

CHAPTER  
**23**

# THE NEW DEAL



The Civilian Conservation Corps put unemployed young men to work during the Great Depression.

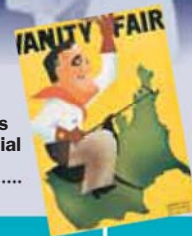
**1933** Franklin Delano Roosevelt is inaugurated.



**1934** Congress creates the SEC to regulate the stock market.

**1934** Indian Reorganization Act is passed.

**1935** Congress passes the Social Security Act.



**1936** President Roosevelt is reelected.

USA  
WORLD

**1933**

**1934**

**1935**

**1936**

**1933** Hitler and the Nazi party come to power in Germany.



**1935** Mussolini leads Italian invasion of Ethiopia.

**1935** British Parliament passes the Government of India Act.

**1936** Civil war begins in Spain.



# INTERACT

## WITH HISTORY

It is 1933, the height of the Great Depression. Thousands of banks and businesses have failed, and a quarter of the adult population is out of work. Now a new president takes office, promising to bring relief to the ailing economy.

*How would you begin to revive the economy?*

### Examine the Issues

- How can the government help failing industries?
- What can be done to ease unemployment?
- What would you do to restore public confidence and economic security?
- How would you get money to pay for your proposed recovery programs?



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**1937** Labor unions begin using sit-down strikes.

**1938** Route 66 is completed, linking Chicago, Illinois, to Los Angeles, California.

**1939** *The Wizard of Oz* is released in movie theaters.

**1940** President Roosevelt is elected a third time.

**1937**

**1937** Japan invades Northern China.

**1937** Hindenburg disaster



**1938**

**1939**

**1939** Germany invades Poland.

**1940**





SECTION  
1

# A New Deal Fights the Depression

## MAIN IDEA

After becoming president, Franklin Delano Roosevelt used government programs to combat the Depression.

## WHY IT MATTERS NOW

Americans still benefit from programs begun in the New Deal, such as bank and stock market regulations and the Tennessee Valley Authority.

## Terms & Names

- Franklin Delano Roosevelt
- New Deal
- Glass-Steagall Act
- Federal Securities Act
- Agricultural Adjustment Act (AAA)
- Civilian Conservation Corps (CCC)
- National Industrial Recovery Act (NIRA)
- deficit spending
- Huey Long

## One American's Story

Hank Oettinger was working as a printing press operator in a small town in Wisconsin when the Great Depression began. He lost his job in 1931 and was unemployed for the next two years. In 1933, however, President Roosevelt began creating work programs. 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 HANK OETTINGER

“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.”

—quoted in *Hard Times*

Programs like the CWA raised the hopes of the American people and sparked great enthusiasm for the new president. 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.



▲ The Civil Works Administration enabled these men to get jobs repairing typewriters and sewing machines.

## Americans Get a New Deal

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



**ELECTING FRANKLIN DELANO ROOSEVELT** Although the Republicans renominated President Hoover as their candidate, they recognized he had little chance of winning. Too many Americans blamed Hoover for doing too little about the depression and wanted a new president. 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 former president Theodore Roosevelt.

As governor, FDR had proved to be an effective, reform-minded leader, working to combat the problems of unemployment and poverty. Unlike Hoover, Roosevelt possessed a “can-do” attitude and projected an air of friendliness and confidence that attracted voters.

Indeed, Roosevelt won an overwhelming victory, capturing nearly 23 million votes to Hoover’s nearly 16 million. 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 the November election and his inauguration as president in March 1933. The 20th Amendment, which moved presidential inaugurations to January, was not ratified until February 1933 and did not apply to the 1932 election.

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 that came to be 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**, a phrase taken from 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. **A**

**THE HUNDRED DAYS** On taking office, the Roosevelt administration launched 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.

**MAIN IDEA**

**Summarizing**

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

**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 became partially paralyzed from the waist down. He struggled to regain the use of his legs, and he eventually learned to stand with the help of 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 disability.



**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. A popular public speaker, Eleanor was particularly interested in child welfare, housing reform, and equal rights for women and minorities. 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.”



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. He persuaded Congress to pass the Emergency 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 gave the first of his many fireside chats—radio talks about issues of public concern, explaining in clear, simple language his New Deal measures. These informal 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, "and it is up to you to support and make it work." He explained the banking system to listeners.

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

FRANKLIN DELANO ROOSEVELT

**A PERSONAL VOICE** FRANKLIN DELANO ROOSEVELT

**"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 that 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 average citizen."**

The president then explained that when too many people demanded their savings in cash, banks would fail. This was not because banks were weak but because even strong banks could not meet such heavy demands. Over the next few weeks, many Americans returned their savings to banks. **B**

**REGULATING BANKING AND FINANCE** Congress took another step to reorganize the banking system by passing the **Glass-Steagall Act** of 1933, which established the Federal Deposit Insurance Corporation (FDIC). The FDIC provided federal insurance for individual bank accounts of up to \$5,000, reassuring millions of bank customers that their money was safe. It also required banks to act cautiously with their customers' money.

Congress and the president also worked to regulate the stock market, in which people had lost faith because of 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. In June of 1934, Congress created the Securities and Exchange Commission (SEC) to regulate the stock market. One goal of this commission was to prevent people with inside information about companies from "rigging" the stock market for their own profit.

In addition, Roosevelt persuaded Congress to approve a bill allowing the manufacture and sale of some alcoholic beverages. The bill's main purpose was to raise government revenues by taxing alcohol. By the end of 1933, the passage of the 21st Amendment had repealed prohibition altogether.

Franklin D. Roosevelt holds his dog Fala and talks to a young family friend.



**MAIN IDEA**

**Evaluating Leadership**

**B** How successful was FDR's fireside chat?


## Helping the American People

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

**RURAL ASSISTANCE** 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. 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.

An especially ambitious program of regional development was the Tennessee Valley Authority (TVA), established on May 18, 1933. (See Geography Spotlight on page 726.) Focusing on the badly depressed Tennessee River Valley, the TVA renovated five existing dams and constructed 20 new ones, created thousands of jobs, and provided flood control, hydroelectric power, and other benefits to an impoverished region.

**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. By the time the program ended in 1942, almost 3 million young men had passed through the CCC. 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 and lodging in work camps. 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.

The Public Works Administration (PWA), created in June 1933 as part of the **National Industrial Recovery Act (NIRA)**, provided money to states to create jobs 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 in November 1933. It provided 4 million immediate jobs during the winter of 1933–1934. Although some critics of the CWA claimed that the programs were “make-work” projects and a waste of money, 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. 

### Background

See *supply and demand* on page R46 in the Economics Handbook.


