevelt is reelected.

● Labor unions begin using sit-down strikes.
● *Snow White and the Seven Dwarfs* is released.

● Fair Labor Standards Act passes.

● Marian Anderson sings at the Lincoln Memorial.

● John Steinbeck publishes *The Grapes of Wrath*.

★ President Roosevelt is elected a third time.

1936

● Civil War begins in Spain.
● Soviet dictator Joseph Stalin purges the Communist Party and government leadership.

1937

1937

● Japan invades China.
● Early international radio broadcast reports the Hindenburg disaster.

1938

1938

● Mexico nationalizes oil wells.

1939

1939

● Germany invades Poland.

1940

1 A New Deal Fights the Depression

TERMS & NAMES

- Franklin Delano Roosevelt
- New Deal
- Glass-Steagall Banking Act of 1933
- Federal Securities Act
- Agricultural Adjustment Act
- Civilian Conservation Corps
- National Industrial Recovery Act
- Huey Long

LEARN ABOUT the early actions taken by the Roosevelt administration
TO UNDERSTAND how the New Deal tried to combat the Depression.

ONE AMERICAN'S STORY

Hank Oettinger was working as a printing press operator in a small town in northern Wisconsin when the Great Depression began. He lost his job in 1931, and he was unemployed for the next two years. In 1932, however, Americans elected a new president, Franklin Delano Roosevelt. Once in office, Roosevelt created work programs to provide jobs for the unemployed. Through one of these programs, the Civil Works Administration (CWA), Oettinger went back to work in 1933. As he later recalled, the CWA was cause for great celebration in his town.

A PERSONAL VOICE

I can remember the first week of the CWA checks. It was on a Friday. That night everybody had gotten his check. The first check a lot of them had in three years. . . . I never saw such a change of attitude. Instead of walking around feeling dreary and looking sorrowful, everybody was joyous. Like a feast day. They were toasting each other. They had money in their pockets for the first time.

HANK OETTINGER, quoted in *Hard Times*

Programs like the CWA raised the hopes of the American people and sparked great enthusiasm for the new president. As Oettinger put it, "If Roosevelt had run for president the next day, he'd have gone in by a hundred percent." To many Americans, it appeared as if the country had turned a corner and was beginning to emerge from the nightmare of the Great Depression.



Civil Works Administration workers prepare to participate in a parade for workers in San Francisco in 1934.

New Deal Actions

In 1932, the presidential election showed that Americans were clearly ready for a change. Because of the Depression, people were suffering from lack of work, lack of food, and lack of hope.

ELECTING FRANKLIN DELANO ROOSEVELT Although the Republicans renominated President Hoover as their candidate, they recognized that he had little chance of winning. Too many Americans blamed Hoover for doing too little about the Depression and wanted a new president in the White House.

The Democrats pinned their hopes on **Franklin Delano Roosevelt**, known popularly as FDR, the two-term governor of New York and a distant cousin of Theodore Roosevelt. As governor, Franklin Roosevelt had proved an effective, reform-minded leader. He pushed a series of new measures through the New York legislature to combat the problems of unemployment and poverty. Unlike Hoover, Roosevelt projected an air of friendliness and confidence that

attracted voters. Though practical at heart, he had a creative, adventurous side that allowed him to take risks that others might avoid. As he once said, "It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something." This "can-do" attitude appealed to a public that regarded Hoover, rightly or wrongly, as a "do-nothing" president.

Roosevelt won an overwhelming victory, capturing 23 million votes to Hoover's 16 million and carrying the South, the West, and all but six states in the Northeast. In the Senate, Democrats claimed a nearly two-thirds majority. In the House, they won almost three-fourths of the seats, their greatest victory since before the Civil War.

WAITING FOR ROOSEVELT TO TAKE OVER Four months would elapse between Roosevelt's victory in November and his inauguration as president in March 1933. The Twentieth Amendment, which moved presidential inaugurations to January, was not ratified until February 1933 and did not apply to the 1932 election. Americans waited anxiously to find out what plans their new president had for solving the nation's problems. Meanwhile, the economy continued to worsen. Industrial production fell; more businesses and banks shut down; and more people lost their jobs, their homes, and their farms.

FDR was not idle during this waiting period, however. He worked with his team of carefully picked advisers—a select group of professors, lawyers, and journalists known as the brain trust. Roosevelt began to formulate a set of policies for his new administration. This program, designed to alleviate the problems of the Great Depression, became known as the **New Deal**, from a phrase in a campaign speech in which Roosevelt had promised "a new deal for the American people." New Deal policies focused on three general goals: relief for the needy, economic recovery, and financial reform.

On taking office, the Roosevelt administration launched into a period of intense activity, known as the Hundred Days, lasting from March 9 to June 16, 1933. During this period, Congress passed more than 15 major pieces of New Deal legislation. These laws, and others that followed, significantly expanded the federal government's role in the nation's economy.

REFORMING BANKING AND FINANCE Roosevelt's first step as president was to carry out reforms in banking and finance. By 1933, widespread bank failures had caused most Americans to lose faith in the banking system. On March 5, one day after taking office, Roosevelt declared a bank holiday and closed all banks to prevent further withdrawals. Then he persuaded Congress to pass the Emergency

KEY PLAYERS



FRANKLIN D. ROOSEVELT
1882–1945

Born into an old, wealthy New York family, Franklin Delano Roosevelt entered politics as a state senator in 1910 and later became assistant secretary of the navy. In 1921, he was stricken with polio and paralyzed from the waist down. He struggled to regain the use of his legs, and he eventually learned to stand with the help of heavy leg braces. Roosevelt became governor of New York in 1928, and because he "would not allow bodily disability to defeat his will," he went on to the White House in 1933. Always interested in people, Roosevelt gained greater compassion for others as a result of his own physical handicap.



ELEANOR ROOSEVELT
1884–1962

A niece of Theodore Roosevelt and a distant cousin of her husband, Franklin, Eleanor Roosevelt lost her parents at an early age. She was raised by a strict grandmother.

As first lady, she often urged the president to take stands on controversial issues. She became known for speaking out against economic and social injustice. In presenting a booklet on human rights to the United Nations in 1958, she said, "Where, after all, do human rights begin? . . . [In] the world of the individual person: the neighborhood . . . the school . . . the factory, farm or office where he works."

THINK THROUGH HISTORY

A. Summarizing
What plans did Roosevelt make in the four months while he waited to take office?

Banking Relief Act, which authorized the Treasury Department to inspect the country's banks. Those that were sound could reopen at once; those that were insolvent—unable to pay their debts—would remain closed. Those that needed help could receive loans. This measure revived public confidence in banks, since customers now had greater faith that the open banks were in good financial shape.

AN IMPORTANT FIRESIDE CHAT On March 12, the day before the first banks were to reopen, President Roosevelt boosted confidence further through the first of his many fireside chats. These were radio talks that Roosevelt gave occasionally about issues of public concern, explaining in clear, simple language his New Deal measures. Informal and relaxed, these talks made Americans feel as if the president were talking directly to them. In his first chat, President Roosevelt explained why the nation's welfare depended on public support of the government and the banking system. "We have provided the machinery to restore our financial system," he said. "It is up to you to support and make it work." This is how he explained the banking system.



SKILLBUILDER
INTERPRETING
POLITICAL CARTOONS
What do you think was meant by Roosevelt's remark concerning New Deal remedies?

A PERSONAL VOICE

When you deposit money in a bank, the bank does not put the money into a safe deposit vault. It invests your money. . . . A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the ordinary citizen.

FRANKLIN DELANO ROOSEVELT

The president then explained that when too many people demanded their savings in cash, banks would fail. This did not mean that the banks were weak, because even strong banks could not meet such heavy demands.

Over the next few weeks, many Americans returned their savings to banks. Congress took another step to reorganize the banking system by passing the **Glass-Steagall Banking Act of 1933**.

Among other provisions, this law established the Federal Deposit Insurance Corporation (FDIC), which provided federal insurance for individual bank accounts of less than \$5,000. The Glass-Steagall Banking Act reassured millions of bank customers that their money was safe.

Congress and the president also took steps to regulate the stock market, which had suffered a tremendous loss of credibility in the crash of 1929. The **Federal Securities Act**, passed in May 1933, required corporations to provide complete information on all stock offerings and made them liable for any misrepresentations. The following year, in June 1934, Congress created the Securities and Exchange Commission (SEC) to regulate the stock market. One of the goals of this commission was to prevent people with inside information about companies from "rigging" the stock market, causing prices to go up or down for their own profit, regardless of the real value of the stocks.

In addition, Roosevelt persuaded Congress to approve a bill allowing the manufacture and sale of some alcoholic beverages. This bill included an alcohol tax designed to raise government revenues. By the end of 1933, the passage of the Twenty-first Amendment had repealed prohibition altogether.

THINK THROUGH HISTORY
B. Evaluating Decisions Why did bank customers return their savings to banks?

Helping the American People

While working on banking and financial matters, the Roosevelt administration implemented programs to provide relief to farmers. It also aided other workers and attempted to stimulate economic recovery.



Civilian Conservation Corps laborers go to work in a wilderness area in 1940.

Civilian Conservation Corps

- The CCC provided unemployed men between 18 and 25 with conservation work and job training. Much of the work was done in U.S. national parks.
- The men lived in work camps under a military-like regime. Although some of the camps were integrated, the majority were segregated.
- The CCC provided almost 3 million men with work and wages between 1933 and 1942.
- Many New Deal agencies did little to give opportunities to African Americans. By 1938, however, the CCC had an 11 percent African-American enrollment.

ASSISTING FARMERS The Agricultural Adjustment Act (AAA) sought to raise crop prices by lowering production, which the government achieved by paying farmers to leave a certain amount of every acre of land unseeded. The theory was that reduced supply would boost prices. (See *supply and demand* on page 939 in the Economics Handbook.) In some cases crops were too far advanced for the acreage reduction to take effect. As a result, the government paid cotton growers \$200 million to plow under 10 million acres of their crop. It also paid hog farmers to slaughter 6 million pigs. This policy upset many Americans, who protested the destruction of food when many people were going hungry. It did, however, help raise farm prices and put more money in farmers' pockets.

PROVIDING WORK PROJECTS The administration also established programs to provide relief through work projects and cash payments. One important program, the **Civilian Conservation Corps (CCC)**, put young men, aged 18 to 25, to work building roads, developing parks, planting trees, and helping in soil-erosion and flood-control projects. The CCC paid a small wage, \$30 a month, of which \$25 was automatically sent home to the worker's family. It also supplied free food and uniforms. By the time the program ended in 1942, almost 3 million young men had passed through the CCC. Many of the camps were located on the Great Plains, where, within a period of eight years, the men of the CCC planted more than 200 million trees. This tremendous reforestation program was aimed at preventing another Dust Bowl.

Another program, the Federal Emergency Relief Administration (FERA), was funded with \$500 million to provide direct relief for the needy. Half of the money was given to the states as direct grants-in-aid to help furnish food and clothing to the unemployed, the aged, and the ill. An additional \$250 million was distributed on the basis of one federal dollar for every three state dollars contributed. Harry Hopkins, who headed this program, believed that money helped people buy food, but work enabled them to gain confidence and self-respect.

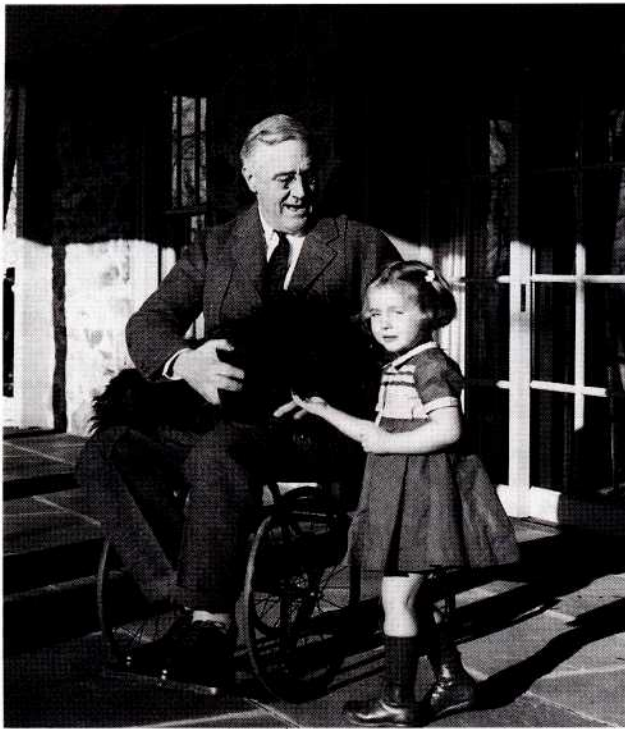
The Public Works Administration (PWA), created in June 1933, provided money to states to create jobs. These were chiefly in the construction of schools and other community buildings. When these programs failed to make a sufficient dent in unemployment, President Roosevelt established the Civil Works Administration (CWA) in November 1933. It provided 4 million immediate jobs during the winter of 1933–1934. Some critics of the CWA claimed that

“Eighteen million Americans are so poor of this world’s goods that they are on relief.”

