

# 8 The New Deal



*The Art Archive at Art Resource, NY*

*The government spent considerable resources on advertising the work programs made available through the New Deal, creating advertising campaigns that encouraged enrollment and public support for the programs.*

## Learning Objectives

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By the end of this chapter, you should be able to:

- Explain why Franklin D. Roosevelt claimed such a large victory in the election of 1932.
- Describe the unique programs outlined in Roosevelt's first 100 days.
- Understand how the Second New Deal differed from the first.

- Describe the impact of the Great Depression on workers, minorities, and popular culture.
- Understand the ways the New Deal continued to affect American society after the Depression ended.



## American Lives: Franklin Delano Roosevelt

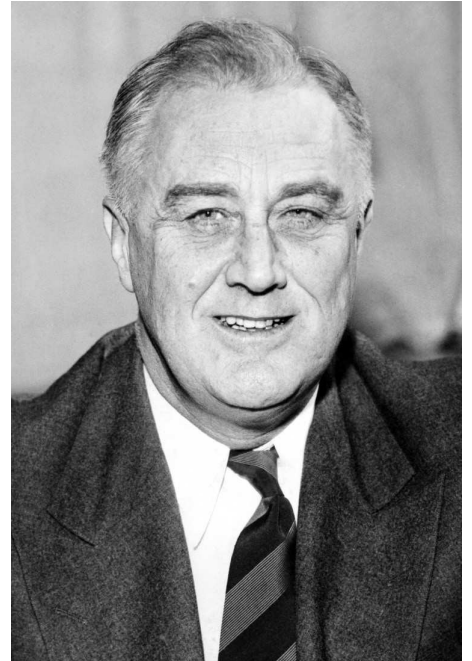
*The only American president elected to four consecutive terms, Franklin Delano Roosevelt (FDR) served three full terms, taking office in 1933 and leading the United States through most of the decade-long Depression and World War II. Although in increasingly frail health, FDR agreed to run for a fourth time in 1944. He died of a stroke on April 12, 1945, just a few months before the final end to the war. More than any 20th-century president, Roosevelt shaped the direction of the Democratic Party, redefined Americans' relationship with their government, and established the United States as the world's dominant international power (Brinkley, 2000).*

*FDR was born January 30, 1882, on his family's estate at Hyde Park in New York's Hudson River valley. His father inherited wealth, and as a boy Franklin enjoyed a pampered and privileged upbringing. He was educated by private tutors until he was 14 years old, and the family spent summers on an island off the coast of Maine and frequently traveled to Europe. Following in his father's footsteps, Roosevelt graduated from Harvard and then Columbia Law School, choosing to take the bar exam after completing only 2 of the typical 3 years of study. While at Harvard, Roosevelt created a bit of controversy by announcing that he would marry his distant cousin, Eleanor Roosevelt, the niece of former president Theodore Roosevelt. Although not illegal, it was a bit unusual for even distant cousins to marry.*

*Roosevelt began his career as a Wall Street lawyer, but he soon turned to politics as a staunch adherent to the Democratic Party. First serving in the New York State Senate, he moved to Washington when appointed undersecretary of the navy by Woodrow Wilson in 1913. Roosevelt gained national attention in 1920 when the Democrats nominated him for vice president alongside presidential candidate James M. Cox, though the Republican ticket headed by Warren G. Harding won the election that year. Soon after, Roosevelt contracted poliomyelitis (polio), a disease that paralyzes the limbs. Despite intense therapy, he never again regained the use of his legs and could only stand with assistance.*

*Instead of retreating from public life, Roosevelt did his best to conceal his disability and returned to politics. He was elected governor of New York in 1928 and again in 1930, just as the Great Depression began to take its toll. He created a state agency to steer relief efforts in New York and developed the social philosophy that would guide his policies as president. Despite his privileged lifestyle, Roosevelt seemed to grasp the needs of average Americans.*

*As governor, Roosevelt tried many different strategies, combining government assistance with work programs, local relief, and state funding. But the Great Depression was larger and lasted longer than any previous economic crisis, and state and local aid programs were insufficient to provide relief. Although many, including President Herbert Hoover, believed that relief should rest in the hands of local and state officials, Roosevelt firmly believed that "the Federal Government has always had and still has a continuing responsibility for the broader public welfare" (as cited in Polenberg, 2000, p. 8). This belief guided his policies as president and ensured that millions of Americans maintained faith in him, even when those policies failed to bring an end to the suffering of the Great Depression (Polenberg, 2000).*



Everett Collection/SuperStock

**Elected four times, Franklin D. Roosevelt continued to enjoy wide popularity even though the New Deal did not overcome the nation's dire economic challenges.**

### For further thought:

1. Why do you think Roosevelt appealed to a broad range of Americans despite his elite background and wealth?
2. Why do you think Roosevelt agreed to run for an unprecedented fourth term in 1944?

8.1 Roosevelt and the First New Deal (1933–1934)

In 1932, during one of the worst periods of the Depression, the Democrats nominated Roosevelt to run for the presidency. He had a famous name and a fiery and charismatic persona. While he was giving his acceptance speech at the Democratic convention, the Bonus Army camped in Washington, D.C., demanding the early payment of the bonus promised as a reward for their World War I service. Americans seemed to be demanding a new type of leadership.

Everywhere, the nation struggled desperately in the throes of the Great Depression, the largest worldwide economic downturn in history. Louise Proctor Allen, who grew up in Chicago, remembered that her middle-class family struggled through the decade-long crisis with a single pair of shoes and home-sewn clothes (Allen, 2001). Others were even more desperate. Marvell Hunt, who was married in 1927 and raising a young family in Utah when the Depression hit, recalled, “It was hard to get a hold of enough to buy a sack of flour and we made our own breads, cooked our own vegetables, bottled our fruits, and raised our gardens” (Hunt, 1997). Her husband, Don, traveled all over in search of work each day.

Amid such desperate times Roosevelt promised a solution, telling Democratic convention attendees and the nation, “Republican leaders not only have failed in material things, they have failed in national vision, because in disaster they have held out no hope. . . . I pledge you, I pledge myself to a new deal for the American people” (as cited in Houck, 2001, p. 131). Roosevelt’s rhetoric inspired the nation at a time when hope was fading. William Ronci, an insurance underwriter from Youngstown, Ohio, recalled that with the election approaching, many believed Hoover had only the interests of the wealthy in mind. Roosevelt, Ronci said, was “probably the light tower in the White House” (Ronci, 1974).

At the beginning of 1932, Republicans firmly believed that Hoover’s voluntarism, combined with his fiscal policies—including the Reconstruction Finance Corporation (see Chapter 7)—would curb the economic depression. Although his rough treatment of the Bonus Army earned the ire of many Americans, the Republican convention unreservedly nominated him for a second term. This confidence was misplaced, however, as blame for the Depression gathered around the incumbent. Roosevelt easily won the 1932 election, and his New Deal became one of the best known political labels in American history. While their merits and results are still debated today, Roosevelt’s policies unquestionably changed the course of U.S. history.

During the campaign, the New Deal symbolized an undefined hope for much-needed change, but soon after Roosevelt’s election it came to embody a series of programs that fundamentally reshaped the nation as the federal government took on new responsibilities for the well-being of the American people. Through his policies the government also began to play a much more active role in creating rules for the nation’s businesses and industries. The programs of the New Deal redefined the relationship between the people and their government; in the process, Roosevelt became known as the founding father of American liberalism. Roosevelt more or less created the modern liberal political tradition (Hamby, 1992).

Roosevelt’s sizable victory (see Table 8.1) had long coattails, as Democrats also gained solid control of Congress. A coalition of politicians formed largely by rejecting former president Hoover and his philosophy that the federal government should not provide direct aid to the people, despite the fact that he bailed out major industries experiencing financial distress. The nation sought a new path to solving the escalating financial problems and was willing to give the Democrats full political control in both the executive and legislative branches of government.

Forging an agenda based on specific policies and actions rather than ideology, the New Deal coalition brought farmers, workers, women, African Americans, intellectuals, and immigrants together in the belief that an active federal government offered the best hope for positive change. This coalition lasted through the Depression, World War II, and even beyond Roosevelt’s death in 1945 (Landy, 2002).

Table 8.1: The election of 1932

Candidate	Electoral vote	Popular vote	Percentage of popular vote
Franklin D. Roosevelt (Democrat)	472	22,821,857	57.4
Herbert Hoover (Republican)	59	15,761,841	39.7



Candidate	Electoral vote	Popular vote	Percentage of popular vote
Norman Thomas (Socialist)	0	881,851	2.2
William Z. Foster (Communist)	0	102,991	0.26

## The First 100 Days

Roosevelt's **first 100 days** in office was a remarkable period that generated an “alphabet soup” (so called because of their various acronyms like the AAA, CCC, and FERA) of programs and agencies that sought to contribute, sometimes in very controversial ways, to easing the economic strains facing the nation. The programs were new and experimental, and while some brought measurable relief, others failed or even caused harm. Neither FDR nor his programs brought an end to the Depression itself, which dragged on through the entire decade of the 1930s, only ending with the outbreak of World War II in the 1940s. Despite the longevity of the problems facing the nation, Roosevelt enacted innovative programs that helped bring aid to the American people, and his charismatic personality restored Americans' confidence in government.