### Civilian Conservation Corps

- The CCC provided almost 3 million men aged 18–25 with work and wages between 1933 and 1942.
- The men lived in work camps under a strict regime. The majority of the camps were racially segregated.
- By 1938, the CCC had an 11 percent African-American enrollment.
- Accomplishments of the CCC include planting over 3 billion trees, developing over 800 state parks, and building more than 46,000 bridges.



### MAIN IDEA

#### Analyzing Effects

 How did New Deal programs affect various regions of the United States?



**PROMOTING FAIR PRACTICES** The NIRA also 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 and established standards. The aim of the NRA was to promote recovery by interrupting the trend of wage cuts, falling prices, and layoffs. The economist Gardiner C. Means attempted to justify the NRA by stating the goal of industrial planning.

**A PERSONAL VOICE** GARDINER C. MEANS

“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.”

—*The Making of Industrial Policy*

The codes of fair practice had been drafted in joint meetings of businesses and representatives of workers and consumers. 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. **D**


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.

**MAIN IDEA**

**Evaluating**

**D** How did the New Deal support labor organizations?

**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 should spend its way out of a depression 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. (See *deficit spending* on page R39 and *Keynesian economics* on page R42 in the Economics Handbook.)

**FOOD, CLOTHING, AND SHELTER** 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 1934 National Housing Act created the Federal Housing Administration (FHA). This agency continues to furnish loans for home mortgages and repairs today.

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. The rest was distributed to states to support work relief programs—for every \$3 within the state program, FERA donated \$1. Harry Hopkins, who headed this program, believed that, whereas money helped people buy food, it was meaningful work that enabled them to gain confidence and self-respect.

## The New Deal Comes Under Attack

By the end of the Hundred Days, millions of Americans had benefited from the New Deal programs. As well, the public's confidence in the nation's future had rebounded. Although President Roosevelt agreed to a policy of **deficit spending**—spending more money than the government receives in revenue—he did so with great reluctance. He regarded deficit spending as a necessary evil to be used only at a time of great economic crisis. Nevertheless, the New Deal did not end the depression, and opposition grew among some parts of the population.

## Analyzing Political Cartoons

### CHANGING COURSE

With hopes of lessening opposition to his programs, Roosevelt proposed a court reform bill that would essentially have allowed him to “pack” the Court with judges supportive of the New Deal. This cartoon shows Roosevelt as a sea captain ordering a shocked Congress to change course.

### SKILLBUILDER Analyzing Political Cartoons

1. What “compass” did Roosevelt want to change? Explain.
2. How does the cartoonist portray FDR’s attitude regarding his power as president?

SEE SKILLBUILDER HANDBOOK, PAGE R24.



### MAIN IDEA

#### Contrasting

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

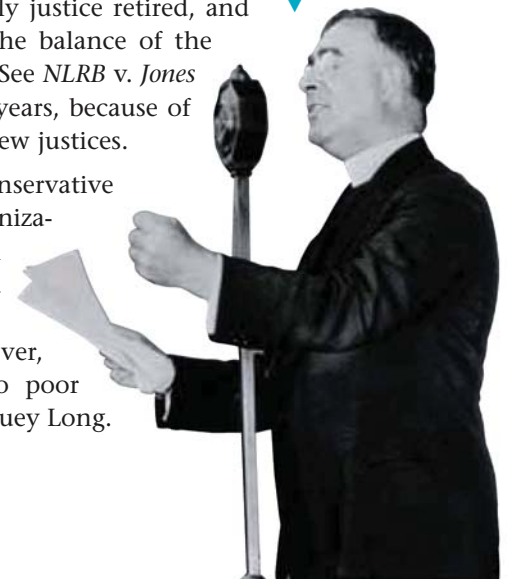
Liberal critics argued that the New Deal did not go far enough to help the poor and to reform the nation’s economic system. Conservative critics argued that Roosevelt spent too much on direct relief and used New Deal policies to control business and socialize the economy. Conservatives were particularly 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 critics believed the New Deal interfered with the workings of a free-market economy. **E**

**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. It declared that the law gave legislative powers to the executive branch and that the enforcement of industry codes within states went beyond the federal government’s constitutional powers to regulate 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 by the federal government.

Fearing that further Court decisions might dismantle the New Deal, President Roosevelt proposed in February 1937 that Congress enact a court-reform bill to reorganize the federal judiciary and allow him to appoint six new Supreme Court justices. This “Court-packing bill” 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. As it turned out, the president got his way without reorganizing the judiciary. In 1937, an elderly justice retired, and Roosevelt appointed the liberal Hugo S. Black, shifting the balance of the Court. Rulings of the Court began to favor the New Deal. (See *NLRB v. Jones and Laughlin Steel Corp.* on page 502.) Over the next four years, because of further resignations, Roosevelt was able to appoint seven new justices.

**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. The American Liberty League opposed New Deal measures that it believed violated respect for the rights of individuals and property. Three of the toughest critics the president faced, however, were three men who expressed views that appealed to poor Americans: Charles Coughlin, Dr. Francis Townsend, and Huey Long.

Father Charles Coughlin speaks to a radio audience in 1935.





Every Sunday, Father Charles Coughlin, a Roman Catholic priest from a suburb of Detroit, 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 as many as 40–45 million people, but his increasingly anti-Semitic (anti-Jewish) views eventually cost him support.

**Vocabulary**  
**nationalization:**  
 conversion from private to governmental ownership

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 found strong backing among the elderly, thus undermining their support for Roosevelt.

Perhaps the most serious challenge to the New Deal came from Senator **Huey Long** of Louisiana. Like Coughlin, Long was an early supporter of the New Deal, but he, too, 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.



Huey Long

**A PERSONAL VOICE** HUEY LONG

"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."

—Record, 74 Congress, Session 1

Long's program was so popular that by 1935 he boasted of having perhaps as many as 27,000 Share-Our-Wealth clubs and 7.5 million members. That same year, 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 much more needed to be done to help the people and to solve the nation's economic problems.

SECTION 1

ASSESSMENT

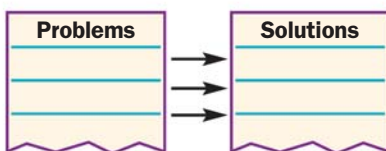
**1. TERMS & NAMES** For each of the terms and names below, write a sentence explaining its significance.

- Franklin Delano Roosevelt
- Federal Securities Act
- Civilian Conservation Corps (CCC)
- deficit spending
- New Deal
- Agricultural Adjustment Act (AAA)
- National Industrial Recovery Act (NIRA)
- Huey Long
- Glass-Steagall Act

**MAIN IDEA**

**2. TAKING NOTES**

In a two-column chart, list problems that President Roosevelt confronted and how he tried to solve them.



Write a paragraph telling which solution had the greatest impact, and why.