HARRY HOPKINS

THINK THROUGH HISTORY

C. Finding Main Ideas In what two ways did the New Deal attempt to assist the unemployed?



Franklin D. Roosevelt was fond of spending time at Hyde Park, New York, his birthplace on the bank of the Hudson River. Here, he is holding his dog Fala and talking to a young family friend.

the programs were “make-work” projects and a waste of money. However, the CWA built 40,000 schools and paid the salaries of more than 50,000 schoolteachers in America’s rural areas. It also built more than half a million miles of roads.

Another major initiative of the Roosevelt administration was the **National Industrial Recovery Act** (NIRA), passed in June 1933. This act sought to promote industrial growth by establishing codes of fair practice for individual industries. It created the National Recovery Administration (NRA), which set prices of many products to ensure fair competition, and established standards for working hours and a ban on child labor. The aim of the NRA was to promote recovery by interrupting the trend of wage cuts, falling prices, and layoffs.

Competing businesses met with representatives of workers and consumers to draft the codes of fair competition. These codes both limited production and established prices. Because businesses were given new concessions, workers made

demands. Congress met their demands by passing a section of the NIRA guaranteeing workers’ right to unionize and to bargain collectively.

Many businesses and politicians were critical of the NRA. Charges arose that the codes served large business interests. There were also charges of increasing code violations. The economist Gardiner C. Means, however, stated the goal of industrial planning.

A PERSONAL VOICE

The National Recovery Administration [was] created in response to an overwhelming demand from many quarters that certain elements in the making of industrial policy . . . should no longer be left to the market place and the price mechanism but should be placed in the hands of administrative bodies.

GARDINER C. MEANS, *The Making of Industrial Policy*

Finally, the Roosevelt administration undertook an especially ambitious program of regional development. The Tennessee Valley Authority (TVA), established on May 18, 1933, focused on the badly depressed Tennessee River valley. The TVA renovated five existing dams and constructed 20 new ones in the Tennessee Valley. It created thousands of jobs and provided flood control, hydroelectric power, and other benefits to an impoverished region.

HELPING PEOPLE WITH HOUSING A number of New Deal programs concerned housing and home mortgage problems. The Home Owners Loan Corporation (HOLC) provided government loans to homeowners who faced foreclosure because they couldn’t meet their loan payments. In addition, the National Housing Act created the Federal Housing Administration (FHA). This agency continues to furnish loans for home mortgages and repairs today.

The New Deal Comes Under Attack

At the end of the Hundred Days, President Roosevelt could look back on some major accomplishments. Together with Congress, his administration had moved decisively to implement a series of programs designed to provide benefits for millions of Americans. In general, public confidence in the nation’s future had rebounded.

THINK THROUGH HISTORY
D. THEME
Economic Opportunity
How did the New Deal support labor organizations?

Nevertheless, opposition to the New Deal grew among some parts of the population. Liberal critics argued that the New Deal did not go far enough to help the poor and to reform the nation's economic system. Conservative critics argued just the opposite: that Roosevelt spent too much on direct relief and used New Deal policies to control business and socialize the economy. Conservatives were particularly angered by laws such as the Agricultural Adjustment Act and the National Industrial Recovery Act, which they believed gave the federal government too much control over agriculture and industry. Many New Deal critics thought the Roosevelt administration was going too far in its attempt to regulate the production and supply of goods and to control prices. They believed the New Deal interfered with the workings of a free market economy.

THINK THROUGH HISTORY

E. Comparing
How did liberal and conservative critics differ in their opposition to the New Deal?

THE SUPREME COURT REACTS By the mid-1930s, conservative opposition to the New Deal had received a boost from two Supreme Court decisions. In 1935, the Court struck down the NIRA as unconstitutional, declaring that the law gave legislative powers to the executive branch. It also argued that the enforcement of industry codes within states went beyond the federal government's constitutional powers, which are limited to the regulation of interstate commerce. The next year, the Supreme Court struck down the AAA on the grounds that agriculture is a local matter and should be regulated by the states rather than the federal government.

President Roosevelt was dismayed by these rulings. Fearing that further Court decisions might dismantle the New Deal, in February 1937 he proposed that Congress enact a court-reform bill that would reorganize the federal judiciary and allow him to appoint six new Supreme Court justices. Although Roosevelt argued that the bill would make the judiciary more effective, it was clearly designed to create a Supreme Court more sympathetic to New Deal programs. Quickly labeled the "court-packing bill," Roosevelt's proposal aroused a storm of protest in Congress and the press. Many people believed that the president was violating principles of judicial independence and the separation of powers. The bill damaged the president's public image. Then events that the president could not have foreseen led to changes in the Court. Rulings of the Court began to shift in favor of the New Deal, and, without reorganizing the judiciary, President Roosevelt managed to appoint new justices who supported the New Deal. Because of resignations, the president was able to appoint seven new justices in the next four years.

THINK THROUGH HISTORY

F. Analyzing Issues Why did people regard FDR's court-packing scheme as a threat to the separation of powers?

THREE FIERY CRITICS In 1934, some of the strongest conservative opponents of the New Deal banded together to form an organization called the American Liberty League. This group was largely made up of wealthy business leaders. It also included important political leaders: Al Smith and John W. Davis, both former Democratic presidential candidates. The American Liberty League opposed New Deal measures that it believed violated respect for the rights of individuals and property. The group accused President Roosevelt of trying to establish a dictatorship. Perhaps the toughest critics the president faced, however, were three men who expressed views that appealed to poor Americans: Charles Coughlin, Francis Townsend, and Huey Long.

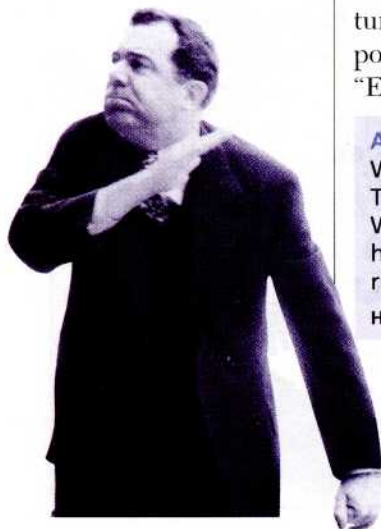


SKILLBUILDER
INTERPRETING POLITICAL CARTOONS

What "compass" did Roosevelt want to change, and why?

TOWNSEND'S PENSION PLAN

Francis Townsend devised his pension plan after being laid off at age 67 with only \$100 in savings. His plan called for all Americans over age 60 to receive a monthly pension of \$200, on the condition that they spend the money within 30 days. Townsend claimed that his plan would stop poverty among the elderly and end the Depression by pumping money into the economy. Although his plan was financially unrealistic, it did draw attention to the needs of the elderly.



Senator Huey Long emphasizes a point during a 1935 speech in Des Moines, Iowa.

One of President Roosevelt's most vocal critics was Father Charles Coughlin, a Roman Catholic priest from a suburb of Detroit. Every Sunday, Father Coughlin broadcast radio sermons that combined economic, political, and religious ideas. Initially a supporter of the New Deal, Coughlin soon turned against Roosevelt. He favored a guaranteed annual income and the nationalization of banks. At the height of his popularity, Father Coughlin claimed a radio audience of some 40 million people, but his increasingly anti-Semitic (anti-Jewish) views eventually cost him support.

Another critic of New Deal policies was Dr. Francis Townsend, a physician and health officer in Long Beach, California. He believed that Roosevelt wasn't doing enough to help the poor and elderly, so he devised a pension plan that would provide monthly benefits to the aged. The plan was too expensive to work, but it found strong backing among the elderly, and it undermined their support for President Roosevelt.

Perhaps the most serious challenge to the New Deal came from Senator **Huey Long** of Louisiana. Long was a former traveling salesman, but he had studied law and become a persuasive spokesman for the poor. He was elected governor of Louisiana in 1928 and later served in the United States Senate.

Like Coughlin, Long was an early supporter of the New Deal, but he soon turned against Roosevelt. Eager to win the presidency for himself, Long proposed a nationwide social program called Share Our Wealth. Under the banner "Every Man a King," he promised something for everyone.

A PERSONAL VOICE

We owe debts in America today, public and private, amounting to \$252 billion. That means that every child is born with a \$2,000 debt tied around his neck. . . . We propose that children shall be born in a land of opportunity, guaranteed a home, food, clothes, and the other things that make for living, including the right to education.

HUEY LONG, *Record*, 74 Congress, Session 1.

Long's program for sharing the nation's wealth was so popular that by 1935, he boasted of having over 27,000 Share-Our-Wealth clubs with around 7.5 million members. In 1935, however, at the height of his popularity, Long was assassinated by a lone gunman.

As the initial impetus of the New Deal began to wane, President Roosevelt started to look ahead. He knew that a lot more needed to be done to help the people and to solve the nation's economic problems.

THINK THROUGH HISTORY
G. Comparing
 What did Charles Coughlin, Francis Townsend, and Huey Long dislike about the New Deal?

Section 1 Assessment

1. TERMS & NAMES

Identify:

- Franklin Delano Roosevelt
- New Deal
- Glass-Steagall Banking Act of 1933
- Federal Securities Act
- Agricultural Adjustment Act
- Civilian Conservation Corps
- National Industrial Recovery Act
- Huey Long

2. SUMMARIZING In a two-column chart, list problems that Franklin Roosevelt confronted as president and how he tried to solve them.

Problem	Solution

Write a paragraph telling which problem you think was most critical, and why.

3. INTERPRETING Of the New Deal programs discussed in this section, which do you consider the most important? Explain your choice.

THINK ABOUT

- the type of assistance offered by each program
- the scope of each program
- the impact of each program

4. ANALYZING Do you think Roosevelt's most vocal critics had reasonable objections?

THINK ABOUT

- the American Liberty League's beliefs regarding violation of rights
- Father Coughlin's calls for nationalization
- Huey Long's slogan "Every Man a King"

2 The Second New Deal Takes Hold

TERMS & NAMES

- Eleanor Roosevelt
- Works Progress Administration
- National Youth Administration
- Wagner Act
- Social Security Act

LEARN ABOUT the second phase of New Deal policies
TO UNDERSTAND how the Roosevelt administration tried to extend its relief, recovery, and reform programs.

ONE AMERICAN'S STORY

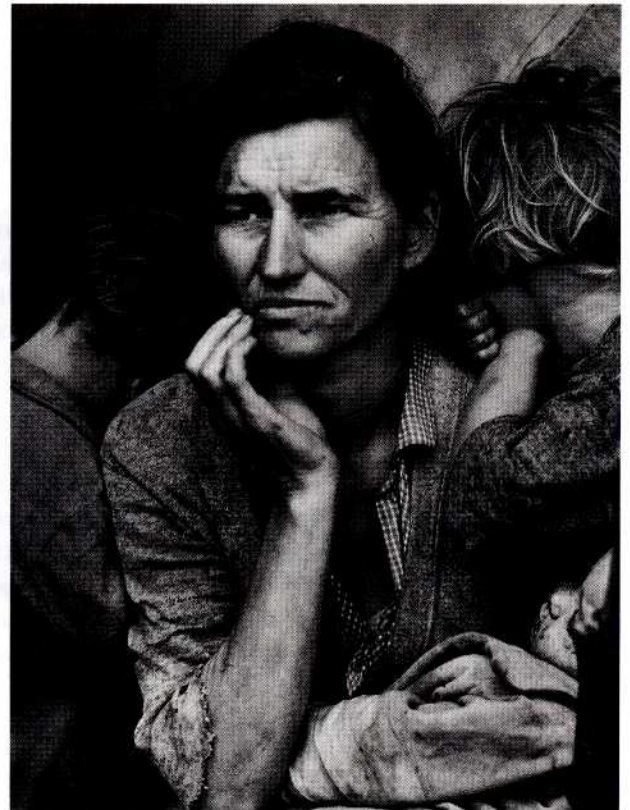
Dorothea Lange was a photographer whose pictures documented American life during the Great Depression and the era of the New Deal. One famous picture, entitled *Migrant Mother*, shows a woman and her children in a migrant labor camp in California in the winter of 1936. In her biography, Lange recalled the circumstances of that photograph.