The Roosevelt administration hit the ground running. From March to June 1933, during his first 3 months in office, the president initiated legislation directed at immediate solutions for the ailing economy (see Table 8.2). The first place he directed his attention was the banks. As the Depression settled on the nation, thousands of the nation's banks failed and billions in deposits were lost. Americans, fearful of losing all their money, flocked to withdraw their savings from their local banks. These so-called bank runs caused even more banks to fail.

By the time Roosevelt entered office, banks in dozens of states were already closed, and citizens had no access to their money on deposit. Many lost all of their savings. Roosevelt's decisive actions were unprecedented. Following the lead of several states, he declared a national bank holiday. Closing the nation's financial institutions between March 6 and March 13 prevented additional runs on the banks and gave the federal government time to figure out how to write legislation to strengthen them (Smith, 2008).

**Table 8.2: Major legislation of the first 100 days**

<b>Date</b>	<b>Program</b>	<b>Description</b>
March 9, 1933	Emergency Banking Relief Act	Legalized the bank holiday, gave the federal government the ability to restrict a failing bank's operations and to determine a bank's strength.
March 20, 1933	Economy Act	Gave the federal government the power to control salaries for federal workers and reorganize federal agencies in the interest of the economy.
March 31, 1933	Civilian Conservation Corps	Established a public works program and provided vocational training and jobs in conservation.
April 19, 1933	Gold Standard	Abandoned the gold standard. (See the Gold Repeal Joint Resolution below.)
May 12, 1933	Federal Emergency Relief Act	Provided aid to states for distribution to the unemployed and their families.
May 12, 1933	Agricultural Adjustment Act	Restricted agricultural production by paying farmers to produce fewer crops.
May 12, 1933	Emergency Farm Mortgage Act	Provided for the refinancing of farm mortgages.

Date	Program	Description
May 18, 1933	Tennessee Valley Authority	Created to improve river navigation, flood control, and rural electrification programs.
June 5, 1933	Gold Repeal Joint Resolution	Canceled the gold clause in federal and private debts. This meant that all debts could be paid in legal tender. This was the final step in ending the gold standard.
June 13, 1933	Homeowners Refinancing Act	Refinanced home mortgages at lower monthly payments.
June 16, 1933	National Industrial Recovery Act	Promoted fair competition, guaranteed collective bargaining rights, regulated work standards, regulated prices.
June 16, 1933	Banking Act (Glass–Steagall Act)	Separated commercial and investment banking, increased Federal Reserve powers to oversee market operations. Created federal insurance for deposits up to \$5,000.

The result was the **Emergency Banking Relief Act** that Congress passed on March 9 and the president signed into law 3 days later. It gave the Treasury Department power to inspect the banks and restrict their operations if judged to be financially unstable. The act also provided federal funds to further shore up the solvency of banks. The Emergency Banking Relief Act quickly restored confidence, and as the banks reopened \$1 billion in currency moved from under people's mattresses or coffee cans back into the system.

A resolution of Congress also took the final step to move the nation off the gold standard. Passed on June 5, the Gold Repeal Joint Resolution canceled any outstanding debts calling for repayment in gold and instead declared greenbacks (paper money) legal tender for all debts. This made the nation's currency system more flexible at a time when many businesses and individuals were struggling to pay their debts.

Confidence was further enhanced by the creation of the **Federal Deposit Insurance Corporation (FDIC)**, under the Banking Act of 1933, passed in June, which guaranteed that the government insured all bank deposits up to \$5,000. If a bank failed, customers would get their money back from the government (today the FDIC guarantees deposits up to \$250,000). The Banking Act also separated investment and retail banking, establishing a firewall that further protected consumer bank customers from risky investments and speculation.

Although some banks never reopened, those that did were stronger than ever, and for the first time consumer deposits were insured against future loss. During Roosevelt's first two terms as president, fewer banks failed than under any previous administration. In 1936, for the first time in U.S. history, no American bank closed its doors (Badger, 1989).

In addition to these decisive actions, Roosevelt used radio addresses called fireside chats to instill confidence in the American public. His first of many informal speeches to the nation explained the banking legislation in clear and simple language and built a direct connection and more personal relationship with the working and middle classes.

Another popular message in his first chat was his plan to end Prohibition, an unpopular and largely unenforceable policy. Proposals for its repeal gained wide support. Some advocates even came to argue that the rise of organized crime and disrespect for the law caused more problems than temperate drinking. Roosevelt announced the Beer–Wine Revenue Act, which legalized the sale and consumption of 3.2% alcohol beers and light wines.

Within a few days of taking office, then, FDR managed to make Americans feel more secure with their local banks and assure them that alcohol would once again be legal (Kiewe, 2007). By December the states had ratified the **21st Amendment**, repealing Prohibition altogether.

## Relief and Recovery



The initial goal of the New Deal was to restore the economy and rebuild consumer confidence. Through fireside chats and other means of outreach, Roosevelt gained public support for his recovery agenda, but the nation was in a deep hole when he took office in 1933. In order to solve the twin problems of underconsumption and overproduction, the New Deal proposed major structural changes, some of which were radical and even eventually deemed unconstitutional.

Thanks to Roosevelt's programs, the U.S. economy grew 10% annually beginning in 1933. Unemployment peaked in 1932 at nearly 25% and then shifted gradually downward. But even with such strong growth, unemployment never fell below 14% for the rest of the decade (Badger, 1989).

### *The Agricultural Adjustment Administration*

Agriculture had limped along as a "sick" industry during the 1920s and was left especially vulnerable when the Depression struck and the economic downturn spread to international export markets. During the early years of the Depression, the prices paid for farm commodities fell by 40%, leaving many farmers awash in debt. Roosevelt sought a means to solve the long-standing farm problem; to create a long-lasting parity, or balance, between urban and rural earnings; and to distribute economic recovery evenly throughout economic sectors.

As a result, FDR tailored his first massive structural reform program to come to farmers' aid through the **Agricultural Adjustment Administration (AAA)**. The AAA passed Congress in May 1933 and had several goals. The first was to reduce the output from American farms, since overproduction caused a food surplus that drove down prices.

Representatives from the major commodities industries (corn, cotton, wheat, tobacco, and rice) agreed to an overall production limit. The government determined the production number, and the AAA directors officially told each farmer how much they could produce. The government secured funds through a tax on farm commodity processors to pay some farmers for leaving their land fallow, or out of production. This worked well in the short term and strengthened the agricultural sector, but it did little to ease the Depression because food processors passed the burden of the new tax onto consumers. The plan also provided little relief for small farmers because large industrial farms reaped most of the benefits.

In 1936 the Supreme Court suspended the AAA on grounds that the Constitution only allows the federal government to regulate interstate commerce, whereas the processing tax applied within state boundaries. The justices argued it was unconstitutional to tax processors and then repay the funds to the farmers (O'Sullivan & Keuchel, 1989). When farming overproduction continued unabated, a new Agricultural Adjustment Act passed in 1938 retaining the subsidy program but shifting the burden of funding it to the federal government, and the farm adjustment program resumed.

### *The National Industrial Recovery Act*

While farmers were clearly struggling, so too was industry, and FDR sought to address the problem through the National Industrial Recovery Act (NIRA). The act funded a series of public works projects under the Public Works Administration to improve and beautify the nation's infrastructure and put people to work. Congress allocated \$3.3 billion to create new buildings, roads, and flood controls. Examples of these projects that are still in use today include Chicago's subway system, Skyline Drive in Virginia, and New York's Triborough Bridge.

Another part of the act established the **National Recovery Administration (NRA)**, which initiated, with input from consumers, laborers, and industry leaders, fair practices or codes of conduct. In each industry, business leaders proposed an NRA code to cover factors such as production schedules, wages, and prices. The point of the codes was to curb the cutthroat competition that was driving many businesses into bankruptcy, which often led to layoffs and economic turmoil.



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**In San Francisco and across the nation, businesses pasted NRA signs in their windows to indicate their compliance with**

The code for each industry was then reviewed by business leaders within that industry, who highlighted key areas where, from their perspective, the code was unfair. The NRA then stepped in to work through a compromise.

**the codes. These women are pasting a Chinese translation alongside the government-issued signs.**

Section 7a of the NRA also guaranteed workers the right to bargain collectively and was hailed by union advocates. This was a radical departure for the federal government. From the onset of industrialization in the Gilded Age, the government had typically sided with industry and management in labor disputes and recognized the right of corporations to keep workers from collective bargaining. In many labor disputes, federal judges granted employers injunctions and on some occasions federal troops deployed to end labor strikes. This provision of the NRA represented a new era of possibilities for union organization.

The Supreme Court declared the NRA unconstitutional in 1935 because it was significantly flawed. In many industries, large organizations dominated the code writing, tailoring them to individual benefit and essentially endorsing or creating monopolies. Nevertheless, the law generated a short-term boost to industry that, despite its abrupt ending, left an enduring mark (Brands, 2009). Many of its compromises appeared in future legislation and led to minimum wages, elimination of child labor, collective bargaining for union workers, and limits to working hours per week, all well-established features of the industrial workforce today.