**CRITICAL THINKING**

**3. EVALUATING**

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. EVALUATING LEADERSHIP**

Do you think Roosevelt was wrong to try to "pack" the Supreme Court with those in favor of the New Deal? Explain your answer.

**5. DEVELOPING HISTORICAL PERSPECTIVE**

The New Deal has often been referred to as a turning point in American history. Cite examples to explain why.

# The Second New Deal Takes Hold

## MAIN IDEA

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

## WHY IT MATTERS NOW

Second New Deal programs continue to assist homebuyers, farmers, workers, and the elderly in the 2000s.

## Terms & Names

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

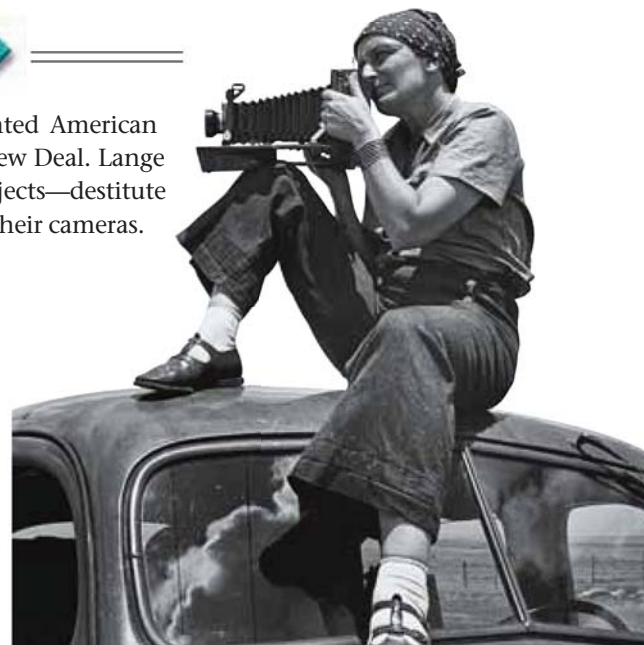
## One American's Story

Dorothea Lange was a photographer who documented American life during the Great Depression and the era of the New Deal. Lange spent considerable time getting to know her subjects—destitute migrant workers—before she and her assistant set up their cameras.

### A PERSONAL VOICE DOROTHEA LANGE

“So often it's just sticking around and remaining there, not swooping in and swooping out in a cloud of dust. . . . We found our way in . . . not too far away from the people we were working with. . . . The people who are garrulous and wear their heart on their sleeve and tell you everything, that's one kind of person. But the fellow who's hiding behind a tree and hoping you don't see him, is the fellow that you'd better find out why.”

—quoted in *Restless Spirit: The Life and Work of Dorothea Lange*



▲ Dorothea Lange taking photographs on the Texas plains in 1934.

Lange also believed that her distinct limp, the result of a childhood case of polio, worked to her advantage. Seeing that Lange, too, had suffered, people were kind to her and more at ease.

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

## 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.





▲ Eleanor Roosevelt visits a children's hospital in 1937.

Nevertheless, the New Deal enjoyed widespread popularity, and 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.

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. Eleanor Roosevelt traveled the country, observing social conditions and reminding the president about the suffering of the nation's people. She also urged him to appoint women to government positions. **A**

**REELECTING FDR** The Second New Deal was under way by the time of the 1936 presidential election. The Republicans nominated Alfred Landon, the governor of Kansas, while the Democrats, of course, nominated President Roosevelt for a second term. The election resulted in an overwhelming victory for the Democrats, who won the presidency and large majorities in both houses. The election marked the first time that most

African Americans had voted Democratic rather than Republican, and the first time that labor unions gave united support to a presidential candidate. The 1936 election was a vote of confidence in FDR and the New Deal.

**MAIN IDEA**

**Summarizing**

**A** Why did Roosevelt launch the Second Hundred Days?

## Helping Farmers

In the mid-1930s, two of every five farms in the United States were mortgaged, and thousands of small farmers lost their farms. The novelist John Steinbeck described the experience of one tenant farmer and his family.

**A PERSONAL VOICE** JOHN STEINBECK

“Across the dooryard the tractor cut, and the hard, foot-beaten ground was seeded field, and the tractor cut through again; the uncut space was ten feet wide. And back he came. The iron guard bit into the house-corner, crumbled the wall, and wrenched the little house from its foundation so that it fell sideways, crushed like a bug. . . . The tractor cut a straight line on, and the air and the ground vibrated with its thunder. The tenant man stared after it, his rifle in his hand. His wife was beside him, and the quiet children behind. And all of them stared after the tractor.”

—*The Grapes of Wrath*



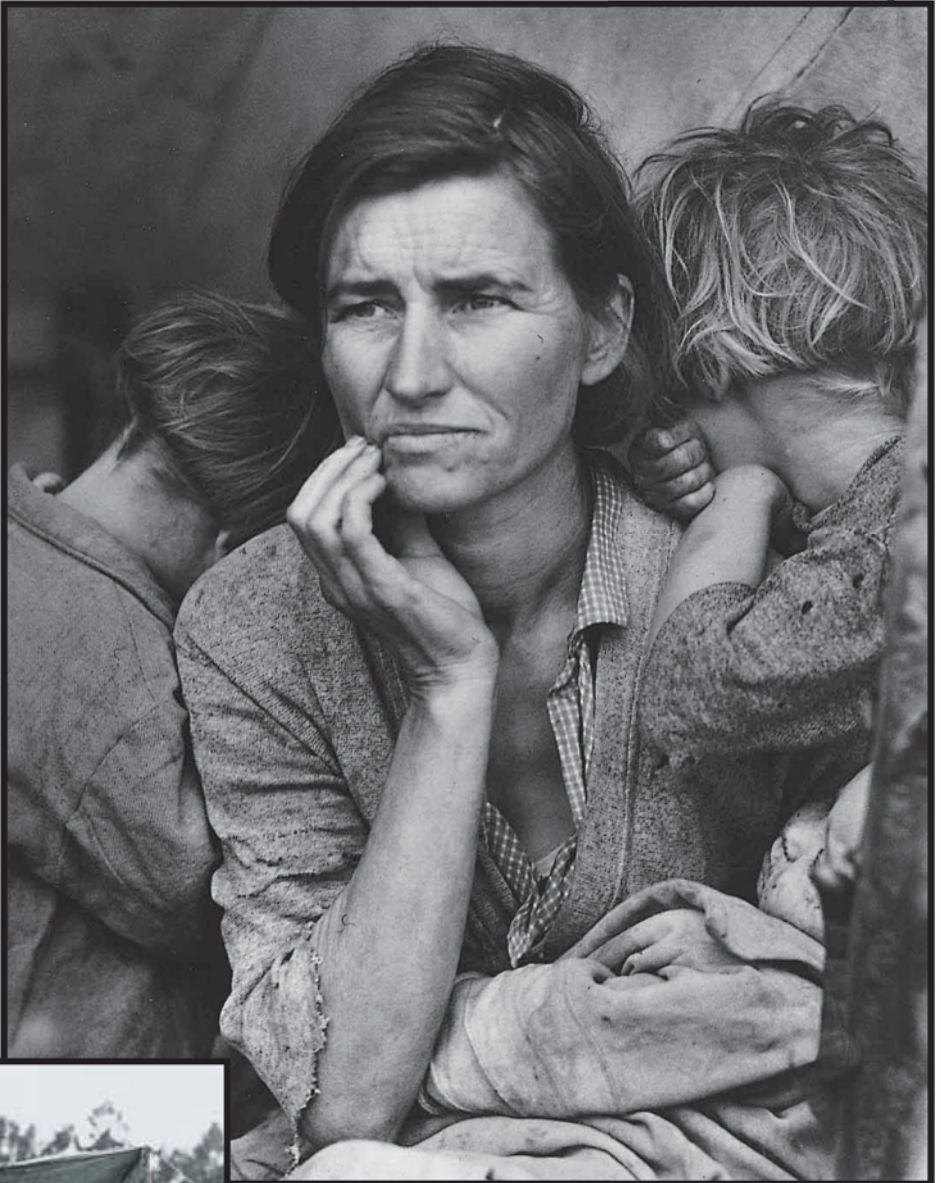
▲ A poster promotes the movie adaption of John Steinbeck's novel *The Grapes of Wrath*.