A PERSONAL VOICE

I saw and approached the hungry and desperate mother, as if drawn by a magnet. I do not remember how I explained my presence or my camera to her, but I do remember she asked me no questions. . . . She told me her age, that she was 32. She said that they had been living on frozen vegetables from the surrounding fields, and birds that the children killed. She had just sold the tires from her car to buy food. There she sat in that lean-to tent with her children huddled around her, and seemed to know that my pictures might help her, and so she helped me. There was a sort of equality about it.

DOROTHEA LANGE, quoted in *Dorothea Lange: A Photographer's Life*

Much of Lange's work was funded by a federal agency, the Farm Security Administration, which was established to alleviate rural poverty. Lange's photographs helped draw attention to the desperate conditions in rural America and to underscore the need for direct relief.



Dorothea Lange's photograph *Migrant Mother* captures the concern of a weary mother for her children.

The Second Hundred Days

By 1935, the Roosevelt administration was seeking ways to build on the programs established during the Hundred Days. Although the economy had improved during FDR's first two years in office, the gains were not as great as he had expected. Unemployment remained high despite government work programs, and production still lagged behind the levels of the 1920s.

Nevertheless, the New Deal enjoyed widespread popularity. In the 1934 midterm election, the Democrats increased their majority in both houses of Congress. The Democrats now held 319 seats in the House and 69 in the Senate, while the Republicans held just 103 House seats and 25 Senate seats.

Buoyed by these results, President Roosevelt launched a second burst of activity, often called the Second New Deal or the Second Hundred Days. During this phase, the president called on Congress to provide more extensive relief for both farmers and workers. He encouraged them to help the "forgotten man," as he called the poor and dispossessed at the bottom of society. The president was prodded in this direction by his wife, **Eleanor Roosevelt**, a social reformer who combined her deep humanitarian impulses with great political skills.

THINK THROUGH HISTORY

A. Analyzing

How did the Second New Deal help sharecroppers, migrant workers, and other poor farmers?

The Second New Deal also attempted to help sharecroppers, migrant workers, and many other poor farmers. In May 1935, Congress created the Resettlement Administration to loan money to small farmers to buy land. It was hoped that this agency would help tenant farmers and sharecroppers resettle on more productive farmland. In 1937, this agency was replaced by the Farm Security Administration (FSA), which loaned more than \$1 billion to help tenant farmers become landholders. The FSA also established a network of camps for migrant farm workers, who had traditionally lived in squalid housing.

Another activity of the FSA was making a pictorial record that showed the difficult situation of people in rural America. The agency sent photographers such as Dorothea Lange, Ben Shahn, Walker Evans, Arthur Rothstein, and Carl Mydans to take many pictures of rural towns and farms and their inhabitants.

Helping Youth, Professionals, and Others

Farmers weren't the only Americans who received direct assistance during the Second New Deal. The Roosevelt administration and Congress also set up a series of programs to help youths, professionals, and other workers. One of the largest programs begun under the New Deal was the **Works Progress Administration** (WPA), headed by Harry Hopkins, the former chief of the Federal Emergency Relief Administration.

The WPA set out to create as many jobs as possible as quickly as possible. It received a budget of \$5 billion, the largest sum any nation had ever spent for public welfare at one time. Between 1935 and 1943, it employed more than 8 million persons. WPA workers, most of them unskilled, built 850 airports throughout the country. They constructed or repaired 651,000 miles of roads and streets. They put up 110,000 libraries, schools, and hospitals. Sewing groups, in which most of the WPA's female workers were employed, made 300 million garments for the needy. Some people criticized the WPA, as they had the CWA, as a "make-work" program that created jobs just to provide workers with a paycheck. Nevertheless, the WPA did produce public works of lasting value to the nation, and it gave working people a sense of hope and purpose that had been sorely lacking. As one man recalled, "It was really great. You worked, you got a paycheck, and you had some dignity. Even when a man raked leaves, he got paid, he had some dignity."

The WPA also employed many professionals—including teachers, writers, artists, actors, and musicians. These professionals were hired to create music, art, and scholarly studies. They wrote guides to cities, collected historical slave narratives, painted murals on the walls of schools and other public buildings, and performed in theater troupes around the country. At the urging of Eleanor Roosevelt, the WPA made special efforts to help women, minorities, and young people.

Another program, the **National Youth Administration** (NYA), was

Unemployed workers sit on a street in an Oklahoma town, in a 1936 photograph by Dorothea Lange.



THINK THROUGH HISTORY

B. Forming

Opinions Do you think work programs like the WPA were a valid use of federal money? Why or why not?

created specifically to help young people. The project was highly successful in providing aid and employment to young Americans. More than 2 million high school and college students worked in part-time clerical positions at their schools. One participant later described her experience.

A PERSONAL VOICE

I lugged . . . drafts and reams of paper home, night after night. . . . Sometimes I typed almost all night and had to deliver it to school the next morning. . . . This was a good program. It got necessary work done. It gave teenagers a chance to work for pay. Mine bought me clothes and shoes, school supplies, some movies and mad money. Candy bars, and big pickles out of a barrel. It gave my mother relief from my necessary demands for money.

HELEN FARMER, quoted in *The Great Depression*

In 1936, more than 200,000 students received aid and assistance through the NYA. It also provided work-relief programs for hundreds of young adults.

Labor and Other Reforms

During the Second New Deal, the Roosevelt administration moved beyond relief to enact sweeping reforms. (See the chart on page 515.) In a speech to Congress in January 1935, the president declared, “When a man is getting over an illness, wisdom dictates not only cure of the symptoms but removal of their cause.” With the help of Congress, Roosevelt brought about important reforms in the areas of labor relations and economic security for retired workers.

IMPROVING LABOR CONDITIONS One of the first reforms of the Second New Deal was prompted by the Supreme Court’s declaring the NIRA unconstitutional in 1935. In addition to setting industry standards, the National Recovery Administration had provided some protections for workers, such as a 40-hour week and a ban on child labor.



The National Youth Administration helped young people, such as this dental assistant (third from left), receive training and job opportunities.

After the Supreme Court declared the NIRA unconstitutional, Congress passed the National Labor Relations Act, more commonly called the **Wagner Act**, after its sponsor, Senator Robert F. Wagner of New York. The act re-established the NIRA provision involving collective bargaining. The federal government now supported the right of workers to join unions and to engage in collective bargaining with employers.

In addition, the Wagner Act listed unfair labor practices that companies could not use. Among these were threatening workers, firing union members, and interfering with union organizing efforts. The act also set up the National Labor Relations Board (NLRB) to hear

testimony about unfair practices and to hold elections among workers to find out if they wanted union representation.

Congress later passed the Fair Labor Standards Act in 1938 to establish maximum hours and minimum wages. The hours and wages standards set by the National Recovery Administration had been invalidated when the Supreme Court declared the NIRA unconstitutional. The Fair Labor

THINK THROUGH HISTORY
C. Finding Main Ideas Why was the Wagner Act significant?

Standards Act, for the first time, set a national minimum hourly rate for wages: 25 cents an hour at first, 40 cents an hour by 1945. It also established a national maximum workweek: 44 hours to begin, followed by 40 hours in two years. In addition, the act banned factory labor for workers under the age of 16 (or 18 if the work was hazardous).

THE SOCIAL SECURITY ACT One of the most important achievements of the New Deal was creating the Social Security system. The **Social Security Act**,



New Deal Programs	
EMPLOYMENT PROJECTS	PURPOSE
1933 Civilian Conservation Corps (CCC)	Provided jobs for single males on conservation projects.
1933 Federal Emergency Relief Act (FERA)	Helped states to provide aid for the unemployed.
1933 Civil Works Administration (CWA)	Provided work in federal jobs.
1933 Public Works Administration (PWA)	Created jobs on government projects increasing workers' buying power and stimulating the economy.
1935 Works Progress Administration (WPA)	Quickly created as many jobs as possible—from construction jobs to positions in symphony orchestras.
1935 National Youth Administration (NYA)	Provided job training for unemployed young people and part-time jobs for needy students.
BUSINESS ASSISTANCE AND REFORM	
1933 Emergency Banking Relief Act (EBRA)	Regulated bank transactions in credit, currency, gold and silver, and foreign exchange.
1933 Federal Deposit Insurance Corporation (FDIC)	Protected bank deposits up to \$5,000. (Today, accounts are protected up to \$100,000.)
1933 National Recovery Administration (NRA)	Established codes of fair competition and voluntary guidelines for minimum wage and 40-hour workweek.
1934 Securities and Exchange Commission (SEC)	Supervised the country's Stock Commission Exchanges and eliminated dishonest practices.
1935 Banking Act of 1935	Created a seven-member board to regulate the nation's money supply and the interest rates on loans.
1938 Food, Drug and Cosmetic Act	Required manufacturers to list ingredients in foods, drugs, and cosmetic products.
FARM RELIEF AND RURAL DEVELOPMENT	
1933 Agricultural Adjustment Administration (AAA)	Aided farmers and regulated crop production.
1933 Tennessee Valley Authority (TVA)	Developed the resources of the Tennessee Valley.
1935 Rural Electrification Administration (REA)	Provided cheap electricity for isolated rural areas.
HOUSING	
1933 Home Owners Loan Corporation (HOLC)	Loaned money at low interest to homeowners who could not meet mortgage payments.
1934 Federal Housing Administration (FHA)	Insured loans for building and repairing homes.
1937 United States Housing Authority (USHA)	Provided federal loans for a national home-improvement program.
LABOR RELATIONS	
1935 National Labor Relations Act (Wagner Act of 1935)	Defined "unfair labor practices" and established the National Labor Relations Board (NLRB) to settle disputes between employers and employees.
1938 Fair Labor Standards Act	Established a minimum hourly wage and a maximum number of hours in the workweek for the entire country. Prohibited children under the age of 16 from working in factories.
RETIREMENT	
1935 Social Security Act	Provided a pension for retired workers and their spouses and aided people with disabilities.

“We have undertaken a new order of things, yet we progress to it under the framework and in the spirit and intent of the American Constitution.”

FRANKLIN DELANO ROOSEVELT

passed in 1935, was created by a committee chaired by Secretary of Labor Frances Perkins. The act had three major parts:

- *Old-age insurance for retirees 65 or older and their spouses.* The insurance was not a complete retirement plan but a supplement to a person’s private retirement plan. The initial payments ranged from \$10 to \$85 a month, depending on the amount a worker paid into the system. This amount came half from the worker and half from the employer. Some groups were excluded from the system: domestic servants, farm workers, many hospital workers, and many restaurant workers.
- *Unemployment compensation system.* The unemployment system was funded by a federal tax on employers. It was administered at the state level. The initial payments ranged from \$15 to \$18 per week.
- *Aid to families with dependent children and the disabled.* The aid was paid for by federal funds made available to the states. It assisted the blind, the crippled, the needy elderly, and mothers with dependent children.

Although the Social Security Act was not a total pension system or a complete welfare system, it did provide substantial benefits to millions of Americans.

EXPANDING AND REGULATING UTILITIES The Second New Deal also included laws to promote rural electrification and to regulate public utilities. The Roosevelt administration took steps to extend electricity to rural areas nationwide. At the time, only about 30 percent of American farms had electricity.

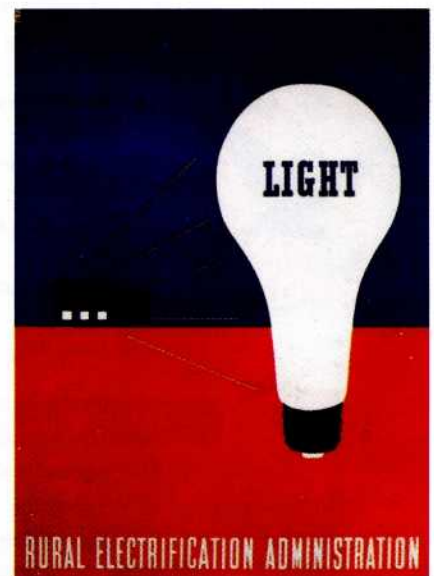
At President Roosevelt’s urging, Congress established the Rural Electrification Administration (REA). The REA created, financed, and worked with rural and farm electrical cooperatives to bring electricity to previously isolated areas. By 1945, 45 percent of America’s farms and rural homes had electricity. That figure rose to 90 percent by 1951. By making electricity widely available, the REA had a tremendous impact on rural life.

The Public Utilities Holding Company Act of 1935 took aim at financial corruption in the public utility industry. It outlawed the ownership of utilities by multiple holding companies—a practice known as the pyramiding of holding companies. Lobbyists for the holding companies fought the law fiercely, and it proved extremely difficult to enforce.

As the New Deal struggled to help farmers and other workers, it assisted many different groups in the nation, including women, African Americans, Latinos, and Native Americans.

THINK THROUGH HISTORY
D. Summarizing
Whom did Social Security help?

Many WPA posters were created to promote New Deal programs—in this case the Rural Electrification Administration.