### *Putting Americans Back to Work*

For the average American out of work—1 out of 4 in 1932—these New Deal programs did not provide immediate relief. In truth, Roosevelt did not consider direct aid to the people his most important task, but it was important enough that he addressed it in his first 100 days. The New Deal included important programs that aimed to get Americans back to work, including the **Civilian Conservation Corps (CCC)**, the **Federal Emergency Relief Administration (FERA)**, the **Civil Works Administration (CWA)**, and the **Tennessee Valley Authority (TVA)**.

#### **Exploring History through Film: New Deal Programs in Appalachia: CCC, WPA, and TVA**

During the Depression, Appalachia was one of the poorest regions in the U.S. In addition to Eleanor Roosevelt's support of the experimental new town in West Virginia known as Arthurdale, many New Deal programs also attempted to address impoverishment in the region.

##### **New Deal Programs in Appalachia: CCC, WPA, and TVA**

**From Title:** *The Appalachians: A Culture of Survival*

(<https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=35763>)

All of these works programs were new and unique experiments. Never before had the government created work programs to aid in times of high unemployment. The programs were also not meant to completely substitute for private sector employment or to encourage dependence on the government, and none paid as well as private sector employment.

The Civilian Conservation Corps targeted unemployed and unmarried men between ages 18 and 25, largely because projects often required travel and living away from home. Since these young men were future potential heads of household, the program also aimed to provide them vocational training useful in the private sector. John Lambert of rural Tazewell, Virginia, worked in a CCC camp in the Shenandoah National Park from 1934 to 1937. There he and other recruits lived in specially constructed barracks and had most of their needs taken care of by the agency. Joining the corps before his 20th birthday, Lambert recalled helping build hiking trails within the park and eventually advancing to drive trucks on the projects (Lambert, 1994).

By July 1933 more than 275,000 recruits were at work on projects and housed in camps near the work sites. The program lasted until 1942

### Critical Thinking Questions

- The TVA was perhaps the most successful New Deal Program. How did this program affect the culture of Appalachia? What does this suggest about the role of government in U.S. society?

earnings home to their families. Approximately 250,000 African Americans were employed in all-African American CCC companies and eventually, at the insistence of First Lady Eleanor Roosevelt, the CCC employed a small number of women (Hiltzik, 2011).

The Federal Emergency Relief Administration, originally created by the Hoover administration, was retooled to provide money directly to states to help relief agencies. Under FERA the government also created the Civil Works Administration as a short-term relief measure that put 4 million people to work in a variety of municipal projects, including laying sewer pipe, constructing roads, and building airports. The CWA offered work instead of a handout for multiple segments of society, including Native Americans. Several thousand Native Americans were employed to repair reservation housing, excavate prehistoric Native American mounds for the Smithsonian Institution, and make Alaskan rivers more navigable for salmon breeding (Hiltzik, 2011).

The boldest program emanating from Roosevelt's first 100 days was the Tennessee Valley Authority, which built dams along the Tennessee River and brought electricity to dozens of rural communities. Affecting multiple southern states, including Tennessee, Alabama, Virginia, North Carolina, and South Carolina, the work projects of the TVA brought jobs along with the lasting benefits of electric power, flood protection, and soil reclamation to rural residents in some of the nation's poorest counties (Hiltzik, 2011). Within a decade, the projects of the TVA brought conveniences to rural Americans, bringing them up to speed with the features of modern life that city dwellers had enjoyed for years.

Looking back on these public welfare efforts in his second inaugural address, FDR said, "The test of our progress is not whether we add to the abundance of those who have much. It is whether we add to the abundance of those who have too little" (as cited in Alter, 2006, p. 332).

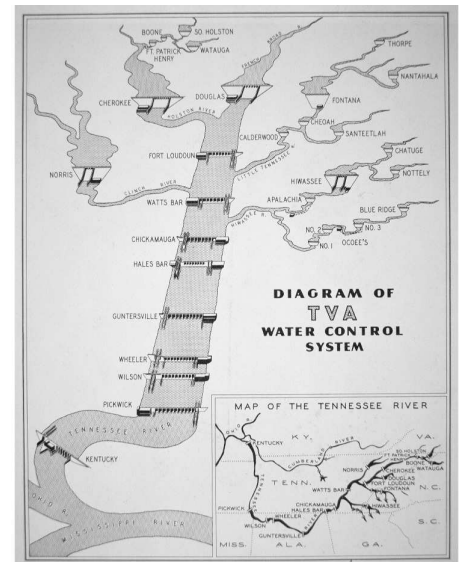
### Reaction: Roosevelt's New Deal and Congress

Roosevelt was a master at pressuring and compromising with opponents of his New Deal programs in Congress. He approached negotiations for each bill differently, depending on his goals, but the 1933 **Farm Relief Act** is illustrative of his interactions with Congress. The act sought to increase the number of agricultural products that the AAA could control.

At the outset, FDR sent a message to Congress asking for quick passage due to the timing of the crop cycle. It was March, and the farmers needed immediate relief for the upcoming growing season. Nevertheless, there was significant delay in Congress. Joseph Martin, a Republican representative from Massachusetts (and later the Speaker of the House), opposed the bill, arguing that the Farm Relief Act would transform the United States into Soviet-style communism. He also suggested that the increased taxes the bill required would unfairly burden the American consumer.

The act eventually became law with a key Roosevelt concession. He appointed George Peek, one of the most vocal opponents of crop restriction, to head the AAA, the agency charged with carrying out that very policy. This concession began the national planning of American agricultural production (Freidel, 1990), and Roosevelt made it a reality through an unusual and significant compromise.

and created new recreation areas, built wilderness roads, and planted 3 billion trees. During the CCC's duration, more than 3 million men earned \$30 per month working in parks, forests, and other recreational areas. They were required to send \$25 of their monthly



*Peter Newark American Pictures/Bridgeman Images*

**In an effort to improve agriculture and electrify the Tennessee Valley, a series of water-control measures, including five dams, was constructed along the Tennessee River.**



## Voices of Protest

As the Depression wore on, passionate critics of the New Deal emerged. Though stock prices climbed gradually by the end of 1933, there were still roughly 12 million Americans without a job. A rising stock market meant little to those who struggled to earn enough money to put food on the table. FDR was still widely popular to many, and the Democratic Party was victorious in the 1934 midterm congressional elections, winning 74% of the House and 72% of the Senate.

But there was also a growing base of New Deal critics—and a significant divide among Americans. Eighty percent of all business leaders, journalists, and professionals in medicine and law opposed Roosevelt's policies. According to historian David Hackett Fischer, "In less than two years, President Roosevelt had made himself the best-loved and worst-hated man in the country" (Fischer, 2005, p. 488).

### Business-Minded Opponents

The formation of the **American Liberty League**, led largely by probusiness members of the president's own Democratic Party but also a few Republicans, exemplifies the polarizing reaction to the New Deal. The stated goal of this new organization was to uphold the Constitution and oppose all congressional legislation it deemed dangerous, especially challenges to private property. Jouett Shouse, a former head of the Democratic National Committee, became its first leader in 1934. In Shouse's view, the danger began with Roosevelt himself (Shouse, 1935).

The league was ambivalent about the National Recovery Administration, but it openly opposed the Agricultural Adjustment Administration, calling its plan for controlling farm production fascist—a strong condemnation at a time when totalitarian dictators were rising to power in several European countries. The league was most concerned with New Deal incursions on individual rights, and especially rights to the ownership and use of property. The NRA, which placed limits on production and set prices across individual segments of the economy, for example, trampled on the rights of business owners to manage their operations according to the terms of the free market. The league lost ground and support after the 1936 election and was dissolved in 1940.

### Radical Opponents

Another key political critic was Huey P. Long, a senator from Louisiana. Unlike the probusiness Liberty League, Long's attack on the New Deal came from the radical side and included advocating reforms that were akin to socialism. He argued that Roosevelt's programs did not go far enough to aid struggling Americans. Long's **Share Our Wealth** program called for a radical redistribution of wealth that included free college, pensions for all Americans, and a shorter workweek.

Share Our Wealth clubs sprang up in multiple states, and Long's popularity soared. FDR called Long "one of the two most dangerous men in the country" (Brinkley, 1982, p. 57), the other being Gen. Douglas MacArthur, whom Hoover sent to clear out the Bonus Army from Washington in 1932. Although he had initially supported Roosevelt, Long planned his own presidential bid but was assassinated in Louisiana in 1935 (White, 2005).

The popular broadcaster Father Charles E. Coughlin was another outspoken critic of Roosevelt. He used his Sunday radio sermons to describe the failures of the president and the New Deal. A radical Catholic priest, he was among the first religious leaders to use radio to reach a mass audience, totaling several million each week. Like Long, Coughlin argued that Roosevelt's programs did not go far enough. His social justice agenda called for nationalization of industries and the railroads, as well as currency and banking reform that would eliminate private banks.