**FOCUSING ON FARMS** When the Supreme Court struck down the AAA early in 1936, Congress passed another law to replace it: the Soil Conservation and Domestic Allotment Act. This act paid farmers for cutting production of soil-depleting crops and rewarded farmers for practicing good soil conservation methods. Two years later, in 1938, Congress approved a second Agricultural Adjustment Act that brought back many features of the first AAA. The second AAA did not include a processing tax to pay for farm subsidies, a provision of the first AAA that the Supreme Court had declared unconstitutional.

**“MIGRANT MOTHER” (1936),  
DOROTHEA LANGE**

In February 1936, Dorothea Lange visited a camp in Nipomo, California, where some 2,500 destitute pea pickers lived in tents or, like this mother of seven children, in lean-tos. Lange talked briefly to the woman and then took five pictures, successively moving closer to her subjects and directing more emphasis on the mother. The last photo, “Migrant Mother” (at right), was published in the *San Francisco News* March 10, 1936.

“Migrant Mother” became one of the most recognizable symbols of the Depression and perhaps the strongest argument in support of New Deal relief programs. Roy Stryker, who hired Lange to document the harsh living conditions of the time, described the mother: “She has all the suffering of mankind in her, but all the perseverance too. A restraint and a strange courage.”



◀ Lange reflected upon her assignment. “I saw and approached the hungry and desperate mother, as if drawn by a magnet. . . . 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.”

**SKILLBUILDER Interpreting Visual Sources**

1. What might the woman be thinking about? Why do you think so?
2. Why do you think “Migrant Mother” was effective in persuading people to support FDR’s relief programs?



SEE SKILLBUILDER HANDBOOK, PAGE R23.



The Second New Deal also attempted to help sharecroppers, migrant workers, and many other poor farmers. The Resettlement Administration, created by executive order in 1935, provided monetary loans to small farmers to buy land. In 1937, the agency was replaced by the Farm Security Administration (FSA), which loaned more than \$1 billion to help tenant farmers become landholders and established camps for migrant farm workers, who had traditionally lived in squalid housing.

The FSA hired 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. The agency used their photographs to create a pictorial record of the difficult situation in rural America.

## Roosevelt Extends Relief

As part of the Second New Deal, the Roosevelt administration and Congress set up a series of programs to help youths, professionals, and other workers. One of the largest 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. Between 1935 and 1943, it spent \$11 billion to give jobs to more than 8 million workers, most of them unskilled. These workers built 850 airports throughout the country, constructed or repaired 651,000 miles of roads and streets, and put up more than 125,000 public buildings. Women workers in sewing groups made 300 million garments for the needy. Although criticized by some as a make-work project, the WPA produced public works of lasting value to the nation and gave working people a sense of hope and purpose. 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."

In addition, the WPA employed many professionals who wrote guides to cities, collected historical slave narratives, painted murals on the walls of schools

This photograph ►  
by Margaret  
Bourke-White  
shows people  
waiting for food in  
a Kentucky bread  
line in 1937.



**MAIN IDEA**

**Evaluating**

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

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. **B**

Another program, the **National Youth Administration** (NYA), was created specifically to provide education, jobs, counseling, and recreation for young people. The NYA provided student aid to high school, college, and graduate students. In exchange, students worked in part-time positions at their schools. One participant later described her experience.

**A PERSONAL VOICE** HELEN FARMER

“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.”

—quoted in *The Great Depression*

For graduates unable to find jobs, or youth who had dropped out of school, the NYA provided part-time jobs, such as working on highways, parks, and the grounds of public buildings.



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

## Improving Labor and Other Reforms

In a speech to Congress in January 1935, the president declared, “When a man is convalescing from an illness, wisdom dictates not only cure of the symptoms but also removal of their cause.” During the Second New Deal, Roosevelt, with the help of Congress, brought about important reforms in the areas of labor relations and economic security for retired workers. (See the chart on page 706.)

**IMPROVING LABOR CONDITIONS** In 1935, the Supreme Court declared the NIRA unconstitutional, citing that the federal government had violated legislative authority reserved for individual states. One of the first reforms of the Second New Deal was passage of the National Labor Relations Act. More commonly called the **Wagner Act**, after its sponsor, Senator Robert F. Wagner of New York, the act reestablished the NIRA provision of collective bargaining. The federal government again protected the right of workers to join unions and engage in collective bargaining with employers.

The Wagner Act also prohibited unfair labor practices such as threatening workers, firing union members, and interfering with union organizing. The act set up the National Labor Relations Board (NLRB) to hear testimony about unfair practices and to hold elections to find out if workers wanted union representation. **C**

In 1938, Congress passed the Fair Labor Standards Act, which set maximum hours at 44 hours per week, decreasing to 40 hours after two years. It also set minimum wages at 25 cents an hour, increasing to 40 cents an hour by 1945. In addition, the act set rules for the employment of workers under 16 and banned hazardous work for those under 18.

**MAIN IDEA**

**Analyzing Issues**

**C** Why was the Wagner Act significant?



## New Deal Programs

### EMPLOYMENT PROJECTS

- 1933 Civilian Conservation Corps (CCC)
- 1933 Federal Emergency Relief Administration (FERA)
- 1933 Public Works Administration (PWA)
- 1933 Civil Works Administration (CWA)
- 1935 Works Progress Administration (WPA)
  
- 1935 National Youth Administration (NYA)

### PURPOSE

Provided jobs for single males on conservation projects.