Section 2 Assessment

1. TERMS & NAMES

Identify:

- Eleanor Roosevelt
- Works Progress Administration
- National Youth Administration
- Wagner Act
- Social Security Act

- 2. SUMMARIZING** Create a cluster diagram similar to the one below, showing how groups such as farmers, the unemployed, youth, and retirees were helped by Second New Deal programs.



Which group do you think benefited the most from the Second New Deal? Explain.

- 3. ANALYZING** Do you think the Second New Deal could have succeeded without the WPA? Why or why not?

THINK ABOUT

- the millions of people the WPA employed
- criticism of the WPA as a “make-work” program
- the many other New Deal reform and recovery programs

- 4. EVALUATING** Why might the Social Security Act be considered the most important achievement of the New Deal?

THINK ABOUT

- the types of relief needed in the 1930s
- alternatives to government assistance to the elderly, the unemployed, and the disabled
- the scope of the act

3 The New Deal Affects Many Groups

TERMS & NAMES

- Frances Perkins
- Mary McLeod Bethune
- John Collier
- New Deal Coalition
- Congress of Industrial Organizations

LEARN ABOUT how New Deal policies affected various social and ethnic groups
TO UNDERSTAND how the Democratic Party forged a new political coalition.

ONE AMERICAN'S STORY

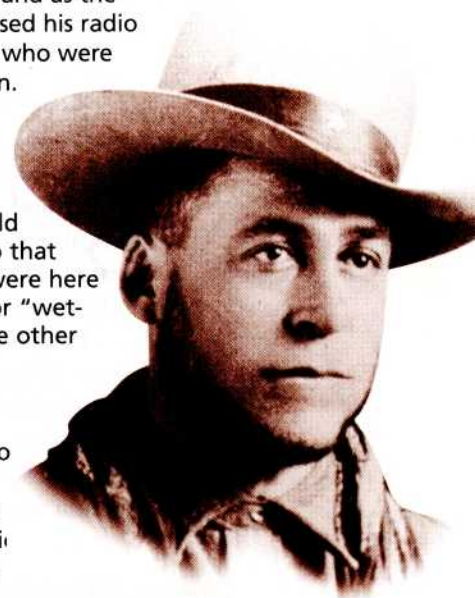
Pedro J. González came to this country from Mexico in 1924 and later became a United States citizen. González soon was involved in the music business, both as a performer and as the first Spanish-language disc jockey in Los Angeles. During the 1930s, González used his radio program to condemn discrimination against Mexicans and Mexican Americans, who were often made scapegoats for social and economic problems during the Depression. For his efforts, González was arrested, jailed, and deported on trumped-up charges. Late in life, he reflected on his experiences.

A PERSONAL VOICE

Seeing how badly they treated Mexicans back in the days of my youth, I could have started a rebellion. But now there could be a cultural understanding so that without firing one bullet, we might understand each other. We [Mexicans] were here before they [Anglos] were, and we are not, as they still say, "undesirables" or "wet-backs." They say we come to this land and it's not our home. Actually, it's the other way around.

PEDRO J. GONZÁLEZ, quoted in the *Los Angeles Times*, December 9, 1984

Because of his stand against discrimination, Pedro J. González became a hero to many Mexican Americans and a symbol of Mexican cultural pride. He criticized the prejudice displayed by a large number of people in the United States toward Mexican Americans who sought jobs. He also criticized government action to round up people in Mexican-American neighborhoods to send them back to Mexico. His life reflected some of the difficulties faced by Mexicans and other minority groups in the United States during the New Deal era.



Pedro J. González



VIDEO

A SONG FOR HIS PEOPLE:

Pedro J. González and the Fight for Mexican-American Rights

New Opportunities for Women

In some ways, the New Deal represented an important opportunity for minorities and women. Some New Deal programs and their administrators made a conscious effort not to discriminate in hiring or in distributing benefits. The Roosevelt administration appointed a number of women and African Americans to key positions in the government, and it welcomed their input on important issues.

Nevertheless, gains for women and minorities during the New Deal were limited. Long-standing patterns of prejudice and discrimination continued to plague these groups and to prevent their full and equal participation in national life.

WOMEN MAKE THEIR MARK One of the most notable changes during the New Deal was the naming of several women to important official positions. For the first time, a woman, **Frances Perkins**, became a cabinet member. As secretary of labor, she played a major role in the creation of



Frances Perkins was the New York state industrial commissioner in 1933.

the Social Security system and in the crafting of labor legislation. President Roosevelt also appointed the first female ambassador and a number of female federal judges.

In making these appointments, President Roosevelt hoped to appeal to female voters. He also received a strong push from his wife, Eleanor, and from the head of the Democratic Party's women's division, Molly Dewson. During the 1936 presidential campaign, Dewson had mobilized 15,000 women to go door to door, distributing leaflets promoting New Deal programs. Though a feminist at heart, Dewson did not push a strong women's rights agenda. She was, however, especially proud of the advances made by women. As she said, "The change from women's status in government before Roosevelt is unbelievable."

In general, however, women continued to struggle for equal rights during the New Deal era. They faced ongoing discrimination in the workplace. Male workers persisted in their belief that women took jobs from men, especially when so many men were out of work. In fact, a Gallup poll taken in 1936 reported that 82 percent of Americans said that a wife should not work if her husband had a job.

New Deal laws yielded mixed results regarding women. In fact, the codes established by the National Recovery Administration set wage levels lower for women than for men. In addition, the Federal Emergency Relief Administration and the Civil Works Administration hired far fewer women than men, only about one in ten. The Civilian Conservation Corps hired only men. These hiring practices were very much in line with those pursued by business and industry in the 1930s.

In spite of these barriers, women continued their movement into the workplace. Although the overall percentage of women working for wages increased only slightly during the 1930s, the percentage of married women in the workplace grew from 11.7 percent in 1930 to 15.6 percent in 1940. In short, widespread criticism of working women did not halt the long-term trend of women working outside the home.

New Opportunities for African Americans



Mary McLeod Bethune, a close friend of Eleanor Roosevelt, was a strong supporter of the New Deal.

An important African American in the Roosevelt administration was **Mary McLeod Bethune**. She was an educator who dedicated herself to promoting opportunities for young African Americans. The president named her to head a special department of the National Youth Administration, the Office of Minority Affairs. In this post, Bethune worked to ensure that the NYA hired African-American administrators and provided job training and other benefits to minority students.

Bethune also helped organize a "Black Cabinet" of influential African Americans to advise the Roosevelt administration on racial issues. Included in this group were African-American lawyers, journalists, and specialists on housing, labor, and other issues. Among these figures were William H. Hastie and Robert C. Weaver, both appointees to Roosevelt's Interior Department. Never before had so many African Americans had a voice in the White House.



William H. Hastie was appointed by President Roosevelt to the Interior Department.

THINK THROUGH HISTORY
A. THEME
Cultural Diversity Why was the "Black Cabinet" important to the Roosevelt administration?

Eleanor Roosevelt played a key role in opening doors for African Americans in government. She also was instrumental in bringing about one of the most dramatic cultural events of the period: a performance of the African-American singer Marian Anderson in 1939. When the Daughters of the American Revolution chose not to allow Anderson to perform in their concert hall in Washington, D.C., because of her race, Eleanor Roosevelt arranged for Anderson to perform at the Lincoln Memorial on Easter Sunday. Mrs. Roosevelt also resigned from the Daughters of the American Revolution. At the concert, Walter White, an official of the NAACP, noticed one girl in the crowd.

A PERSONAL VOICE

Her hands were particularly noticeable as she thrust them forward and upward, trying desperately . . . to touch the singer. They were hands which despite their youth had known only the dreary work of manual labor. Tears streamed down the girl's dark face. Her hat was askew, but in her eyes flamed hope bordering on ecstasy. . . . If Marian Anderson could do it, the girl's eyes seemed to say, then I can, too.

WALTER WHITE, *A Man Called White*



Marian Anderson sang from the steps of the Lincoln Memorial on April 9, 1939.

THE PRESIDENT FAILS TO SUPPORT CIVIL RIGHTS Despite efforts to promote racial equality, the president himself was never committed to full civil rights for African Americans. He was afraid of upsetting Southern whites, an important segment of Democratic voters. For this reason, he refused to support a federal antilynching law and an end to the poll tax, two key goals of the civil rights movement. Furthermore, although as many as a million African-American families benefited from WPA work relief, a number of New Deal programs, including the FHA, the CCC, and the TVA, clearly discriminated against African Americans. They favored white Americans when providing direct relief and New Deal jobs. African Americans were segregated from whites and often received lower wages.

Recognizing the need to fight for their own rights, African Americans took steps to improve conditions in areas that the New Deal ignored. In 1934, they helped organize the Southern Tenant Farmers' Union, which sought to protect the rights of tenant farmers and sharecroppers, both white and black. In the North, the union created tenants' groups and launched campaigns to increase job opportunities. When discriminatory hiring practices continued to deprive African Americans of their fair share of jobs, they organized the March on Washington Movement in 1941.

In general, however, African Americans supported the Roosevelt administration and the New Deal, and they abandoned their traditional allegiance to the Republican Party. Although segregation and racial violence remained shameful features of American life, African Americans generally regarded the New Deal and President Roosevelt as their best hope for the future. As one man recalled, "Roosevelt touched the temper of the black community. You did not look upon him as being white, black, blue, or green. He was President Roosevelt."

THINK THROUGH HISTORY

B. Evaluating Decisions

Evaluate the actions and policies of the Roosevelt administration on civil rights.

HISTORICAL SPOTLIGHT

THE SCOTTSBORO CASE

In April 1931, nine African-American men were brought to trial in Scottsboro, Alabama, for raping a white woman on a train. That day they met their court-appointed lawyer for the first time. An all-white jury convicted the men, despite medical evidence that no rape had taken place. All were sentenced to death except the youngest, who was 12 years old.

In 1932, in *Powell v. Alabama*, the Supreme Court overturned the convictions on the grounds that the men had not been given adequate legal counsel. Over the next several years, the men were retried and reconvicted. In 1935, the Supreme Court overturned one conviction in *Norris v. Alabama*, stating that the systematic exclusion of blacks from the jury meant that the defendant had not received equal protection under the law. These Supreme Court decisions have had far-reaching effects on the provision of legal counsel and the balance of juries.

HISTORICAL SPOTLIGHT

DEPORTATION OF MEXICAN AMERICANS

Many Mexican Americans were long-time residents or citizens of the United States. Others came during the 1920s to work on farms in Texas, California, and Arizona. Valued for their low-cost labor during good times, these migrant workers became the target of hostility during the Great Depression. Many returned to Mexico willingly, while others were deported by the United States government. During the 1930s, as many as half a million persons of Mexican descent, many of them U.S. citizens, were deported to Mexico.

Mexican-American Fortunes

Mexican Americans also tended to support the New Deal, even though they received even fewer benefits than African Americans did. Large numbers of Mexican Americans had come to the United States during the 1920s, settling mainly in the Southwest. Most found work laboring on farms, an occupation that was essentially unprotected by state and federal laws. During the Depression, farm wages fell to as little as nine cents an hour. Farm workers who tried to unionize often met with violence from employers and government authorities. Although the CCC and WPA helped some Mexican Americans, these agencies also discriminated against them by disqualifying from their programs migrant workers who had no permanent address.

THINK THROUGH HISTORY
C. Analyzing Causes Why was life difficult for farm laborers?

Native American Gains

Native Americans received strong government support from the New Deal. In 1924, Native Americans had received full citizenship by law. In 1933, President Roosevelt appointed **John Collier** as commissioner of Indian affairs. A strong advocate of Native American rights, Collier helped create the Indian Reorganization Act of 1934.

This act strengthened Native American land claims by prohibiting the government from taking over unclaimed reservation lands and selling them to people other than Native Americans. Thus, the 1934 act was able to restore some reservation lands to tribal ownership. Some Native Americans who valued their tribal traditions hailed the act as an important step forward. Those who had become more “Americanized” as individual landowners under the previous Dawes Act, however, objected that the act would make it harder for Native Americans to improve their economic conditions and participate fully in mainstream American life.



John Collier talks with Chief Richard, one of several Native American chiefs attending the Four Nation Celebration held at Niagara Falls, New York, in September 1934.

A New Deal Coalition

Although New Deal policies had mixed results for minorities, these groups generally backed President Roosevelt against his Republican rivals. In fact, one of FDR’s great achievements was to create a **New Deal Coalition**—an alignment of diverse groups dedicated to supporting the Democratic Party. The coalition included Southern whites, various urban groups, African Americans, and unionized industrial workers. This new voting bloc enabled the Democrats to dominate national politics throughout the 1930s and 1940s.