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**Huey P. Long, the colorful and charismatic senator from Louisiana, was one of the most vocal opponents of the New Deal. Long believed the programs did not go far enough to help suffering Americans; instead, he**

After 1936 Coughlin's politics took a dark turn, and he began to spout anti-Semitic rhetoric, claiming that Jews were responsible for the popularity of communism and expressing support for the anti-Jewish movement rising in Adolph Hitler's Germany. Nevertheless he continued to be popular, drawing large radio audiences well into 1939, when the show was canceled after he vocally opposed the government's position on the war in Europe. **suggested a program called Share Our Wealth, which proposed the redistribution of wealth among all Americans.**

Although Long and Coughlin never worked together, in the media and the minds of many Americans their programs represented similar populist remedies for the problems facing the nation during the Great Depression, with both advocating sweeping realignments of the economic system to aid those at the bottom of society (Brinkley, 1982).

The New Deal's probusiness critics, as well as more radical opponents such as Coughlin and Long, had important concerns in common. Most notably, they believed that the president held "dictatorial" power and that the government should work toward ensuring prosperity for all, without exercising too much control over individuals and communities. They appealed to an earlier version of American life that was no longer available in the industrial age and perhaps had not even existed in preindustrial America. Roosevelt, in contrast, advanced programs and policies that would help the nation adapt to the realities of industrialization and modernity. It was for these reasons that FDR sought to move beyond their threats and more firmly establish his vision for the United States.

## 8.2 The Second New Deal (1935–1941)

The Supreme Court’s nullification of the NRA in 1935 left Roosevelt searching for a new strategy to ease the Depression, which showed no signs of abating. Despite the vocal opposition, the large Democratic majority in Congress and the president’s popularity with voters allowed him to forge a new plan that included more carefully thought-out legislation that had a lasting impact on the nation. This **Second New Deal** included five key pieces of legislation passed by Congress between July and August 1935 (see Table 8.3).

The Banking Act strengthened the Federal Reserve by centralizing monetary policy and assured businesspeople of a more stable economic environment; the Wheeler–Rayburn Public Utility Holding Company Act prevented the growth of holding companies in public utilities (which became as corrupt as railroad corporations had been in the late 19th century); and the Revenue Act or, as it was derisively known at the time, the “Soak the Rich Tax,” increased taxes on the wealthy. The **National Labor Relations Act**, or Wagner Act, offered federal protection to workers who wanted to engage in collective bargaining. The **Social Security Act** created a social safety net that provided old-age pensions, unemployment insurance, and direct aid to women and dependent children.

Table 8.3: Major legislation of the Second New Deal

Date	Program	Description
April 8, 1935	Works Progress Administration	Public works program initially funded at \$5 billion, employed millions of Americans in public works projects such as road and school building.
July 5, 1935	National Labor Relations Act (Wagner Act)	Guaranteed the right of private sector employees to join unions; created the National Labor Relations Board.
August 14, 1935	Social Security Act	Provided old-age pensions, funding to states for unemployment insurance and aid to families with dependent children.
August 23, 1935	Banking Act	Reorganized the Federal Reserve system to provide for uninterrupted operation of the banking system.
August 30, 1935	Revenue Act	Raised the income tax rate on higher income levels. This progressive tax rate was as high as 75% on incomes over \$5 million.

### The Works Progress Administration

Among the key components of the Second New Deal was a program to get Americans back to work. The jobs programs of the NRA and the CCC paled in comparison to the massive **Works Progress Administration (WPA)** that Congress authorized in 1935 with an initial budget of nearly \$5 billion. Throughout its duration (1935–1943), the WPA employed more than 8.5 million Americans in public works, arts, and humanities projects. Taking on more than a million individual projects, WPA workers built more than 650,000 miles of roads and highways, constructed or improved more than 124,000 bridges, and built or repaired 853 airports. The WPA also employed artists, historians, writers, and academics to paint murals, write children’s books, and collect oral histories as part of the Federal Writers’ Project. One enterprise collected and

#### Exploring History through Film: Depression and the Theater

The New Deal supported a number of art projects, such as public art displays, as well as the development of numerous public monuments. It also supported the theatre through the WPA’s Federal Theatre project.



preserved the oral histories of more than 2,000 men and women who were enslaved before and during the Civil War (Watkins, 1993).

One of Roosevelt's closest advisors, Harry Hopkins, headed the WPA, which quickly came to be the nation's largest employer. Hopkins and Roosevelt were determined to get as many Americans to work as possible but gave programs for men priority. Since it was rare for women to be the head of a household, their employment needs were often considered secondary to those of men. Although for most working-class families a woman's income was just as essential as that of a man, cultural bias kept women from enjoying the best work programs. Women were at first relegated to sewing projects and recreational work, and even in 1938, the WPA's peak year, women accounted for only 13.5% of those employed. Later, women worked as nurse's aides, day care workers, or in schools, but they were generally paid half as much as male WPA workers (Watkins, 1993).

Although New Deal administrators at the federal level did not sanction gender discrimination or racial bias, the programs were administered locally, resulting in variations in how they were executed. In the South especially, city and county Democratic Party administrators were often White men who perceived women and African Americans as taking jobs from "more deserving" White men.

The experience of Mae Gaddis of South Jacksonville, Florida, illustrates the ways in which working-class women struggled for entrance to the work programs. Writing to First Lady Eleanor Roosevelt in 1939, Gaddis related her difficulty in obtaining a WPA work card. Living alone with her 4-year-old disabled son after her husband walked out, she was denied local charity because she was deemed able to work. Even providing copies of her legal divorce papers did not help. She told the First Lady that she took the papers "to the W.P.A. office but they even refused to read it" (as cited in Green, 2007, p. 198).

African Americans faced even more discrimination, despite the pleadings of Eleanor Roosevelt to offer them equal opportunities. Although African American men found it somewhat easier than women to gain WPA employment, they were often relegated to menial jobs and were seldom able to obtain skilled or supervisory positions (Badger, 1989). Even in northern cities, African Americans without skills struggled to get a WPA appointment. Queens, New York, resident Jake Govan recalled, "The people who had the most trouble during the Depression were day laborers, 'cause they didn't have no skills" (as cited in Gregory, 1998, p. 42). While as a skilled tradesman he had no trouble getting employment with the WPA, many of his neighbors went without work (Gregory, 1998).

## The Wagner Act and Labor Relations

The Wagner Act, or the National Labor Relations Act, was another significant part of the Second New Deal that continues to affect U.S. workers in the 21st century. Authored by New York senator Robert F. Wagner, the law guaranteed the right of workers to join unions and bargain collectively. The Wagner Act prevented businesses from interfering in union activities or from taking punitive measures against those who participated in them. Many business owners resented the act because in their view it infringed on their freedom of contract and property rights and inserted the federal government between employer and employee.

### Depression and the Theater

**From Title:** *The Federal Theater, Project 891, and the Merc...*  
(<https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=9167>)

### Critical Thinking Questions

- Given the role of regionalism in American history, what was the rationale for a National Theatre? How was this part of the larger Progressive project dating back to Theodore Roosevelt's administration?

Over these objections, the Wagner Act established a National Labor Relations Board (NLRB) that was empowered to investigate and stop employers from interfering with workers' rights to organize. One of the NLRB's functions was to operate secret-ballot elections when workers sought a vote on union representation. Workers across many industries lost no time in organizing, and by 1941 the NLRB held nearly 6,000 elections across multiple segments of the economy and involving almost 2 million employees (Cohen, 1990).

One result of the organization drive was the formation of the Committee for Industrial Organizations in 1935, headed by United Mine Workers president John L. Lewis. The most prominent union organization in the United States, the American Federation of Labor, represented only workers in skilled trades and generally excluded women and African Americans. Most of those seeking to organize under the Wagner Act were unskilled factory and industrial workers, many of whom were immigrants. The CIO, which was renamed the **Congress of Industrial Organizations**, aimed to create a powerful labor coalition for these workers, especially in the automobile and steel industries (Zieger, 1995).

Through the use of sit-down strikes, where workers literally sat down on the job and refused to work, and other tactics, the CIO garnered attention and strength, as well as much opposition from industrial employers. In Michigan, General Motors staunchly refused to recognize workers' desire to form a union, despite the Wagner Act's guarantee. Beginning in December 1936 autoworkers took control of an assembly plant in Flint, remaining in the factory for 44 days until General Motors reluctantly agreed to recognize the United Automobile Workers (UAW) as their representative union (Zieger, 1995). The UAW was able to expand its organizing drive to other plants, and although the struggle remained violent and bitter, by 1941 workers across the entire auto industry enjoyed union protection.

Parts of the steel industry also strongly resisted unionization drives. The nation's largest producer, U.S. Steel, bowed to worker organization, but multiple smaller firms refused union recognition. Beginning on May 26, 1937, the violent Little Steel Strike erupted in multiple states at Republic Steel, Youngstown Sheet and Tube, and other small steel producers. This prolonged strike lasted into August and demonstrated the strong tensions that existed between labor and management when, on Memorial Day in 1937, police were called in by management and killed 10 picketers near one of Republic Steel's mills in Chicago.