Helped states to provide aid for the unemployed.

Created jobs on government projects.

Provided work in federal jobs.

Quickly created as many jobs as possible—from construction jobs to positions in symphony orchestras.

Provided job training for unemployed young people and part-time jobs for needy students.



### BUSINESS ASSISTANCE AND REFORM

- 1933 Emergency Banking Relief Act (EBRA)
- 1933 Federal Deposit Insurance Corporation (FDIC)
- 1933 National Recovery Administration (NRA)
- 1934 Securities and Exchange Commission (SEC)
- 1935 Banking Act of 1935
  
- 1938 Food, Drug and Cosmetic Act (FDC)

Banks were inspected by Treasury Department and those stable could reopen.

Protected bank deposits up to \$5,000. (Today, accounts are protected up to \$100,000.)

Established codes of fair competition.

Supervised the stock market and eliminated dishonest practices.

Created seven-member board to regulate the nation's money supply and the interest rates on loans.

Required manufacturers to list ingredients in foods, drugs, and cosmetic products.



### FARM RELIEF AND RURAL DEVELOPMENT

- 1933 Agricultural Adjustment Administration (AAA)
- 1933 Tennessee Valley Authority (TVA)
  
- 1935 Rural Electrification Administration (REA)

Aided farmers and regulated crop production.

Developed the resources of the Tennessee Valley.

Provided affordable electricity for isolated rural areas.



### HOUSING

- 1933 Home Owners Loan Corporation (HOLC)
  
- 1934 Federal Housing Administration (FHA)
  
- 1937 United States Housing Authority (USHA)

Loaned money at low interest to homeowners who could not meet mortgage payments.

Insured loans for building and repairing homes.

Provided federal loans for low-cost public housing.

### LABOR RELATIONS

- 1935 National Labor Relations Board (Wagner Act)
  
- 1938 Fair Labor Standards Act

Defined unfair labor practices and established the National Labor Relations Board (NLRB) to settle disputes between employers and employees.

Established a minimum hourly wage and a maximum number of hours in the workweek for the entire country.

Set rules for the employment of workers under 16 and banned hazardous factory work for those under 18.

### RETIREMENT

- 1935 Social Security Administration

Provided a pension for retired workers and their spouses and aided people with disabilities.

**THE SOCIAL SECURITY ACT** One of the most important achievements of the New Deal was creating the Social Security system. The **Social Security Act**, 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 a supplemental retirement plan. Half of the funds came from the worker and half from the employer. Although some groups were excluded from the system, it helped to make retirement comfortable for millions of people.
- *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.

**MAIN IDEA**

**Drawing Conclusions**

**D** Whom did Social Security help?

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. **D**

**EXPANDING AND REGULATING UTILITIES** The Second New Deal also included laws to promote rural electrification and to regulate public utilities. In 1935, only 12.6 percent of American farms had electricity. Roosevelt established under executive order the Rural Electrification Administration (REA), which financed and worked with electrical cooperatives to bring electricity to isolated areas. By 1945, 48 percent of America’s farms and rural homes had electricity. That figure rose to 90 percent by 1949.

The Public Utility 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 overcome the Great Depression, it assisted many different groups in the nation, including women, African Americans, and Native Americans.

**SECTION 2**

**ASSESSMENT**

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

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

**MAIN IDEA**

**2. TAKING NOTES**

Create a chart similar to the one below to show how groups such as farmers, the unemployed, youth, and retirees were helped by Second New Deal programs.

Second New Deal	
Group	How Helped

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

**CRITICAL THINKING**

**3. EVALUATING DECISIONS**

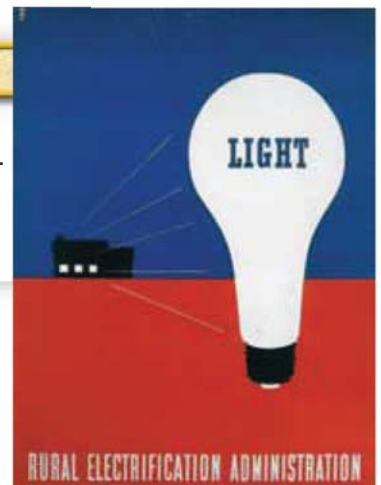
Why might the Social Security Act be considered the most important achievement of the New Deal?

**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

**4. INTERPRETING VISUAL SOURCES**

Many WPA posters were created to promote New Deal programs—in this case the Rural Electrification Administration. How does this poster’s simplistic design convey the program’s goal?







## NLRB v. JONES AND LAUGHLIN STEEL CORP. (1937)

**ORIGINS OF THE CASE** In 1936, the Jones and Laughlin Steel Corporation was charged with intimidating union organizers and firing several union members. The National Labor Relations Board (NLRB) found the company guilty of “unfair labor practices” and ordered it to rehire the workers with back pay.

**THE RULING** The Supreme Court ruled that Congress had the power to regulate labor relations and confirmed the authority of the NLRB.

### LEGAL REASONING

In the 1935 National Labor Relations Act, or Wagner Act, Congress claimed that its authority to regulate labor relations came from the commerce clause of the Constitution. Jones and Laughlin Steel argued that its manufacturing business did not involve interstate commerce—it operated a plant and hired people locally.

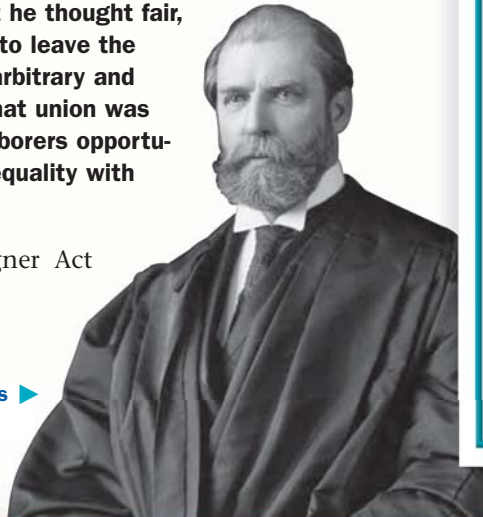
The Court disagreed. Although production itself may occur within one state, it said, production is a part of the interstate “flow of commerce.” If labor unrest at a steel mill would create “burdens and obstructions” to interstate commerce, then Congress has the power to prevent labor unrest at the steel mill.

The Court also explained that the act went “no further than to safeguard the right of employees to self-organization and to select representatives . . . for collective bargaining.” Departing from earlier decisions, the Court affirmed that these are “fundamental” rights.