LABOR UNIONS FLOURISH Organized labor was a critical element of the New Deal coalition. As a result of the Wagner Act and other prolabor legislation passed during the New Deal, union members enjoyed better working conditions and increased bargaining power. In their eyes, President Roosevelt was a “friend of labor.” Labor unions donated money to Roosevelt’s reelection campaigns, and union workers pledged their votes to him.

During the 1930s, and particularly after passage of the Wagner Act, the number of unionized workers soared. Between 1933 and 1941, union membership grew from 3 million to more than 8 million. Unionization especially affected coal miners and workers in mass-production industries, such as the

THINK THROUGH HISTORY
D. Recognizing Effects How did New Deal policies affect organized labor?

automobile, rubber, and electrical industries. It was in these industries, too, that conflicts began to develop within the labor movement.

Traditionally, organized labor had been largely restricted to the craft unions—carpenters, plumbers, electricians, and so on—that made up the American Federation of Labor (AFL). The AFL opposed industrywide unions: unions that represented all the workers in a given industry, such as automobile manufacturing.

Frustrated by this position, several key labor leaders, including John L. Lewis of the United Mine Workers and Walter Reuther of the United Automobile Workers, formed the Committee for Industrial Organization to organize industrial unions. The committee signed up unskilled and semiskilled workers rapidly, and within two years it succeeded in gaining union recognition in the steel and automobile industries. In 1938, the Committee for Industrial Organization completed its break with the AFL by officially separating from the AFL and changing its name to the **Congress of Industrial Organizations (CIO)**. This split lasted until 1955.

One of the main bargaining tactics of the labor movement in the 1930s was the sit-down strike. (See *strike* on page 938 in the Economics Handbook.) Instead of walking off their jobs, workers remained inside their plants, but they did not work. This prevented the factory owners from carrying on production with strikebreakers, or scabs. Some Americans disapproved of the sit-down strike, calling it a violation of private property. But it proved to be an effective bargaining tool.

Not all labor disputes in the 1930s were peaceful. For example, a sit-down strike that began in 1936 at the General Motors (GM) automobile plant in Flint, Michigan, turned violent. GM called in the police, who used tear gas to try to disperse the strikers. Then the strikers turned on the plant's water hoses to douse the police. A series of bloody encounters also erupted between striking

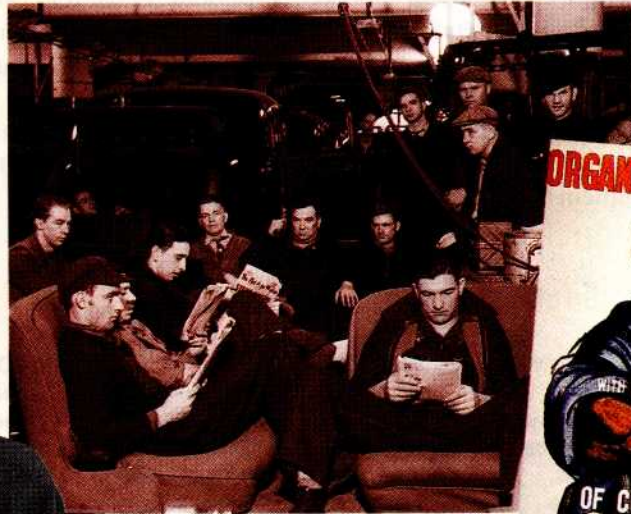
THINK THROUGH HISTORY

E. Analyzing

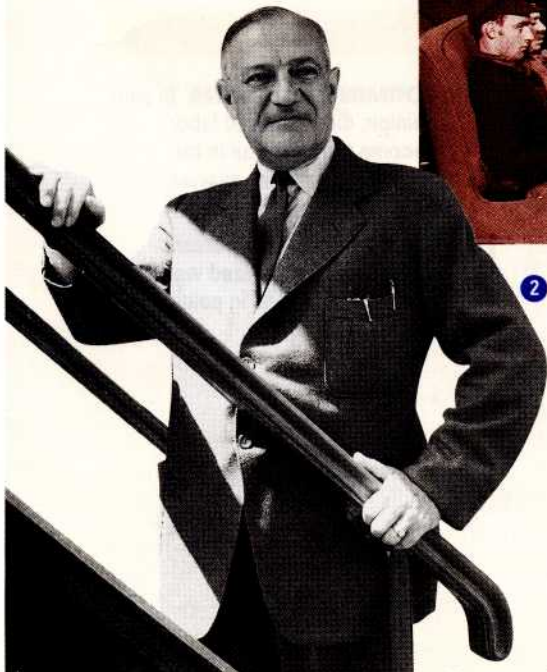
Why were sit-down strikes an effective bargaining tool?

The Growing Labor Movement, 1933–1940

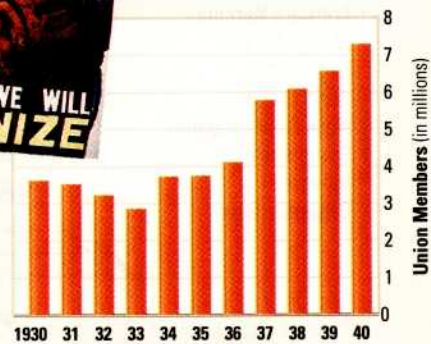
1 SIT-DOWN STRIKES Union workers—such as these CIO strikers at the Fisher body plant in Flint, Michigan, in 1937—found the sit-down strike an extremely effective method for gaining their demands.



2 ROBERT F. WAGNER was a Democratic senator from New York from 1926 to 1949. As a U.S. senator and a person especially interested in workers' welfare, Wagner introduced the National Labor Relations Act in Congress in 1935.



3 UNION MEMBERSHIP SOARS A Ben Shahn poster from the late 1930s boasted of the rise in union membership.



Source: Historical Statistics of the United States

employees of the Ford Motor Company and hoodlums hired by Ford's management. Perhaps the most dramatic incident, however, was the clash at the Republic Steel plant in Chicago on Memorial Day, 1937. Police attacked striking steelworkers outside the plant. One striker, an African-American man, recalled the experience.

A PERSONAL VOICE

I began to see people drop. There was a Mexican on my side, and he fell; and there was a black man on my side and he fell. Down I went. I crawled around in the grass and saw that people were getting beat. I'd never seen police beat women, not white women. I'd seen them beat black women, but this was the first time in my life I'd seen them beat white women—with sticks.

JESSE REESE, quoted in *The Great Depression*

Ten people were killed and dozens wounded in this incident, which became known as the Memorial Day Massacre. Shortly afterward, the National Labor Relations Board stepped in and required the head of Republic Steel, Tom Girdler, to negotiate with the union. This and other actions helped labor gain strength during the 1930s.

THE URBAN POPULATION SUPPORTS FDR Urban voters were another important component of the New Deal Coalition. Support for the Democratic Party surged, especially in large Northern cities, such as New York, Boston, Philadelphia, and Chicago. These and other cities had powerful city political organizations that provided services, such as jobs, in exchange for votes. Support for President Roosevelt came from various religious and ethnic groups—Roman Catholics, Jews, Italians, Irish, and Polish and other Slavic peoples—as well as from African Americans.

President Roosevelt's appeal to these groups was based on New Deal labor laws and work-relief programs, which aided the urban poor. The president also made direct and persuasive appeals to urban voters at election time. At presidential campaign stops in Northern cities, throngs of supporters came out to cheer the president. In the 1936 election, President Roosevelt carried the nation's 12 largest cities. To reinforce his support, he also appointed many officials of urban-immigrant backgrounds, particularly Roman Catholics and Jews, to important government positions.

Women, African Americans, Mexican Americans, Native Americans, and workers from all walks of life were greatly affected by the New Deal. It also had a tremendous influence on American society and culture.

THINK THROUGH HISTORY
F. Summarizing
Why did urban voters support Roosevelt?



Fiorello La Guardia, the reform mayor of New York City from 1934 to 1945, campaigns with a baby in his arms. Many politicians of the time kissed babies during their political campaigns to gain the favor of voters.

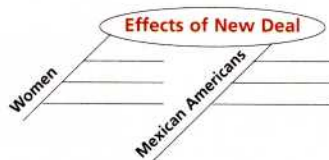
Section 3 Assessment

1. TERMS & NAMES

Identify:

- Frances Perkins
- Mary McLeod Bethune
- John Collier
- New Deal Coalition
- Congress of Industrial Organizations

2. SUMMARIZING Using a web diagram like the partial one shown here, note the effects of New Deal policies on American women, African Americans, Mexican Americans, Native Americans, unionized workers, and urban Americans.



Write a paragraph explaining the effects of the New Deal on one of the groups.

3. FORMING

GENERALIZATIONS Do you think women made significant progress toward equality during the 1930s? Support your answer with evidence from the text.

THINK ABOUT

- the role of women in government
- hiring practices in federal programs
- women's opportunities in business and industry

4. FORMING OPINIONS In your opinion, did organized labor become too powerful in the 1930s? Explain your answer.

THINK ABOUT

- why workers joined unions
- how unions organized workers
- the role of unions in politics

4 Society and Culture

TERMS & NAMES

- *Gone with the Wind*
- Orson Welles
- Grant Wood
- Richard Wright
- *The Grapes of Wrath*

LEARN ABOUT arts, entertainment, and literature during the 1930s

TO UNDERSTAND how the Great Depression and New Deal influenced American culture.

ONE AMERICAN'S STORY

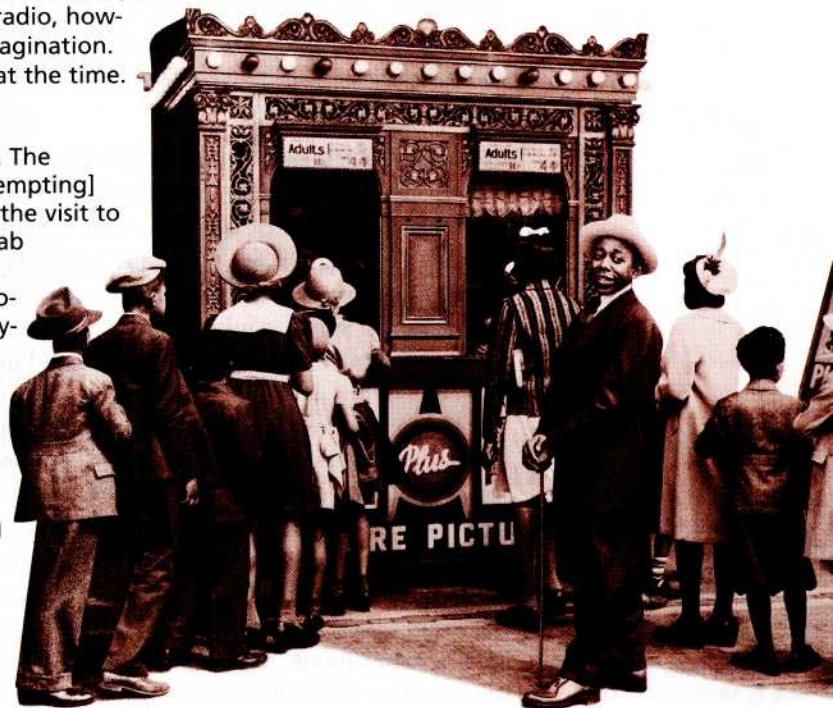
Don Congdon, editor of the book *The Thirties: A Time to Remember*, was a high school student when the New Deal began. He recalls "the air of excitement that pervaded the country. People spoke out freely and were willing to fight for what they believed in." During the 1930s, many artists and writers produced works that reflected the important issues of the day. It was the movies and radio, however, that most clearly captured the public imagination. Congdon remembers the role movies played at the time.

A PERSONAL VOICE

Lots of us enjoyed our leisure at the movies. The experience of going was like an insidious [tempting] candy we could never get quite enough of; the visit to the dark theater was an escape from the drab realities of Depression living, and we were entranced by the never-ending variety of stories. Hollywood, like Scheherazade [the storyteller] in *The Thousand and One Nights*, supplied more the next night, and the next night after that.

DON CONGDON, *The Thirties: A Time to Remember*

During the Great Depression, movies provided a window on a different, more exciting world. Despite economic hardship, many people gladly paid the 25 cents it cost to go to the movies. Along with radio, motion pictures became an increasingly dominant feature of American life.



People line up to get into a movie theater during the Great Depression.