Roosevelt expressed frustration at both sides, including Republic Steel's leaders and union head John L. Lewis, exclaiming, "a plague on both of your houses" (as cited in Fried, 2001, p. 141). Despite the violence and determination of the steelworkers, the strike failed, and workers at most of the smaller steel corporations remained unorganized until the early 1940s. The legacy of the Wagner Act was not that it eased labor relations, but that it provided legal protection for laborers to make their opinions heard.

## Social Security

The cornerstone of the Second New Deal was the Social Security Act of 1935. Though Progressive reformers and others had suggested that the nation needed a federal system of support to help those who were disabled or aged, opponents argued providing direct relief—which they claimed undermined self-reliance—would be in opposition to the nation's founding philosophy. After the shock and experience of the Great Depression, however, many realized that traditional forms of societal welfare support (local charity, family, and paid labor) were insufficient to meet the growing need.

As a result, Roosevelt worked tirelessly to guide the Social Security legislation through Congress. Enacted in 1935, the bill's preamble declared it was

an act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons,



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**An automobile industry organizer for the CIO is pictured hanging a sign over the doorway of the new United Auto Workers headquarters for Ford Motor Company Workers in 1937. Labor organizers Morris Fields and Walter Reuther look on.**

dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws. (as cited in Jurkowski, 2008, p. 85)

The Social Security Act formed the basis of the New Deal's welfare state. A permanent measure, one of the act's aims was to provide a modest monthly income to the nation's elderly that would keep them out of poverty. In addition to old-age pensions, the act provided grants to states to provide unemployment compensation. By 1937 all states and territories of the United States passed unemployment insurance laws making them eligible for federal money to offer temporary benefits for those who lost their job through no fault of their own. Another component of the Social Security Act similarly granted states federal funds for direct aid to women and dependent children.

Like many other New Deal measures, the grant programs were administered at the state level, sometimes by racially prejudiced local officials. As a result, African Americans in the South and Latinos in some western states often found it difficult to secure unemployment compensation and other benefits (Badger, 1989).

Beginning in 1937 all workers began paying a new payroll tax to fund Social Security. Starting in 1940 retirees began drawing \$41.30 per month from the fund as a supplement to their retirement. The law was in line with the wealth redistribution ideas of New Deal critics Huey P. Long and Charles E. Coughlin, and it demonstrated that FDR empathized with the plight of the elderly, disabled, and unemployed.

Social Security's critics called it a move toward socialism, arguing it would create a nation of dependents. New Jersey senator A. Harry Moore claimed, "It would take all of the romance out of life. We might as well take the child from the nursery, give him a nurse, and protect him from every experience that life affords" (as cited in Segal, 2010, p. 350). Despite the criticism, Social Security's supporters countered that it was a moderate piece of legislation because workers paid into it through a regressive payroll tax, and they therefore earned its benefits. Whatever the opinions about it, one thing was clear: the Social Security Act of 1935 shifted Americans' relationship with the federal government and fostered the expectation that the government was responsible for the welfare of its citizens.

## The Supreme Court Battle

At the same time FDR shepherded the Social Security Act through Congress, he also began campaigning for the 1936 presidential election. Although some predicted a close race between Roosevelt and Republican challenger Alf Landon of Kansas because the Depression continued to plague the nation, the president's charismatic personality and honest attempts at solving the nation's economic crisis left many voters unwilling to embrace political change. Roosevelt won with 61% of the vote, the largest popular margin ever. In the Electoral College, Landon claimed a mere eight electors, carrying only Maine and Vermont.

Despite the solid support, a severe challenge to Roosevelt's New Deal program in the form of a series of cases brought before the U.S. Supreme Court loomed on the horizon. One purpose of the Supreme Court is to serve as one of the three main checks and balances in the American political system to ensure that neither Congress nor the president overstep their constitutionally limited authority. The New Deal legislation was challenged by a number of opponents, so the Supreme Court was compelled to review cases brought before it to ensure the legislation's constitutionality.

The Supreme Court was a heavily conventional body during much of the 1930s. By the end of FDR's first term, some of the president's most important pieces of New Deal legislation had been struck down, including the National Recovery Act. After that ruling, Roosevelt held a press conference in the Oval Office, declaring:

The implications of this decision are much more important than almost certainly any [Supreme Court] decision of my lifetime or yours. . . . The big issue is this: Does this decision mean that the United States Government has no control over any economic problem? (as cited in Shesol, 2011, p. 148)

Roosevelt was reluctant to do anything about Supreme Court opposition prior to the 1936 election; however, after his victory, he set in motion an unprecedented strategy to take control of the situation, which became known as his **court-packing plan**. Roosevelt argued that because presidents appointed Supreme Court justices for life, once the justices reached age 70, if they did not retire, the president should appoint another to share the



workload. Using this logic, he declared in February 1937 that the court's size should increase from 9 to 15 members (thus conveniently allowing him to appoint 6 new justices sympathetic to the New Deal).



*Courtesy Everett Collection*

**Roosevelt announced his court-packing plan to the public during one of his fireside chats.**

Suddenly, the Supreme Court changed direction on some of the New Deal measures. Prior to the court-packing scheme, the justices opposed the Social Security Act. Three months later one of the justices announced his retirement, which enabled FDR to appoint Alabama senator Hugo Black in his place. Black was in favor of New Deal legislation, so the president had an important new ally. Furthermore, Justice Owen J. Roberts underwent one of the most dramatic changes in philosophy in Supreme Court history. Scholars still debate whether or not Roosevelt's threat to add justices to the court caused Roberts to reverse course, but Roberts's sudden support for Social Security resulted in the famous saying "a switch in time that saved nine" (as cited in Trachtman, 2009, p. 108). The "switch" was Roberts's change of direction on Social Security, and the "nine" were the number of justices.

Although this was a victory for Roosevelt, on the whole the court-packing scheme was a devastating defeat. It gave his critics an overwhelming reason to attack his policies. In March 1937 historian James Truslow Adams said the following in a radio address:

The question is of the freedom of that Court which in the last resort is the sole bulwark of our personal liberties. . . . If a President tries to take away our freedom of speech, if a Congress takes away our property unlawfully, if a State legislature . . . takes away the freedom of the press, who is to save us except the Courts? (as cited in Johnsen, 1937, p. 278)

If one man, even the president of the United States, could effectively change the makeup of the courts and shape the direction of their rulings, many wondered, did he not hold too much power? A coalition rallied against the court-packing scheme. The criticism came at critical time because Roosevelt's landslide reelection victory effectively gave his programs the mandate of the people. Afterward, many voters rethought their support.

In July 1937 Congress rejected the court-packing plan. The president dismissed the loss, saying that he might have lost the battle with the court but ultimately won the war, because he was able to appoint a new justice and keep Social Security. It was clear to many, however, that this was a defeat with long-lasting consequences. Historian Alan Brinkley argued that the court battle eroded Roosevelt's reputation of invulnerability (Brinkley, 1995). The result was that Roosevelt's ability to get legislation through Congress was greatly diminished.

## The "Roosevelt Recession"

A contributing factor to the end of New Deal reform was the blame Roosevelt began to shoulder for worsening economic conditions. The downturn was unexpected. Americans saw some economic relief between 1935 and 1936. Even in early 1937, continued positive production numbers across multiple industries gave South Carolina senator James F. Byrnes the confidence to proclaim that "the emergency has passed" (Golway, 2009, p. 47). Byrnes's confidence proved to be greatly premature, and the brief economic improvement of the mid-1930s did not last.

Between August and October 1937, the stocks measured by the Dow Jones dropped 40%. It was reminiscent of the losses suffered during the Great Crash in 1929. Even worse for the average American, 2 million people lost their jobs. The press began derisively calling the downturn the **Roosevelt Recession**, laying the blame for the economic woes squarely at the president's feet.

The downturn was caused in part by a cut in government spending. In response to Republican calls for spending cuts, and agreeing that a balanced budget was important, Roosevelt supported a cut in spending for New Deal programs that had been boosting the economy. To further reduce the budget deficit, Roosevelt introduced new

taxes, which weakened consumer power at a time when the economy needed people spending more and not less. Industrial production declined and unemployment approached 20%, a figure not seen since 1933.

The recession sparked a significant economic debate. From the perspective of advocates of a type of economics referred to as the Austrian School of Economics, the goal was to keep a balanced budget and rein in spending. Henry Morgenthau, the secretary of the treasury, promoted this plan. Proponents of the Progressive perspective, led by economist John Maynard Keynes, argued just the opposite: Government should spend more, not less, to prime the economic pump and get businesses moving again in the right direction.

Keynes first postulated his theory in his 1936 book, *The General Theory of Employment, Interest, and Money*, and his philosophy came to be known as Keynesian economics. Keynes discussed how economics is both a science and a way to conduct public policy (Minsky, 2008). The government could actively shape the future by spending its way out of the Depression instead of focusing on balancing budgets. Keynes called the strategy countercyclical, which meant that the government should spend money when times were bad and tax when the economic situation was more favorable. Although he was unsure about the new Keynesian ideas, Roosevelt ordered the restoration of federal funding to previously cut programs, and in 1938 he asked Congress to fund \$5 billion in programs, part of which went to the Works Progress Administration and the newly reauthorized Agricultural Adjustment Administration. This spending did bring some relief, but it did not end the ongoing Depression.