**“Long ago we . . . said . . . that a single employee was helpless in dealing with an employer; that he was dependent . . . on his daily wage for the maintenance of himself and family; that, if the employer refused to pay him the wages that he thought fair, he was . . . unable to leave the employ and resist arbitrary and unfair treatment; that union was essential to give laborers opportunity to deal on an equality with their employer.”**

As a result, the Wagner Act was allowed to stand.

Chief Justice Charles  
Evans Hughes ▶



### LEGAL SOURCES

#### LEGISLATION

##### U.S. CONSTITUTION, ARTICLE 1, SECTION 8 (COMMERCE CLAUSE)

“The Congress shall have Power . . . To regulate Commerce with foreign Nations and among the several States.”

##### NATIONAL LABOR RELATIONS ACT (1935)

“The term ‘affecting commerce’ means . . . tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.”

“It shall be an unfair labor practice for an employer . . . to interfere with, restrain, or coerce employees in the exercise of the rights [to organize unions].”

#### RELATED CASES

##### SCHECHTER POULTRY CORP. v. UNITED STATES (1935)

The Court struck down the National Industrial Recovery Act, a key piece of New Deal legislation.



◀ Choosing to work despite the strike, a storekeeper at the Jones and Laughlin Steel Corporation tries to pass through picket lines.

## WHY IT MATTERED

The 1935 Wagner Act was one of the most important pieces of New Deal legislation. Conservative justices on the Supreme Court, however, thought New Deal legislation increased the power of the federal government beyond what the Constitution allowed. By the time the Jones and Laughlin case reached the Court in 1937, the Court had already struck down numerous New Deal laws. It appeared to many as if the Wagner Act was doomed.

In February 1937, Roosevelt announced a plan to appoint enough justices to build a Court majority in favor of the New Deal. Critics immediately accused Roosevelt of trying to pack the Supreme Court, thus crippling the Constitution's system of checks and balances.

Two months later, the Court delivered its opinion in *Jones and Laughlin* and at about the same time upheld other New Deal legislation as well. Most historians agree that the Court's switch was not a response to Roosevelt's "Court-packing" plan, which already seemed destined for failure. Nevertheless, the decision resolved a potential crisis.

## HISTORICAL IMPACT

The protection that labor unions gained by the Wagner Act helped them to grow quickly. Union membership among non-farm workers grew from around 12 percent in 1930 to around 31 percent by 1950. This increase helped improve the economic standing of many working-class Americans in the years following World War II.

Most significantly, *Jones and Laughlin* greatly broadened Congress's power. Previously, neither the federal nor the state governments were thought to have sufficient power to control the large corporations and holding companies doing business in many states. Now, far beyond the power to regulate interstate commerce, Congress had the power to regulate anything "essential or appropriate" to that function. For example, federal laws barring discrimination in hotels and restaurants rest on the Court's allowing Congress to decide what is an "essential or appropriate" subject of regulation.

More recently, the Court has placed tighter limits on Congress's power to regulate interstate commerce. In *United States v. Lopez* (1995), the Court struck down a law that banned people from having handguns near a school. The Court said Congress was not justified in basing this law on its power to regulate interstate commerce.

## THINKING CRITICALLY

### CONNECT TO HISTORY

- 1. Developing Historical Perspective** Lawyers for Jones and Laughlin said that the Wagner Act violated the Tenth Amendment. Chief Justice Hughes said that since the act fell within the scope of the commerce clause, the Tenth Amendment did not apply. Read the Tenth Amendment and then write a paragraph defending Hughes's position.



SEE SKILLBUILDER HANDBOOK, PAGE R11.

### CONNECT TO TODAY

- 2. INTERNET ACTIVITY** [CLASSZONE.COM](https://www.classzone.com)

Visit the links for Historic Decisions of the Supreme Court and read the opening sections of *United States v. Lopez*. There, Chief Justice Rehnquist offers a summary of the Court's interpretation of the commerce clause over the years. Summarize in your own words Rehnquist's description of the current meaning of the commerce clause.



# The New Deal Affects Many Groups

## MAIN IDEA

New Deal policies and actions affected various social and ethnic groups.

## WHY IT MATTERS NOW

The New Deal made a lasting impact on increasing the government's role in the struggle for equal rights.

## Terms & Names

- Frances Perkins
- Mary McLeod Bethune
- John Collier
- New Deal coalition
- Congress of Industrial Organizations (CIO)

## One American's Story

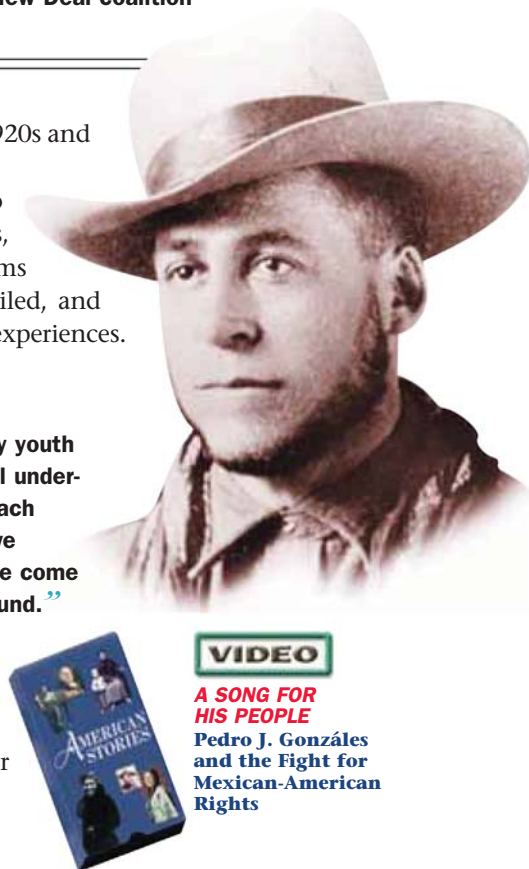
Pedro J. González came to this country from Mexico in the early 1920s and later became a United States citizen. As the first Spanish-language disc jockey in Los Angeles, González used his radio program to condemn discrimination against Mexicans and Mexican Americans, who were often made scapegoats for social and economic problems during the Depression. For his efforts, González was arrested, jailed, and deported on trumped-up charges. Later in life, he reflected on his experiences.

### A PERSONAL VOICE PEDRO J. GONZÁLEZ

“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 ‘wetbacks.’ They say we come to this land and it’s not our home. Actually, it’s the other way around.”

—quoted in the *Los Angeles Times*, December 9, 1984

Pedro J. González became a hero to many Mexican Americans and a symbol of Mexican cultural pride. His life reflected some of the difficulties faced by Mexicans and other minority groups in the United States during the New Deal era.