The Lure of Motion Pictures and Radio

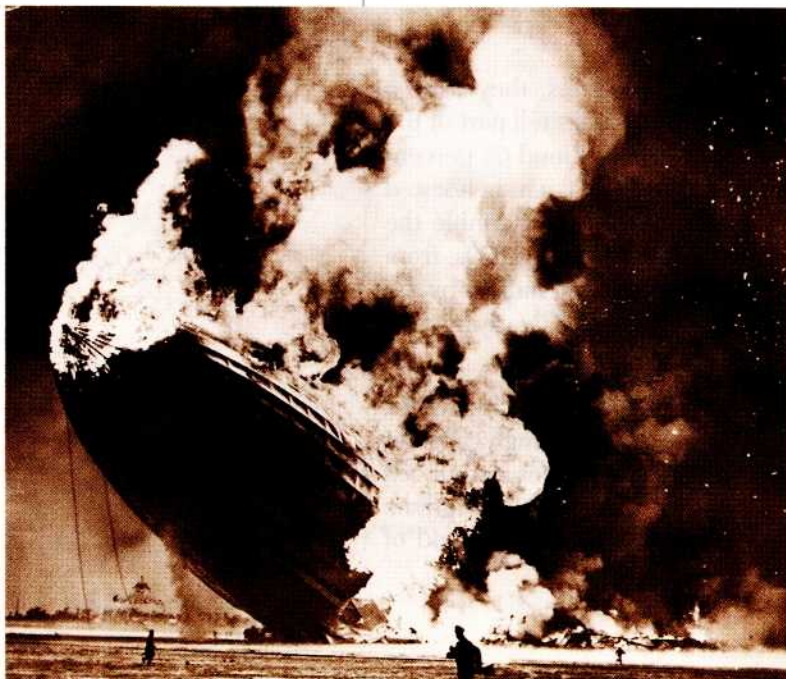
Although the 1930s were a difficult time for many Americans, they were a golden age for the motion-picture and radio industries. Statistics tell part of the story. By late in the decade, as many as 75 million people—around 65 percent of the population—were attending the movies once a week. The nation boasted over 15,000 movie theaters, more than the number of banks and double the number of hotels. Sales of radios also greatly increased during the 1930s, from just over 10 million at the beginning of the decade to around 30 million by the end. Nearly 90 percent of American households owned a radio. Clearly, movies and radio had taken the country by storm.

MOVIES ARE A HIT A wide variety of movies were made during the New Deal years. Wacky comedies, lavish musicals, tender love stories, and tough gangster films all vied for the attention of the moviegoing public. The movies introduced a new set of Hollywood stars, including Greta Garbo, Clark Gable, Marlene Dietrich, and James Cagney. These stars, who emerged following the end of



Clark Gable and Vivien Leigh embrace in a scene from the popular film *Gone with the Wind*.

One of the first worldwide radio broadcasts was about the *Hindenburg*, a German zeppelin (rigid-frame dirigible balloon). The *Hindenburg* caught fire while landing in Lakehurst, New Jersey, on May 6, 1937. Thirty-six lives were lost in the fire.



silent films and the rise of “talking” pictures, helped launch a new era of glamour and sophistication in Hollywood.

Some films made during the 1930s offered pure escape from the hard realities of the Depression by presenting visions of wealth, romance, and good times. Perhaps the most famous film of the era, and one of the most popular of all time, was *Gone with the Wind* (1939). This sweeping drama about life among Southern plantation owners during the Civil War starred Clark Gable and Vivien Leigh.

Another film, *Flying Down to Rio* (1933), was a light romantic comedy featuring Fred Astaire and

Ginger Rogers, who went on to make many movies together, becoming America’s favorite dance partners. The lavish musical *Gold Diggers of 1933*, with its theme song “We’re in the Money,” expressed many Americans’ dream of a life of comfort and affluence. Other notable movies made during the 1930s include *The Wizard of Oz* (1939), a classic American film starring Judy Garland, and *Snow White and the Seven Dwarfs* (1937), which showcased the dazzling animation of Walt Disney.

COMEDIES AND HEROES ENTERTAIN Americans also flocked to see comedies on the silver screen. The most famous movie comedians of the time, the Marx Brothers, made a series of films that captured their zany humor. In one scene from *Duck Soup* (1933), Groucho Marx plays the prime minister of Freedonia, a fictional country. He holds up a document and says to his advisers, “Why, a four-year-old child could understand this report.” Then, whispering to his brother Zeppo, he says, “Run out and find me a four-year-old child. I can’t make head or tail out of it.”

Other movies combined escapist appeal with more realistic plots and settings that conveyed a truer sense of Depression America. Often, these films showed heroes grappling with problems and rising above their circumstances. One type of realistic movie that was especially popular was the gangster film. Gangster films presented images of urban America—dark, gritty streets and looming skyscrapers. These movies featured hard-bitten characters, played by stars such as James Cagney and Edward G. Robinson, struggling to succeed in a harsh environment. Although these characters were often on the wrong side of the law, they faced difficulties that Depression-era audiences could easily understand. Notable films in this genre include *Little Caesar* (1930) and *The Public Enemy* (1931).

In addition, several films made between 1934 and 1936 presented the social and political accomplishments of the New Deal in a positive light. *Mr. Deeds Goes to Town* (1936) and *Mr. Smith Goes to Washington* (1939), by director Frank Capra, portrayed honest, kindhearted people winning out over those with greedy special interests. In much the same way, the New Deal seemed to represent the interests of average Americans in relation to the wealthy and powerful.

RADIO ENTERTAINS Even more than movies, radio embodied the democratic spirit of the times. Almost every home had a radio, and families typically spent several

THINK THROUGH HISTORY
A. THEME
Science and Technology
What were the cultural effects of technological advances in film?



The comedy couple George Burns and Gracie Allen delighted NBC radio audiences for years, and their popularity continued on television.

hours a day gathered together, listening to their favorite programs. It's no surprise that President Roosevelt chose radio as the medium for his "fireside chats." It was the most direct means of access to the American people.

Like movies, radio programs offered great variety: news, comedies, dramas, soap operas, and children's shows. Soap operas—so named because they were usually sponsored by soap companies—tended to play early in the afternoon. These "real-life" dramas, which included *The Romance of Helen Trent* and *The Guiding Light*, typically featured women characters with romantic difficulties. Homemakers, the prime audience for these shows, found that the stories and characters gave them an outlet for their imagination during days filled with housework. Children's programs, such as *The Green Hornet* and *The Lone Ranger*, generally aired later in the afternoon, when children were home from school.

NETWORKS PROVIDE GREAT DRAMA AND COMEDY

In the evening, radio networks offered excellent dramas and variety programs, featuring such stars as Bob Hope, Jack Benny,

George Burns and Gracie Allen, and **Orson Welles**. Welles, an actor, director, and producer, created one of the most renowned radio broadcasts of all time, "The War of the Worlds." Later he directed movie classics such as *Citizen Kane* (1941) and *A Touch of Evil* (1958). Comedians Hope, Benny, and Burns and Allen performed routines that have stood the test of time. After making their reputation in radio, these stars later moved on to work in television and movies.



HISTORICAL SPOTLIGHT

WAR OF THE WORLDS

On October 30, 1938, radio listeners were stunned by a special announcement: Martians had invaded Earth! Panic set in as many Americans became convinced that the world was coming to an end. Of course, the story wasn't true: it was a radio drama based on H. G. Wells's novel *The War of the Worlds*.

In his book, Wells describes the canisters of gas fired by the Martians as releasing "an enormous volume of heavy, inky vapour . . . and the touch of that vapour, the inhaling of its pungent wisps, was death to all that breathes." The broadcast, produced by Orson Welles, revealed the power of radio at a time when many Americans received fast-breaking news over the airwaves.

Art and Literature in Depression America

In contrast to the radio and movie productions of the 1930s, much of the art and literature of the time was more sober and serious. Many writers and artists depicted the real conditions of Depression America. Identifying with the struggles of working people, these artists and writers produced paintings, plays, novels, and poetry that focused on the hardships faced by average Americans.

Some of this artistic work was grim and somber, but much of it conveyed a more uplifting message about the strength of character and the democratic values of the American people. A number of artists and writers embraced the spirit of social and political change fostered by the New Deal, and many received direct support through New Deal work programs.

Although some people argued that the government should not be in the business of funding art projects, New Deal officials thought that art played an important role in national life. They also believed that artists deserved work relief as much as other unemployed Americans. As the head of the WPA, Harry Hopkins, put it, "They've got to eat just like other people."

ARTISTS DECORATE AMERICA The Federal Art Project, a branch of the WPA, paid artists a living wage to produce public art. It also had two other functions: to increase public appreciation of art and to promote positive images of American society. Artists created posters, taught art in the schools, and painted murals on the walls of public buildings. These murals, inspired in part by the revolutionary work of Mexican muralists such as Diego Rivera, typically portrayed the dignity

THINK THROUGH HISTORY

B. Analyzing Causes

Why did the New Deal fund art projects?

of ordinary Americans at work. One artist, Robert Gwathmey, recalled the importance of these efforts.

NOW THEN

THE COIT TOWER MURALS

One of the best-preserved WPA mural projects can be seen in San Francisco's Coit Tower. Twenty-five artists and many assistants worked on the paintings, which cover the lobby walls. Their style, called social realism, created some controversy, because it used the depiction of everyday life to criticize the conditions under which people lived and worked.

A sense of the dignity and importance of work—as well as its strenuousness and monotony—is typical of murals painted by WPA artists on public buildings across the country. You can see this in the rich, subdued colors and the somber expressions of the subjects in the Coit Tower murals.

A PERSONAL VOICE

The director of the Federal Art Project was Edward Bruce. He was a friend of the Roosevelts—from a polite family—who was a painter. He was a man of real broad vision. He insisted there be no restrictions. You were a painter: Do your work. You were a sculptor: Do your work. You were a printmaker: Do your work. . . . That was a very free and happy period. Social comment was in the wind.

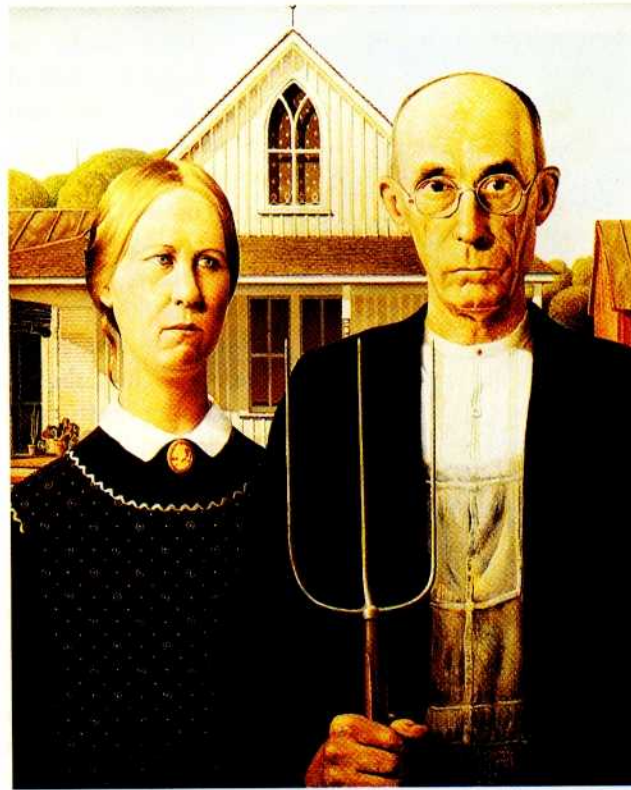
ROBERT GWATHMEY, in an interview with Studs Terkel

During the New Deal era, a number of American artists produced outstanding works of art. Edward Hopper, a New York painter, continued to depict scenes of urban life in a striking, highly realistic style. Other artists, such as Thomas Hart Benton of Missouri, helped create a regional style of painting that drew on Midwestern cultural roots. One of the most notable of these regional artists, Iowa's **Grant Wood**, liked to say that his best ideas "came while milking a cow." His work includes the famous painting *American Gothic*, which shows two stern-faced farmers, a father and daughter, standing stiffly in front of their farmhouse.

Some artists also worked for the Federal Theater Project, which was part of the WPA. Artists hired for this project provided stage sets and props for theater productions that played around the country. By 1939,



The mural *Industries of California* (above, detail), painted in 1934 by Ralph Stackpole, decorates San Francisco's Coit Tower. A WPA poster (left) announces the Federal Art Project's Index of American Design, a collection of renderings of American crafts and folk arts.



Grant Wood's painting *American Gothic* (1930) became one of the most famous portrayals of America's rural life during the Great Depression.

an estimated 30 million people had seen WPA theater programs, which featured such noted actors as John Houseman and Arlene Francis. The Federal Theater Project also subsidized the work of important American playwrights, including Clifford Odets, whose play *Waiting for Lefty* (1935) dramatized the labor struggles of the 1930s.

WRITERS DEPICT AMERICAN LIFE Many writers received relief support through yet another WPA program, the Federal Writers' Project (FWP). The FWP hired unemployed writers to produce a series of state and city guides and to write histories of ethnic and immigrant groups, including a major study of Southern slavery. This project also gave the future Pulitzer Prize winner Saul Bellow his first writing job and helped **Richard Wright**, an African-American author, complete his acclaimed novel *Native Son* (1940). Wright's novel depicts the difficulties faced by a young man trying to survive in a racist world. Zora Neale Hurston wrote a stirring novel with FWP assistance—*Their Eyes Were Watching God* (1937), about a young woman growing up in rural Florida.