## Fair Labor Standards Act

Despite waning support for his policies and significant opposition in Congress, Roosevelt managed to pass one last significant piece of New Deal legislation. Signed into law in June 1938, the **Fair Labor Standards Act (FLSA)** reinforced the New Deal's commitment to labor and the working class. Still in force today, the act established a pattern of federal guarantees labor advocates had long desired.

The legislation instituted a federal minimum wage—40 cents an hour—and set the workweek at 40 hours. Those who worked more hours would be paid time and a half as overtime. It also defined and formally banned the use of child labor. Roosevelt took to the airwaves to drum up support from the American public through one of his fireside chats. The president told the country, “Do not let any calamity-howling executive with an income of \$1,000 a day, . . . tell you . . . that a wage of \$11 a week is going to have a disastrous effect on all American industry” (Figart, Mutari, & Power, 2005, p. 106).

Despite his success with the FLSA, the 1938 midterm elections dealt another blow to Roosevelt's legislative agenda and political power. The powerful Democratic congressional majority that had given him almost universal support started to fall apart. The president unsuccessfully campaigned against Democrats who spoke out against the New Deal. Republicans also gained seats in both the House and Senate, making it possible for anti-New Deal Democrats to work across the aisle to oppose the president's policies.

In 1939 this decidedly different Congress slashed funding for relief programs, and a faction within the House launched investigations against New Deal agencies, including the Works Progress Administration and the National Labor Relations Board. The New Deal opponents did not have enough clout to repeal New Deal legislation, but they did halt further forward momentum (Badger, 1989). As the decade neared a close, the New Deal had failed to bring recovery from the Great Depression.

## 8.3 Depression Era Society and Culture

The 1920s struggle between tradition and modernity quickly faded as the United States grew ever more mired in the Great Depression. Far more severe than any other economic downturn in history, the Depression that lasted from 1929 to 1941 left an indelible mark on American culture and society. The Depression was in some ways a unifying experience, and the cultural expressions of the decade reflect a common frame of reference that emerged from the widespread exposure to misery and suffering.

### Popular Entertainment

Amid their suffering, Americans sought a release in popular culture. The 1930s produced an amazing array of popular movies, novels, music, radio programs, and iconic photographs. The film industry came of age in the decade, producing films tinged with Depression era messages, such as Frank Capra's *Mr. Smith Goes to Washington* (1939), in which a man from small-town America unwittingly finds himself a U.S. senator and manages to expose considerable corruption in Congress. Many of the decade's films offered moviegoers a brief escape from their troubles. Among the decade's classic films are *The Mummy* (1932), *King Kong* (1933), *Snow White and the Seven Dwarfs* (1937), and *The Wizard of Oz* (1939).



M.G.M./Album/SuperStock

**Depression era entertainment like *The Wizard of Oz* often followed themes of fantasy and moral uplift, offering Americans a chance to escape their cares for a few hours.**

Americans found that the Depression created a common experience that was reflected in the decade's cultural expressions, and the evolution of the cultural forms that first emerged in the 1920s allowed popular culture to become more pervasive (Dickstein, 2009). Popular vaudeville stage shows were transformed into radio programs, bringing their skits and humor into homes across the nation. Radio shows ranged from comedies such as *Fibber McGee and Molly*, which premiered on the National Broadcasting Company (NBC) in 1935, to sinister mysteries represented by *The Shadow*, which originated as a pulp-fiction novel series. Other radio series included dramas, westerns, and the ever-popular musical variety show.

Photojournalism captured the Depression experiences of ordinary Americans, and new forums such as *Life* magazine brought those images into the homes of thousands. Popular culture helped create a common frame of reference through mass media in new and engaging ways.

The literature of the decade likewise highlighted the concerns of Depression era Americans. Emphasizing social criticism, realistic portrayals of events and segments of the population offered rich details about American life. Erskine Caldwell's *Tobacco Road* (1932) follows a family of poor White tenant farmers in Georgia through their economic and ethical anxieties. John Steinbeck's *Of Mice and Men* (1937) traces the relationship between two displaced migrant farm laborers as they travel across California in search of work. In Richard Wright's *Native Son* (1940), 20-year-old Bigger Thomas, a poor African American living on Chicago's South Side, struggles to survive in White-dominated society.

More than any previous era, the cultural expressions of the Great Depression represented the anxieties of society and offered a realistic picture of ordinary life. Through film, photography, literature, and popular media, artists of the Depression identified strongly with ordinary people and their needs. These cultural expressions stand as witness to what it meant to live in the Depression. They offer what one historian has called "a richly subjective understanding of the mind and heart of the Depression" (Dickstein, 2009, p. xviii).

## American Experience: Surviving the Dust Bowl

In the 1930s the Great Plains, once home to massive herds of buffalo and miles of tall native grass, was the site of one of the largest ecological disasters in U.S. history. The Plains comprise more than 100



million acres and include parts of five states: Kansas, Colorado, New Mexico, Oklahoma, and Texas (Worster, 2004). During the Great Depression, farming combined with an extended drought to produce massive dust storms that became known as “black blizzards” and led to the era and the region being dubbed the Dust Bowl.



Associated Press

**This photo from April 1935 shows the devastation dust storms brought to the Great Plains during the Dust Bowl. Here an ominous cloud of topsoil overcomes a small farm in Boise City, Oklahoma.**

The rapid mechanization of farming made it possible to easily till thousands of acres of deep-rooted grasses that normally held topsoil in place. Aiming to produce grains such as corn and wheat for the world market, farmers saw the expansive and available Plains as the perfect place to build their homes and livelihoods. Whereas the native grasses that held the topsoil in place could survive on limited precipitation, the wheat fields required careful attention and constant water. On the Plains, the Depression was accompanied by high heat and a lack of rainfall. High winds and arid conditions lifted the loose topsoil and blew it away in clouds that blackened the sky, creating such intense storms that residents could not see out their windows. Some storms caused large clouds of dust to darken the skies as far away as Washington, D.C., and New York City.

Robert McCoy, who was a child in Texas when the storms began, vividly recalled a storm that rolled across the Plains on the afternoon of January 21, 1932. This storm brought a massive black cloud that rose 10,000 feet in the air and carried 60 mile-per-hour winds. McCoy remembered, “When it hit, in thirty minutes it’s just like midnight. Middle of the day was just like midnight with no stars. Just dark. You couldn’t see your hand in front of your face” (as cited in Williford, 2012). The drought and the storms ruined many farm families economically, as did the falling farm prices. Harry Forester of Boise City, Oklahoma, despaired when drought withered his crops, only to find that what wheat he was able to produce brought only 17 cents a bushel. Eventually losing his land, Forester and his family moved to a rented farm (Duncan & Burns, 2012).

As a part of the New Deal, the federal government embarked on a conservation campaign, even making a short documentary film in 1936 called *The Plow That Broke the Plains*, in an effort to convince farmers to stop tilling grasslands and preserve topsoil. Conservation efforts made little impact, however, and farmers eager to make a profit in the face of falling prices continued to place more land under cultivation. The persisting drought and dust storms combined with unemployment and economic downturn forced thousands of families to abandon their homes and farms.

Migrating west, these Okies (so named because many hailed from Oklahoma) filled migrant worker camps in California and other states, where they struggled to survive and find work. Novelist John Steinbeck devoted his Pulitzer Prize-winning novel, *The Grapes of Wrath* (1939), to following the journey of the Joad family from Oklahoma to California. It is one of the most famous cultural depictions of American life during the Great Depression, although some Plains dwellers objected that it depicted them as helpless victims. After 8 long years of drought and dust storms, rain finally returned to the region, but not before as much as 75% of the topsoil was blown away in some areas. Today Plains farming is sustained by pumping water for crop irrigation from aquifers deep underground. Only minor conservation efforts have been put in place to prevent another Dust Bowl.

### **For further reading, see:**

Egan, T. (2006). *The worst hard time: The untold story of those who survived the Great American Dust Bowl*. New York: Houghton Mifflin.

Steinbeck, J. (2006). *The grapes of wrath*. New York: Penguin Books. (Original work published 1939)



## A New Deal for Some

Most New Deal programs and agencies aimed at solving the nation's economic problems, but not all Americans benefitted equally from the creation of a welfare state safety net. Workers who came to enjoy union protection during the 1930s reaped the most from the New Deal in terms of better wages, working conditions, and unemployment insurance. Others in society, including domestic workers, women, minorities, and the aged (Social Security did not begin paying retiree benefits until 1940) were often left behind.

### Women and the New Deal

Work programs associated with the New Deal extended most benefits to men, and especially White men. When the Depression struck, only slightly more than a quarter of all women were in the paid labor force at any given time. Many women worked part time or intermittently due to their domestic responsibilities and did not qualify for work-related programs such as Social Security and unemployment compensation.