## The New Deal Brings New Opportunities

In some ways, the New Deal represented an important opportunity for minorities and women, but what these groups gained was limited. Long-standing patterns of prejudice and discrimination continued to plague them 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 government positions. **Frances Perkins** became America's first female cabinet member. As secretary of labor, she played a major role in creating the Social Security system and super-

vised labor legislation. President Roosevelt, encouraged by his wife Eleanor and seeking the support of women voters, also appointed two female diplomats and a female federal judge.

However, women continued to face discrimination in the workplace from male workers who believed that working women took jobs away from men. 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.

Additionally, New Deal laws yielded mixed results. The National Recovery Administration, for example, set wage codes, some of which set lower minimum wages for women. The Federal Emergency Relief Administration and the Civil Works Administration hired far fewer women than men, and the Civilian Conservation Corps hired only men.

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.

## African-American Activism


The 1930s witnessed a growth of activism by African Americans. One notable figure was A. Philip Randolph, who organized the country's first all-black trade union, the Brotherhood of Sleeping Car Porters. His work and that of others laid the groundwork for what would become the civil rights movement.

**AFRICAN AMERICANS TAKE LEADERSHIP ROLES** During the New Deal, Roosevelt appointed more than 100 African Americans to key positions in the government. **Mary McLeod Bethune**—an educator who dedicated herself to promoting opportunities for young African Americans—was one such appointee. Hired by the president to head the Division of Negro Affairs of the National Youth Administration, 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. Among these figures were William H. Hastie and Robert C. Weaver, both appointees to Roosevelt’s Department of Interior. Never before had so many African Americans had a voice in the White House. **A**

Eleanor Roosevelt played a key role in opening doors for African Americans in government. She was also instrumental in bringing about one of the most dramatic cultural events of the

**KEY PLAYER**



**FRANCES PERKINS**  
1882–1965

As a student at Mount Holyoke College, Frances Perkins attended lectures that introduced her to social reform efforts. Her initial work in the settlement house movement sparked her interest in pursuing the emerging social service organizations. After witnessing the Triangle Shirtwaist Factory fire in 1911 (see Chapter 14, page 455), Perkins pledged to fight for labor reforms, especially those for women. A pioneer for labor and women's issues, she changed her name from Fannie to Frances, believing she would be taken more seriously in her work.

### MAIN IDEA

#### Synthesizing

**A** Why was the “Black Cabinet” important to the Roosevelt administration?



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





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

period: a performance by 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 resigned from the organization. She then arranged for Anderson to perform at the Lincoln Memorial on Easter Sunday. At the concert, Walter White, an official of the NAACP, noticed one girl in the crowd.

#### **A PERSONAL VOICE** WALTER WHITE

**“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.”**

—A Man Called White

**THE PRESIDENT FAILS TO SUPPORT CIVIL RIGHTS** Despite efforts to promote racial equality, Roosevelt was never committed to full civil rights for African Americans. He was afraid of upsetting white Democratic voters in the South, an important segment of his supporters. He refused to approve a federal antilynching law and an end to the poll tax, two key goals of the civil rights movement. Further, a number of New Deal agencies clearly discriminated against African Americans, including the NRA, the CCC, and the TVA. These programs gave lower wages to African Americans and favored whites.

African Americans recognized the need to fight for their rights and 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.

In general, however, African Americans supported the Roosevelt administration and the New Deal, generally seeing them 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.” **B**

## **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

### **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 the 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 400,000 persons of Mexican descent, many of them U.S. citizens, were deported to Mexico.

#### **MAIN IDEA**

#### **Evaluating**

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

**MAIN IDEA****Identifying Problems**

**C** Why was life difficult for farm laborers during the Depression?

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. **C**

## Native Americans Gain Support

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. Collier helped create the Indian Reorganization Act of 1934. This act was an extreme change in government policy. It moved away from assimilation and toward Native American autonomy. It also helped to restore some reservation lands to tribal ownership. The act mandated changes in three areas:

- *economic*—Native American lands would belong to an entire tribe. This provision strengthened Native American land claims by prohibiting the government from taking over unclaimed reservation lands and selling them to people other than Native Americans.
- *cultural*—The number of boarding schools for Native American children was reduced, and children could attend school on the reservations.
- *political*—Tribes were given permission to elect tribal councils to govern their reservations.



▲ 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.

Some Native Americans who valued their tribal traditions hailed the act as an important step forward. Others who had become more “Americanized” as individual landowners under the previous Dawes Act objected, because they were tired of white people telling them what was good for them. **D**

**MAIN IDEA****Summarizing**

**D** What changes occurred for Native Americans as a result of the New Deal?

## FDR Creates the New Deal Coalition

Although New Deal policies had mixed results for minorities, these groups generally backed President Roosevelt. In fact, one of FDR’s great achievements was to create the **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. As a result, Democrats dominated national politics throughout the 1930s and 1940s.

**LABOR UNIONS FLOURISH** As a result of the Wagner Act and other pro-labor 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.

Between 1933 and 1941, union membership grew from less than 3 million to more than 10 million. Unionization especially affected coal miners and workers in mass-production industries, such as the automobile, rubber, and electrical industries. It was in these industries, too, that a struggle for dominance within the labor movement began to develop.



## The Growing Labor Movement, 1933–1940

### Robert F. Wagner

A Democratic senator from New York (1927–1949), Robert F. Wagner was especially interested in workers' welfare. Wagner introduced the National Labor Relations Act in Congress in 1935.



### Sit-down strikes

Union workers—such as these CIO strikers at the Fisher automobile plant in Flint, Michigan, in 1937—found the sit-down strike an extremely effective method for getting their demands met.



**Union membership soars**  
A Ben Shahn poster from the late 1930s boasted of the rise in union membership.

The American Federation of Labor (AFL) had traditionally been restricted to the craft unions, such as carpenters and electricians. Most of the AFL leaders opposed industrywide unions that represented all the workers in a given industry, such as automobile manufacturing. **E**

Frustrated by this position, several key labor leaders, including John L. Lewis of the United Mine Workers of America and David Dubinsky of the International Ladies Garment Workers, formed the Committee for Industrial Organization to organize industrial unions. The committee rapidly signed up unskilled and semi-skilled workers, and within two years it succeeded in gaining union recognition in the steel and automobile industries. In 1938, the Committee for Industrial Organization was expelled from the AFL and changed its name to the **Congress of Industrial Organizations (CIO)**. This split lasted until 1955.

**LABOR DISPUTES** One of the main bargaining tactics of the labor movement in the 1930s was the sit-down strike. 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. Nonetheless, it proved to be an effective bargaining tool.

Not all labor disputes in the 1930s were peaceful. Perhaps the most dramatic incident 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 JESSE REESE

“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.”

—quoted in *The Great Depression*

### MAIN IDEA

#### Analyzing Effects

**E** How did New Deal policies affect organized labor?

#### Background

See *strike* on page R45 in the Economics Handbook.