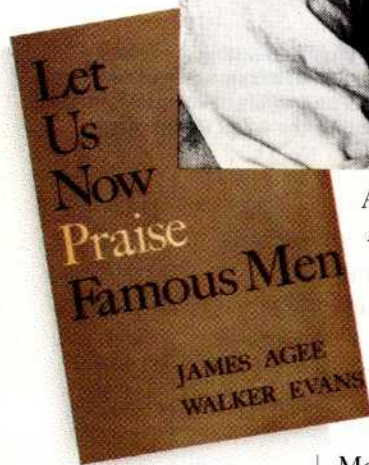
One of this country's most famous authors, John Steinbeck, also received assistance from the Federal Writers' Project. Eventually, Steinbeck was able to publish his epic novel *The Grapes of Wrath* (1939), which reveals the lives of Oklahomans who left the Dust Bowl and ended up in California, where their hardships continued. Before his success, however, Steinbeck had endured the difficulties of the Depression like most other writers. In an essay, he recalled his experience.

THINK THROUGH HISTORY
C. Analyzing Issues How did the literature of the time reflect issues of the Depression?

A PERSONAL VOICE

Being without a job, I went on writing—books, essays, short stories. Regularly they went out and just as regularly came back. Even if they had been good, they would have come back because publishers were hardest hit of all. When people are broke, the first things they give up are books. . . . It's not easy to go on writing constantly with little hope that anything will come of it. But I do remember it as a time of warmth and mutual caring. If [a friend] got hurt or ill or in trouble, the others rallied with what they had. Everyone shared bad fortune as well as good.

JOHN STEINBECK, "I Remember the Thirties"



Walker Evans took this photograph of a sharecropper for the influential book *Let Us Now Praise Famous Men*.

Agee and the photographer Walker Evans collaborated on a book about Alabama sharecroppers, *Let Us Now Praise Famous Men* (1941). Though it deals with the difficult lives of poor farmers, this book portrays the dignity and strength of character in the people it presents. The play *Our Town* (1938), by Thornton Wilder, captures the warmth and beauty of small-town life in New England. William Saroyan's play *The Time of Your Life* (1939) offers a tender look at a diverse assortment of characters in urban America.

By the late 1930s, artists such as Horace Pippin and Anna “Grandma” Moses—along with writers such as Margaret Mitchell, who wrote the novel *Gone with the Wind*, and the poet Carl Sandburg—had embraced a cultural nationalism. Although these intellectuals recognized that the United States had its flaws, they also praised the virtues of American life and took pride in the nation's cultural traditions and accomplishments. These artists and writers contributed positively to the New Deal legacy.

Other books and authors also examined the difficulties of life during the 1930s. James T. Farrell's Studs Lonigan trilogy (1932–35) provides a bleak picture of working-class life in an Irish neighborhood of Chicago. A three-part work by John Dos Passos, *U.S.A.* (1930–36), draws a detailed portrait of 20th-century American history. In Dos Passos's view, much of the country's promise was being destroyed by a small class of rich and powerful people driven by selfish interests, without regard for the nation as a whole. Jack Conroy's novel *The Disinherited* (1933) portrays the violence and poverty of the Missouri coalfields, where Conroy's own father and brother died in a mine disaster.

While some writers focused on the dark side of American life, others found hope in the positive values of American culture. The writer James

THINK THROUGH HISTORY
D. Synthesizing
 Did literature during the 1930s present a positive or a negative view of American society? Explain.

Section 4 Assessment

1. TERMS & NAMES

Identify:

- *Gone with the Wind*
- Orson Welles
- Grant Wood
- Richard Wright
- *The Grapes of Wrath*

2. SUMMARIZING Using a four-column chart, such as the one below, list three important movie stars, radio performers, painters, and writers from the 1930s.

Movie Stars	Radio Stars	Painters	Writers
1.	1.	1.	1.
2.	2.	2.	2.
3.	3.	3.	3.

What contribution did each group make?

3. MAKING PREDICTIONS

What type of movies do you think might have been produced if the government had supported moviemaking as part of the New Deal? Use evidence from the chapter to support your response.

THINK ABOUT

- the role entertainment played in the 1930s
- the variety of movies made during the New Deal years
- the subject matter of New Deal literature and art

4. ANALYZING CAUSES In your opinion, what were the main benefits of government support for art and literature in the 1930s? Support your response with details from the text.

THINK ABOUT

- the experiences of Americans in the Great Depression
- the writers who got their start through the FWP
- the subject matter of WPA murals and other New Deal art

5 The Impact of the New Deal

TERMS & NAMES

- deficit spending
- National Labor Relations Board
- parity
- Securities and Exchange Commission
- Federal Deposit Insurance Corporation
- Tennessee Valley Authority

LEARN ABOUT the effects of New Deal reforms

TO UNDERSTAND the short-term and long-term impact of the New Deal on American society.

ONE AMERICAN'S STORY

George Dobbin staunchly supported Franklin Delano Roosevelt and his New Deal policies. A cotton-mill worker, Dobbin was interviewed at age 67 for a book compiled by the Federal Writers' Project. This book, entitled *These Are Our Lives*, presents the experiences of ordinary Americans during the Depression. In the interview, Dobbin explained his feelings about President Roosevelt.

A PERSONAL VOICE

I do think that Roosevelt is the biggest-hearted man we ever had in the White House. . . . It's the first time in my recollection that a President ever got up and said, "I'm interested in and aim to do somethin' for the workin' man." Just knowin' that for once . . . [there] was a man to stand up and speak for him, a man that could make what he felt so plain nobody could doubt he meant it, has made a lot of us feel a sight [lot] better even when . . . [there] wasn't much to eat in our homes.

GEORGE DOBBIN, quoted in *These Are Our Lives*

Although not all people shared Dobbin's opinion of FDR, the president was extremely popular among working-class Americans. Far more important than his personal popularity, however, was the impact of the policies he initiated. Even today, reforms begun under the New Deal continue to influence American politics and society.



A coal miner, Zeno Santinello, shakes hands with Franklin D. Roosevelt as he campaigns in Elm Grove, West Virginia, in 1932.

New Deal Reforms That Endure

During his second term in office, President Roosevelt hinted at plans to launch a Third New Deal to build on the achievements of his first four years in office. In his inaugural address, the president exclaimed, "I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day. I see one-third of a nation ill-housed, ill-clad, ill-nourished."

Nevertheless, by 1937, the economy had improved enough to convince many Americans that the Depression was finally ending. Industrial production had returned to 1929 levels, and unemployment had fallen to 14 percent—still high, but much lower than in the early 1930s. Although economic troubles still plagued the nation, President Roosevelt faced rising pressure from Congress to scale back on New Deal programs, and he did. As a result, industrial production dropped again, and the number of unemployed rose from about 7 million early in 1937 to 11 million early in 1938. FDR did not like **deficit spending**—spending more money than the government receives in revenue. (See *deficit spending* on page 934 in the Economics Handbook.) Therefore, he never launched a third reform era. By 1939, the New Deal was effectively over and Roosevelt was increasingly concerned with events in Europe—particularly Hitler's rise to power in Germany.

THINK THROUGH HISTORY

A. Analyzing
Why did industrial production drop again and unemployment go up again in 1938?

SUPPORTERS AND CRITICS OF THE NEW DEAL Over time, opinions about the New Deal have ranged from harsh criticism to high praise. Most conservatives think President Roosevelt's policies made the federal government too large and too powerful by involving government agencies in the nation's finances, agriculture, industries, and housing. They believe that the government has stifled free enterprise and individual initiative. Liberal critics, in contrast, argue that President

Roosevelt didn't do enough to socialize the economy and to eliminate social and economic inequalities. The nation still had only a few very rich people and an enormous number of poor people. Supporters of the New Deal contend, however, that the president struck a reasonable balance between two extremes—unregulated capitalism and overregulated socialism—and helped the country recover from its economic difficulties. Rexford Tugwell, one of Roosevelt's top advisers, made this assessment of the president's goals.

A PERSONAL VOICE

He had in mind a comprehensive welfare concept, infused with a stiff tincture of morality. . . . He wanted all Americans to grow up healthy and vigorous and to be practically educated. He wanted business men to work within a set of understood rules. Beyond this he wanted people free to vote, to worship, to behave as they wished so long as a moral code was respected; and he wanted officials to behave as though office were a public trust.

REXFORD TUGWELL, quoted in *Redeeming the Time*

POINT

"The New Deal . . . transformed the way American government works."

Supporters of the New Deal believe that it was successful. Many historians and journalists make this judgment by using the economic criterion of creating jobs. The editors of *The New Republic*, for example, noted in an editorial published in 1940 that the shortcomings of the WPA "are insignificant beside the gigantic fact that it has given jobs and sustenance to a minimum of 1,400,000 and a maximum 3,300,000 persons for five years."

Some historians stress that the New Deal was more than a temporary solution to a crisis. Professor David Bennett claims about the New Deal that "beyond . . . its relief and recovery programs lay its larger achievement, the recognition that social and economic problems in this great nation required national political solutions and national political responsibility, that the old order would not and could not work any more." Professor A. A. Berle states that "human beings cannot indefinitely be sacrificed by millions to the operation of economic forces."

The historian William E. Leuchtenburg argues that the New Deal "should be recognized as a series of imaginative initiatives and programs that helped innumerable Americans during the Great Depression and transformed the way American government works."

The Pulitzer Prize-winning historian Allan Nevins sums up the importance of New Deal measures by pointing out that "the resourcefulness of the New Deal marks a fundamental shift in which the government assumed a greater responsibility for ensuring economic prosperity for all Americans."

COUNTERPOINT

"Many more problems have been created than solved by the New Deal."

Critics of the New Deal believe that it failed to reach its goals. Reporting on the New Deal when it was implemented, the journalists Benjamin Stolberg and Warren Jay Vinton accused the government of "trying to right the unbalance of our economic life by strengthening all its contradictions." They went on to claim that "in trying to move in every direction at once the New Deal betrays the fact that it has no policy."

The historian Barton J. Bernstein accepted the goals of the New Deal but declared that they were never met. To him, the New Deal "failed to raise the impoverished, it failed to redistribute income, [and] it failed to extend equality."

In Senator Robert A. Taft's opinion, "many more problems have been created than solved" by the New Deal. He maintained that "whatever else has resulted from the great increase in government activity . . . it has certainly had the effect of checking private enterprise completely. This country was built up by the constant establishment of new business and the expansion of old businesses. . . . In the last six years this process has come to an end because of government regulation and the development of a tax system which penalizes hard work and success." Senator Taft claimed that "government competition with private industry should be confined to its present limits. . . . The government should

gradually withdraw from the business of lending money and leave that function to private capital under proper regulation." Taft insisted that he was "convinced that we can restore prosperity. . . . It can be done, but it cannot be done by government regulation of agriculture and commerce and industry."

INTERACT WITH HISTORY

1. **COMPARING AND CONTRASTING** In what ways did the New Deal succeed? In what ways did it fail? Reread the article and summarize the main points.
2. **RESEARCHING THE WPA** Research the various programs of the WPA and draft a proposal for a WPA-type program that would especially benefit your community.



Visit <http://www.mlushistory.com> for more about the New Deal.

SEE SKILLBUILDER HANDBOOK, PAGE 909.

EXPANDING GOVERNMENT'S ROLE IN THE ECONOMY The Roosevelt administration expanded the power of the federal government, giving it—and particularly the president—a more active role in shaping the economy. It did this by infusing the nation's economy with millions of dollars, by creating federal jobs, by attempting to regulate supply and demand, and by increasing the government's active participation in settling labor and management disputes. The federal government also established agencies, such as the Federal Deposit Insurance Corporation and the Securities and Exchange Commission, to regulate banking and investment activities. Although the New Deal did not end the Great Depression, it did help reduce the suffering of thousands of men, women, and children by providing them with jobs, food, and money. It also gave people hope and helped them to regain a sense of dignity.

The federal government had to go deeply in to debt to provide jobs and aid to the American people. As the graph on this page shows, the federal deficit increased to \$3.3 billion in the fiscal year ending June 30, 1934. As a result of the cutbacks in federal spending made in 1937–1938, the deficit dropped to \$100 million. The next year it rose again, to \$2.9 billion. What really ended the Depression was the massive amount of spending by the federal government for guns, tanks, ships, airplanes, and all the other equipment and supplies the country needed for the World War II effort. During the war, the deficit reached a high of about \$54 billion, in 1943.