Additionally, the Roosevelt administration and the Congress excluded religious and nonprofit organizations from these benefits. This immediately disqualified thousands of women who worked as teachers, nurses, and social workers for nonprofit firms. Similar exclusions of domestic and farm workers from the programs also impacted women in need of relief, especially African Americans and Latinos who filled the bulk of jobs in those segments. Women were more likely to benefit from such programs as Aid to Dependent Children, made possible under the Social Security Act and not dependent on a person's work history (Mettler, 2012).

A few women did gain important administrative posts within the Roosevelt administration, including Frances Perkins, who served as the secretary of labor during FDR's entire presidency (1933–1945). She championed important works programs such as the CCC and the WPA and was a driving force behind the Fair Labor Standards Act. In fact, Roosevelt appointed both the first woman to hold a cabinet post (Perkins) and the first African American woman to head a federal agency.

### African Americans Search for a New Deal

At the urging of Eleanor Roosevelt, FDR appointed civil rights leader Mary McLeod Bethune to direct the Division of Negro Affairs, part of the **National Youth Administration (NYA)**. The NYA provided work and educational programs for youth ages 16 to 25. Herself a prominent educator, Bethune worked diligently to increase the participation of African American youth in the programs and to reduce the unemployment rate for young African Americans, which ran as high as 40% during the Depression (Badger, 1989).

Despite the efforts of Bethune and others, the New Deal failed to resolve the major concerns of African Americans and their allies. At the Depression's onset most African Americans still lived in the rural South. The economic crisis hit the sharecropping, tenant farming, and unskilled industrial jobs that formed the core of their employment especially hard. The National Recovery Act often exempted the occupations of African American men and women from its code benefits, and it excluded domestic work altogether at a time when 90% of domestic housekeepers were African American women (Badger, 1989). The Social Security Act similarly excluded domestic and agricultural workers, trades employing up to 65% of African Americans (Hiltzik, 2011).

The Agricultural Adjustment Administration actually worked against African Americans' interests. By paying landowners to leave large segments of their cotton farms fallow, the AAA effectively pushed thousands of African American sharecroppers and tenant farmers off their lands because landowners could earn more in government subsidy than from their share of the tenant's crop. Other relief programs administered by local officials, such as



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**Civil rights leader Mary McLeod Bethune (left) was a role model for African American professional women. Appointed director of the National Youth Administration at the urging of First Lady Eleanor Roosevelt (right), she worked tirelessly to improve the lives of African American youth during the Depression.**

the Civilian Conservation Corps, tended to give positions to White men, and even when they were employed in relief jobs, African American men were paid less. In some rural southern counties, African Americans were paid only 30% of what Whites received. Among the New Deal programs, only the NYA consistently provided work and other relief to African Americans (Hiltzik, 2011).

Racial discrimination, violence, and intimidation continued to plague African Americans during the Depression. Roosevelt denounced racial violence and lynching as murder, but he failed to convince Congress to pass an antilynching measure. His need to keep the votes of White southerners, who formed a core of his Democratic coalition, left him walking a tight line on racial matters. Within the White House, only Eleanor Roosevelt spoke out against the discriminatory practices of her husband's programs, but her influence did little to change New Deal policies.

### ***Mexican Americans and the New Deal***

Latinos faced a reality similar to African Americans during the Great Depression. Nearly a million Mexican Americans called the United States home in the 1930s, and most were first- or second-generation immigrants living in the Southwest. Latinos formed the majority of migrant farmworkers, who traveled from farm to farm picking strawberries, grapes, and other crops at harvest time. Like tenant farmers or sharecroppers, their occupations were excluded from those qualifying for aid under government work programs.

The unskilled nature of their work was similarly unrecognized under the labor organization guarantees of the National Industrial Recovery Act or the Wagner Act. California farmworkers did manage to briefly find support in the Communist-led Cannery and Agricultural Workers Industrial Union. The union led some 37 strikes in

1933 alone and won a wage increase for thousands of farmworkers. Repression by powerful California growers and the arrest of union leaders, however, led to the union's demise in 1934 (Badger, 1989).

### *The Native American New Deal*



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**John Collier, shown here with the chiefs of the Blackfoot tribes in South Dakota, was instrumental in enacting the Indian Reorganization Act.**

Native Americans were another rural group that struggled during the Depression. Since the passage of the Dawes Severalty Act (see Chapter 1) in 1887, the federal government had encouraged their assimilation into American culture, but Native Americans remained among the poorest of the nation's residents. Bureau of Indian Affairs commissioner John Collier worked tirelessly to improve conditions and programs.

Under his leadership Congress passed the **Indian Reorganization Act (IRA)** of 1934, which partially reversed the Dawes Act and secured certain rights for Native Americans. The act ended the policy of individual land allotment and returned local self-government to recognized tribes. Although the IRA did little to relieve the economic distress of individuals, it did form an important foundation for the future. It particularly marked a shift from a drive to assimilate Native Americans to the preservation and celebration of their culture and the restoration of their rights.

As commissioner, Collier also replaced boarding schools with local day schools, encouraged the revival of ancient cultures and tribal dances, and improved health services. He was able to use the resources of the Civilian Conservation Corps, the Civil Works Administration, and the Works Progress Administration to build schools and hospitals and provide limited employment opportunities. Despite Collier's efforts, little changed on reservations, and many Native Americans remained in poverty long after the New Deal ended (Badger, 1989).

## 8.4 Legacies of the New Deal

Scholars on the left and right continue to debate the legacy of the New Deal, but several conclusions can be drawn. First, despite frequent charges to the contrary, the New Deal was not an attempt to subvert the capitalist economic system and replace it with socialism. Instead of nationalizing the banks and industry, FDR saved and strengthened the private banking system, ensured the existence of family farms, and prevented the failure of many private industries.

Second, the New Deal strengthened the federal government at a time when it needed to exercise control over the economy. The debate will continue over how FDR chose to use the power of the federal government, but he left it unquestionably stronger.

Third, the New Deal initiated the concept of the welfare state in the United States and created agencies that continue to affect the lives of every American today. By ensuring that Americans have access to money to buy what they need in the private marketplace, Roosevelt completed the 20th century transformation of the United States into a consumer society.

Some have questioned Roosevelt's record on civil rights, claiming that he did not have the will to advance the cause of African Americans. Recent scholarship suggests that this view is partially incorrect and that Roosevelt's Supreme Court appointments played key roles in aligning the justices with more progressive views on racial equality (McMahon, 2004).

The final important legacy of the New Deal lies in where it fell short of its goals. The New Deal did not end the Great Depression, nor did it help some of the poorest people in America. Although some felt relief, many tenant farmers, African Americans, and migrant workers continued to struggle, and a few were in worse positions than before the Depression. The Roosevelt Recession highlighted the dire economic straits the nation continued to face. With millions of families already destroyed by the Depression, it was ironic that the global destruction caused by a world war would be the catalyst of America's resurgence.



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**Government control of farming in the 1930s forced landlords to dismiss their sharecroppers, leaving hundreds of families homeless. Many such families gathered along the highways in protest of the Agricultural Adjustment Administration.**

## A New Relationship Between Americans and Their Government

Although scholars continue to debate the legacy of the New Deal, there can be little doubt that it substantially changed the relationship between Americans and the federal government. The government's role in managing the economy greatly expanded, and it became the primary mediator in disputes between workers and employers. The New Deal programs to manage farm production continue well into the 21st century, with the government advising farmers what and when to plant and providing significant subsidies. Federal regulations oversee the banking industry, insure bank deposits, regulate the stock market, and subsidize home loans. Social Security pensions for retired Americans, disability payments, and unemployment compensation are now considered a right of citizenship and not a government handout.

Other transformations reshaped the physical United States. Hydroelectric dams and electrification programs brought electricity to rural Americans, conservation programs planted forests, and public works projects built schools, libraries, and other facilities still in use today.

## Radicalism and Rise of Organized Labor

The Great Depression also brought radical intellectuals, Communists, Socialists, labor leaders, and New Deal advocates together under a common canopy. In stark contrast to the probusiness backlash of the 1920s, during the Depression radical voices helped sway politics and public policies. Coinciding with the Second New Deal, the Communist Party, which never numbered more than 100,000 at any one time, sought to expand its influence



through alliances with other organizations. In the mid-1930s the **Popular Front** became a term for the coalition consisting of Communist Party members, socialists, and New Deal advocates who urged reform, not revolution. The tempered language of the movement afforded the Communists some mainstream, albeit temporary, respect for the first time.

Although few American workers actually joined the growing ranks of the Communist or Socialist Parties, thousands were motivated by Communist or Socialist organizers to march in the streets to demand better pay and working conditions. Radicals such as the CIO's John L. Lewis, Senator Huey P. Long, and others created a climate in which struggles for industrial unionism, unemployment relief, and even African American civil rights seemed possible (Cohen, 1990).

Federal support for organized labor also formed another important legacy of the New Deal. The militant labor activism of the era redefined the meaning of civil liberties, including freedom of speech and assembly. As industrial workers flocked into the CIO and other industrial unions, they demanded government support for their collective voice. By the end of the decade, the federal government emerged as the protector of free speech for organizations as well as individuals (Kutulas, 2006).

In 1939 the Department of Justice instituted a Civil Liberties Unit aimed at protecting freedom of thought and expression, and organizations such as the American Civil Liberties Union expanded and gained respect. Support for civil liberties and especially criticism of the government were not universal, however. The House of Representatives established an Un-American Activities Committee in 1938 to investigate potential disloyalty and subversive activities. Among the committee's targets were communists, leftists, Democrats, and labor radicals. Shortly after the eruption of World War II, Congress followed with the Smith Act of 1940 that made it a crime to teach against or advocate the overthrow of the government (Kutulas, 2006).

## A World in Crisis

The federal support for civil liberties in the United States stood in stark contrast to the new governments and philosophies emerging in Europe. The Great Depression, unlike previous economic downturns, was a global event. International trade fell by more than 30% when multiple nations, including the United States, raised tariffs to protect their own manufactured goods. Industrialized nations also sharply reduced the purchase of raw materials, leading to a further collapse in mining, agriculture, and other extractive industries.

Some European nations' economic relief policies proved more effective than the New Deal, although it is important to note that the economic downturn was greater in the United States than in most areas of Europe. At the decade's end, the U.S. unemployment rate remained above 15% and did not significantly recover until 1941, when the United States entered World War II. It was mobilization for war that finally lifted the shadow of the Depression from the nation (Kindleberger, 1986).

## Summary and Resources

### Chapter Summary

- The Great Depression that began under the presidency of Herbert Hoover continued to plague the nation through the entire decade of the 1930s.
- Elected in 1932 with great fanfare and much hope, Franklin D. Roosevelt brought Americans a New Deal to battle the nation's economic distress. His New Deal agenda sought to shore up confidence in the banking industry, regulate overproduction and underconsumption in agriculture and industry, and get Americans back to work.
- The first president to informally address the public via radio, Roosevelt instilled confidence that Americans had "nothing to fear but fear itself." But despite creating a host of alphabet-soup agencies such as the AAA, the CCC, and the TVA, by mid-decade the president's New Deal had made little headway in ending the Depression.
- Some came to argue that Roosevelt overstepped his authority, and the Supreme Court eventually ruled several of his programs unconstitutional.
- As the Depression continued and his reelection neared, Roosevelt introduced a Second New Deal that reached even farther into the federal budget and the economy and eventually altered the way Americans related to their government.
- Social Security offered old-age pensions, unemployment insurance, and aid for families with dependent children. Other legislation gave workers the right to join a union and made the federal government the mediator in workplace disputes.
- Government work programs, the largest of which was the Works Progress Administration, employed millions of Americans in building roads, bridges, schools, and even collecting the oral histories of former slaves.
- Despite all of the efforts of the New Deal, it was mobilization for World War II and the associated demand for goods made in America that ended the Great Depression. Nevertheless, the era is significant for creating the modern welfare state, changing forever the way Americans view the federal government.

## Critical Thinking Questions

1. Why was the New Deal so important in American history?
2. How did the Second New Deal differ from the first?
3. How did the Great Depression shape the literature and films of the 1930s?
4. Why was the New Deal so popular even though it did not solve the problems of the economy?
5. What was women's and minorities' New Deal experience in the 1930s?

## Additional Resources

### National Industrial Recovery Act

<http://www.ourdocuments.gov/doc.php?doc=66&page=transcript> (<http://www.ourdocuments.gov/doc.php?doc=66&page=transcript>)

This act outlined Roosevelt's first plan for rebuilding the economy and getting Americans back to work.

### President Franklin Roosevelt's Four Freedoms Message to Congress

<http://www.ourdocuments.gov/doc.php?doc=70&page=transcript> (<http://www.ourdocuments.gov/doc.php?doc=70&page=transcript>)

President Roosevelt's 1941 State of the Union address outlined four essential freedoms important to all Americans.

## Second Half of the New Deal

<http://www.ourdocuments.gov/doc.php?doc=69&page=transcript> (<http://www.ourdocuments.gov/doc.php?doc=69&page=transcript>)

This series of social and economic programs offered a Second New Deal to extend measures to deal with the problems of the Great Depression.

### Social Security Act of 1935

<http://www.ourdocuments.gov/doc.php?doc=68&page=transcript> (<http://www.ourdocuments.gov/doc.php?doc=68&page=transcript>)

This important legislation established old-age pensions, aid to the poor, and unemployment compensation.

### Tennessee Valley Authority Act

<http://www.ourdocuments.gov/doc.php?doc=65&page=transcript> (<http://www.ourdocuments.gov/doc.php?doc=65&page=transcript>)

This New Deal program brought electric service to thousands of rural Americans and provided much-needed jobs during the Depression.

### *The Plow That Broke the Plains*

[https://archive.org/details/plow\\_that\\_broke\\_the\\_plains](https://archive.org/details/plow_that_broke_the_plains)  
([https://archive.org/details/plow\\_that\\_broke\\_the\\_plains](https://archive.org/details/plow_that_broke_the_plains))

This video documents government attempts to encourage soil conservation and end the erosion of the Dust Bowl era.

## Key Terms

### Agricultural Adjustment Administration (AAA)

Created May 12, 1933, the AAA managed farm production to protect from a surplus that would drive down prices. Government agents managed production and in some cases paid farmers for leaving land out of production.

### American Liberty League

Led largely by probusiness Democrats, this organization was concerned that the New Deal programs gave the president too much power and pledged to uphold the Constitution and oppose legislation it deemed dangerous.

### Civil Works Administration (CWA)

This short-term work program was created under the FERA to give temporary work to 4 million Americans on a variety of smaller municipal projects.

### Civilian Conservation Corps (CCC)

An early New Deal agency, the CCC employed men between the ages of 18 and 25 on national conservation projects in parks, forests, and other recreational areas.

### Congress of Industrial Organizations

A labor union coalition formed in 1935 to represent industrial workers across industries such as steel making and auto production.

### court-packing plan

Roosevelt's plan to increase the number of justices on the Supreme Court from 9 to 15 so that he could appoint more justices sympathetic to his New Deal policies.

### Emergency Banking Relief Act



Signed into law on March 9, 1933, this act gave the treasury department power to inspect banks and to provide federal funds to keep banks operating.

### **Fair Labor Standards Act (FLSA)**

This law, passed in 1938, established a federal minimum wage (25 cents per hour) and set the workweek at 44 hours.

### **Farm Relief Act**

This act was a supplement to the AAA and sought to increase the number of agricultural products that fell under the agency's administration.

### **Federal Deposit Insurance Corporation (FDIC)**

The FDIC provided a government guarantee that insured bank deposits up to \$5,000, giving depositors confidence that they would not lose their money during a bank failure.

### **Federal Emergency Relief Administration (FERA)**

Originally created under the Hoover administration, this program was expanded under the New Deal to funnel relief through the states.

### **first 100 days**

During the first 100 days of his presidency, Franklin D. Roosevelt signed a series of legislation creating a host of governmental agencies aimed at curbing the suffering of the Depression and managing the economy.

### **Indian Reorganization Act (IRA)**

Passed in 1934, the IRA partially reversed the Dawes Act of 1887, ending the policies of individual land allotment and returning self-government to recognized tribes.

### **National Labor Relations Act**

Also known as the Wagner Act, this legislation offered workers a federal guarantee to join unions and engage in collective bargaining.

### **National Recovery Administration (NRA)**

This agency was established as a part of the National Industrial Recovery Act in 1933 to manage fair practices or work and production codes in multiple industries. It set prices, wages, and other business practices in an effort to manage the economy.

### **National Youth Administration (NYA)**

This work agency aimed at curbing the unemployment rate of youth ages 16 to 25. It was especially prominent in urban areas and was one of the few New Deal agencies that strove to aid African Americans, who were often disproportionately unemployed.

### **Popular Front**

A coalition of Communist Party members, Socialists, and New Deal advocates who urged reform but not radical revolution.

### **Roosevelt Recession**

The economic downturn that hit the United States in 1937. Despite the spending and work programs of the New Deal, unemployment remained high and an additional 2 million Americans lost their jobs. Additional funding for the WPA helped but did not end the Depression.

### **Second New Deal**

Five key pieces of legislation passed by Congress between July and August 1935, including the Social Security Act and the Wagner Act.

### **Share Our Wealth**

The program of Louisiana Senator Huey Long that called for a radical redistribution of wealth, free college tuition, pensions for the elderly and a shorter work week.

### **Social Security Act**

This act established the foundation of the American welfare state and included old-age pensions, unemployment insurance, and aid to families with dependent children.

### **Tennessee Valley Authority (TVA)**

The TVA aimed to build dams along the Tennessee River and bring electricity to dozens of rural communities. The temporary construction jobs made a lasting impact on the lives of millions by bringing them into the modern era.

### **21st Amendment**

The constitutional amendment that repealed the 18th Amendment and overturned the ban on the sale and production of alcoholic beverages.

### **Works Progress Administration (WPA)**

Authorized in 1935, the WPA employed more than 8.5 million Americans in building bridges, roads, schools, and airports. It also employed artists, historians, and writers to compile and preserve culture.