THE LABOR FRONT One of the areas in which New Deal policies have had a lasting effect is the protection of workers' rights. Before the New Deal, workers were typically on their own when seeking a fair contract from employers. Indeed, the government tended to side with the interests of business against the interests of labor. New Deal legislation, such as the Wagner Act and the Fair Labor Standards Act, changed that pattern by setting standards for wages and hours, banning child labor, and ensuring the right of workers to organize and bargain collectively with employers. Today, the **National Labor Relations Board**, created under the Wagner Act, continues to act as a mediator in labor disputes between unions and employers.

ECONOMIC BACKGROUND

DEFICIT SPENDING

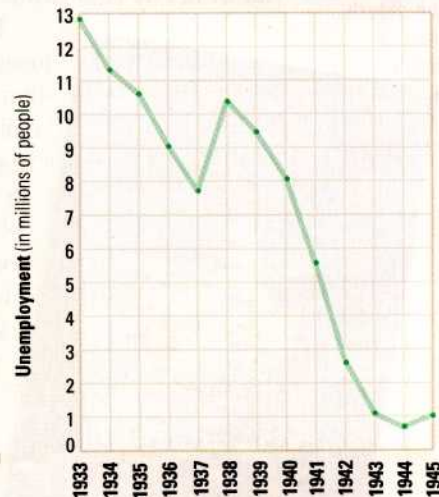
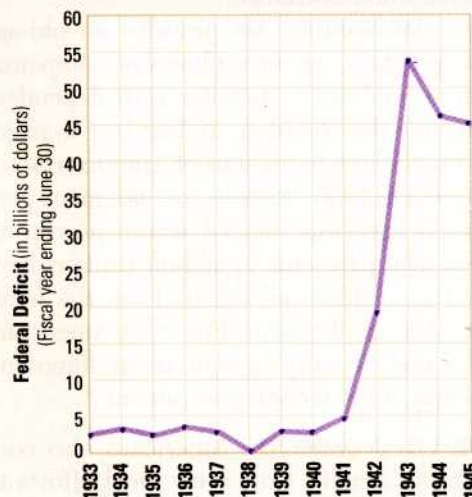
John Maynard Keynes, an influential British economist, promoted the idea of deficit spending to stimulate economic recovery. In his view, a country in the grip of a depression should spend its way out of it by putting money into the hands of consumers. This would make it possible for them to buy goods and services and thus fuel economic growth. Therefore, even if a government has to go deeply into debt, it should spend great amounts of money to help get the economy growing again.

Although President Roosevelt agreed a policy of deficit spending, he did so with great reluctance. FDR was a firm believer in balanced budgets. He regarded deficit spending as a necessary evil to be used only at a time of great economic crisis. (See *deficit spending* on page 934 and *Keynesian economics* on page 936 in the Economics Handbook.)

THINK THROUGH HISTORY

B. Recognizing Effects What impact did the New Deal have on the federal government?

Federal Deficit and Unemployment, 1933–1945



SKILLBUILDER INTERPRETING GRAPHS What was the peak year of the deficit? What relationship does there seem to be between deficit spending and unemployment? Why do you think this is so?

THE RURAL SCENE New Deal policies also had a significant impact on the nation's agriculture. New Deal farm legislation set quotas on the production of crops such as wheat to control surpluses. Under the second Agricultural Adjustment Act, passed in 1938, farmers stored their crops until prices reached **parity**—a price equal to what farmers had received in the years between 1910 and 1914. Establishing price supports for farmers set a precedent of federal aid to farmers that continued into the 1990s. Other government programs, such as electrification, helped to improve conditions in rural America.

By subsidizing farmers and setting minimum wages for workers, New Deal legislation had a very important effect on the nation's economy: more people had more money to spend, so the economy began to recover.

BANKING AND FINANCE New Deal programs established new policies in the area of banking and finance. The **Securities and Exchange Commission** (SEC), created in 1934, continues to monitor the stock market and enforce laws regarding the sale of stocks and bonds. The **Federal Deposit Insurance Corporation** (FDIC), created by the Glass-Steagall Banking Act of 1933, has shored up the banking system by reassuring individual depositors that their savings are protected against loss in the event of a bank failure. Today, individual accounts in United States federal banks are insured by the Federal Deposit Insurance Corporation for up to \$100,000.

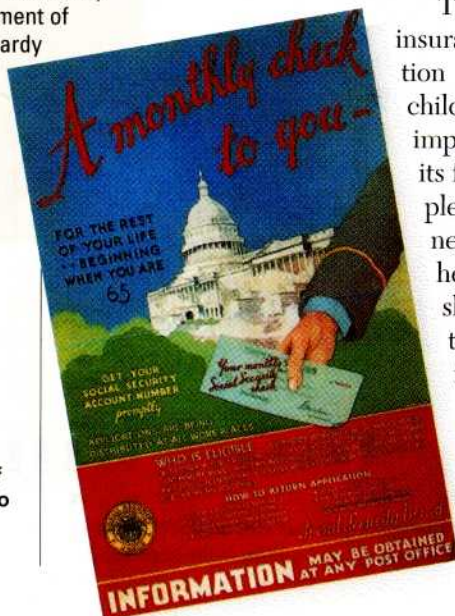
NOW & THEN

SOCIAL SECURITY

Today the Social Security system continues to rely on mandatory contributions. These contributions are paid both by workers, through payroll deductions, and by employers. The money is invested in a trust fund, from which retirement benefits are later paid. Several problems, however, have surfaced. One problem is that Americans are now living longer than they did in 1935. Also, the ratio of workers to retirees is shrinking: fewer people are contributing to the system relative to the number who are receiving benefits. In addition, benefits under Social Security have been expanded. Today, the system includes Medicare benefits, which provide health care for the elderly.

The long-range payment of benefits may be in jeopardy because of the large number of recipients. Many people believe that the system should be reexamined and probably changed.

A Social Security poster proclaims the benefits of the system for those who are 65 or older.



Continuing Benefits

New Deal economic and financial reforms, including creation of the FDIC, the SEC, and Social Security, have helped to stabilize the nation's finances and economy. Although the nation still experiences economic downturns, known as recessions, people's savings are insured and they can receive unemployment compensation if they lose their jobs.

SOCIAL SECURITY One of the most important legacies of the New Deal has been that the federal government has assumed some responsibility for the social welfare of its citizens. This philosophy represented a major departure from the traditional attitude that churches and private charities were the only institutions that should help care for the needy. Under President Roosevelt, the government undertook the creation of a Social Security system that would help a large number of needy Americans receive some assistance.

The Social Security Act provides an old-age insurance program, an unemployment compensation system, and aid to families with dependent children and the disabled. It has had a major impact on the lives of millions of Americans since its founding in 1935. Without this aid, many people would have experienced severe poverty or neglect. The payments to laid-off workers have helped to cushion individuals from the hardships of unemployment. For most Americans, the Social Security system is an important function of the federal government.

THE ENVIRONMENT Americans also continue to benefit from New Deal efforts to protect the environment. President Roosevelt was highly committed to conservation and promoted policies designed

THINK THROUGH HISTORY
C. Contrasting
 How did the Social Security system represent a change from past policies?

to protect the nation's natural resources. As a result, the Civilian Conservation Corps planted trees, created hiking trails, and built fire lookout towers. Also, the Soil Conservation Service taught farmers how to conserve the soil through contour plowing, terracing, and crop rotation. Congress also passed the Taylor Grazing Act in 1934 to help reduce grazing on public lands. Such grazing had contributed to the erosion that brought about the dust storms of the 1930s.



Paul Sample, an artist who received funding from the WPA, painted the Tennessee Valley Authority's Norris Dam in 1935.

The Tennessee Valley

Authority harnessed water power to generate electricity and to help prevent disastrous floods in the Tennessee Valley. During the New Deal, the government also added to the national park system. Olympic National Park in Washington and Shenandoah National Park in Virginia were added to the national park system during the 1930s, as were Carlsbad Caverns in New Mexico, Isle Royale in Michigan, and the Great Smoky Mountains in North Carolina and Tennessee. The New Deal also established new wildlife refuges and set aside large wilderness areas.

The New Deal, however, did not have a spotless record on the environment. The Roosevelt administration contributed to air, water, and land pollution. For example, the TVA polluted the Tennessee Valley region by engaging in strip mining to get coal for its coal-burning generators. The strip mining caused soil erosion, and the burning of the coal increased air pollution. The TVA also caused water pollution by dumping untreated sewage and toxic chemicals from its strip-mining operations into the region's rivers and streams.

The New Deal legacy has many dimensions. It has brought hope and gratitude from some people for the benefits they receive. It has also brought anger and criticism from those who believe that it has taken more of their money in taxes and curtailed their freedom through increased government regulations. The deficit spending necessary to fund New Deal programs grew immensely as the nation entered World War II.

THINK THROUGH HISTORY
D. Recognizing Effects How did New Deal programs benefit and harm the environment?

Section 5 Assessment

1. TERMS & NAMES

- deficit spending
- National Labor Relations Board
- parity
- Securities and Exchange Commission
- Federal Deposit Insurance Corporation
- Tennessee Valley Authority

2. SUMMARIZING In a cluster diagram like the one below, show long-term benefits of the New Deal.



Which long-term benefit do you think has had the most impact? Why?

3. FORMING OPINIONS Some critics have charged that the New Deal was antibusiness and anti-free enterprise. Explain why you agree or disagree with this charge.

THINK ABOUT

- the expanded power of the federal government
- the New Deal's effect on the economy
- the New Deal's effect on the American people

4. EVALUATING How successful do you think Franklin Roosevelt was as a president? Support your answer with details from the text.

THINK ABOUT

- the condition of the country when he took office
- the short- and long-term impact of his policies
- his popularity with working-class Americans

Chapter 15 Assessment

REVIEWING THE CHAPTER

TERMS & NAMES For each term below, write a sentence explaining its relationship to the policies of the Roosevelt administration. For each person below, explain his or her role in the 1930s.

- | | |
|----------------------------------|---|
| 1. Franklin Delano Roosevelt | 6. Mary McLeod Bethune |
| 2. New Deal | 7. Congress of Industrial Organizations |
| 3. Eleanor Roosevelt | 8. Orson Welles |
| 4. Works Progress Administration | 9. Richard Wright |
| 5. Social Security Act | 10. Tennessee Valley Authority |

MAIN IDEAS

SECTION 1 (pages 504–510)

A New Deal Fights the Depression

- How did Franklin Roosevelt change the role of the federal government during the Hundred Days?
- Summarize the reasons why some people opposed the New Deal.

SECTION 2 (pages 511–516)

The Second New Deal Takes Hold

- What federal agencies and acts assisted farmers during the Second New Deal?
- How did the Wagner Act help working people?

SECTION 3 (pages 517–522)

The New Deal Affects Many Groups

- Explain President Roosevelt's policies on civil rights.
- Why did many urban voters support Roosevelt and the Democratic Party?

SECTION 4 (pages 523–528)

Society and Culture

- What purpose did movies and radio programs serve during the Great Depression?
- Which New Deal programs supported artists and writers in the 1930s?

SECTION 5 (pages 529–533)

The Impact of the New Deal

- List five New Deal agencies or programs that are still in place today.
- What benefits did the Tennessee Valley Authority provide? What negative impact did it have?

THINKING CRITICALLY

- REACTING TO THE DEPRESSION** Copy the web below on your paper and fill it in with actions that Americans took to end the economic crisis of the 1930s.



- TRACING THEMES ECONOMIC OPPORTUNITY** What federal programs instituted in the 1930s and later discontinued might be of use to the nation today? Explain and support your opinion.
- CONFRONTING FEAR** Reread the quotation from Franklin Delano Roosevelt on page 502. What do you think his comment reveals about his approach to the problems of the 1930s?
- GEOGRAPHY OF THE TENNESSEE VALLEY** Look at the map on pages 534–535. Describe the landforms and water bodies of the Tennessee Valley. How might the geography of the area have been different if dams had not been built?
- EVALUATING THE NEW DEAL** In your opinion, did the New Deal have major failings? Support your answer with details from the text.
- ANALYZING PRIMARY SOURCES** Read the following excerpt from *This Was America* by the French writer André Maurois, in which he describes his impressions of the United States after a tour of the country in the 1930s. Then answer the questions that follow.

A curious unity of habits and thoughts is created by the movies, the magazines, the radio, advertising, and the newspaper chains. . . . Americans who never meet each other and who live under different skies come to have innumerable common memories and brotherly thoughts.

Little by little the American federation is transforming itself into a union, marked by the growth in importance of the role of the federal capital. In the beginning, the United States had only a small federal bureaucracy. Today the central administration is powerful and rich.

ANDRÉ MAUROIS, *This Was America*

What effect has popular culture had on the American people? How has the federal government changed?