Ten people were killed and 84 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.

**FDR WINS IN 1936** 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. In the 1936 election, President Roosevelt carried the nation's 12 largest cities.

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. His 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. 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.



▲ Chicago police attack strikers at what would become known as the Memorial Day Massacre (1937).

SECTION 3

ASSESSMENT

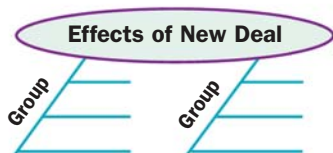
**1. TERMS & NAMES** For each of the following terms and names, write a sentence explaining its significance.

- Frances Perkins
- John Collier
- Congress of Industrial Organizations (CIO)
- Mary McLeod Bethune
- New Deal coalition

**MAIN IDEA**

**2. TAKING NOTES**

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.

**CRITICAL THINKING**

**3. SUMMARIZING**

What steps did women take toward equality during the 1930s?

**Think About:**

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

**4. EVALUATING**

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

**5. ANALYZING MOTIVES**

Why did urban voters support President Roosevelt?



SECTION  
4

# Culture in the 1930s

## MAIN IDEA

Motion pictures, radio, art, and literature blossomed during the New Deal.

## WHY IT MATTERS NOW

The films, music, art, and literature of the 1930s still captivate today's public.

## Terms & Names

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

## One American's Story

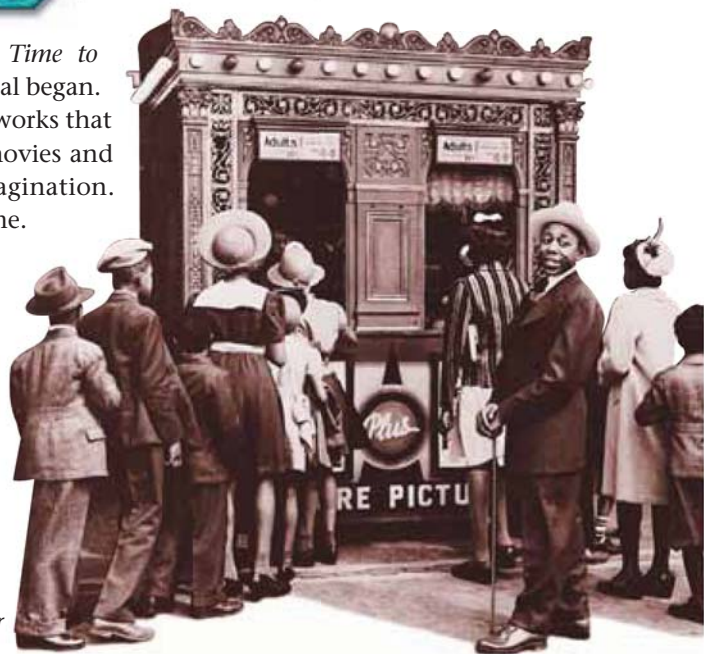
Don Congdon, editor of the book *The Thirties: A Time to Remember*, was a high school student when the New Deal began. While many writers and artists in the 1930s produced works that reflected the important issues of the day, it was the movies and radio that most clearly captured the public imagination. Congdon remembers the role movies played at the time.

### A PERSONAL VOICE DON CONGDON

“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.”

—*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, it was a profitable and golden age for the motion-picture and radio industries. By late in the decade, approximately 65 percent of the population was 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 13 million in 1930 to 28 million by 1940. Nearly 90 percent of American households owned a radio. Clearly, movies and radio had taken the country by storm.

**MOVIES ARE A HIT** Wacky comedies, lavish musicals, love stories, and gangster films all vied for the attention of the moviegoing public during the New Deal years. Following the end of silent films and the rise of “talking” pictures, new stars such as Clark Gable, Marlene Dietrich, and James Cagney rose from Hollywood, the center of the film industry. These stars 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). 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. Other notable movies made during the 1930s include *The Wizard of Oz* (1939) and *Snow White and the Seven Dwarfs* (1937), which showcased the dazzling animation of Walt Disney.

Comedies—such as *Monkey Business* (1931) and *Duck Soup* (1931), starring the zany Marx Brothers—became especially popular. So did films that combined escapist appeal with more realistic plots and settings. Americans flocked to see gangster films that presented images of the dark, gritty streets and looming skyscrapers of urban America. These movies featured hard-bitten characters struggling to succeed in a harsh environment where they faced difficulties that Depression-era audiences could easily understand. Notable films in this genre include *Little Caesar* (1930) and *The Public Enemy* (1931).

Some commentators believed that several films, such as *Mr. Deeds Goes to Town* (1936) by director Frank Capra, presented the social and political accomplishments of the New Deal in a positive light. These films portrayed honest, kind-hearted 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. **A**

**RADIO ENTERTAINS** Even more than movies, radio embodied the democratic spirit of the times. Families typically spent several hours a day gathered together, listening to their favorite programs. It was no accident 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 a range of entertainment. In the evening, radio networks offered excellent dramas and variety programs. **Orson Welles**, an actor, director, producer, and writer, 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 *Touch of Evil* (1958). After making their reputation in



▲ Clark Gable and Vivien Leigh starred in *Gone With the Wind*, a sweeping drama about life among Southern plantation owners during the Civil War.

**MAIN IDEA**

**Developing Historical Perspective**

**A** Why do you think movies were so popular during the Depression?

**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, narrated by Orson Welles (at left), revealed the power of radio at a time when Americans received fast-breaking news over the airwaves.







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

radio, comedians Bob Hope, Jack Benny, and the duo Burns and Allen moved on to work in television and movies. Soap operas—so named because they were usually sponsored by soap companies—tended to play late morning to early afternoon for homemakers, while children’s programs, such as *The Lone Ranger*, generally aired later in the afternoon, when children were home from school.

One of the first worldwide radio broadcasts described for listeners the horrific crash of the *Hindenburg*, a German zeppelin (rigid airship), in New Jersey on May 6, 1937. Such immediate news coverage became a staple in society.

## The Arts in Depression America

In contrast to many radio and movie productions of the 1930s, much of the art, music, and literature of the time was sober and serious.

Despite grim artistic tones, however, much of this artistic work 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. In fact, many received direct support through New Deal work programs from government officials who believed that art played an important role in national life. Also, as Harry Hopkins, the head of the WPA, put it, “They’ve got to eat just like other people.” **B**

**ARTISTS DECORATE AMERICA** The Federal Art Project, a branch of the WPA, paid artists a living wage to produce public art. It also aimed to increase public appreciation of art and to promote positive images of American society. Project 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

### MAIN IDEA

#### Analyzing Causes

**B** Why did the New Deal fund art projects?



► This detail is from the mural *Industries of California*, painted in 1934 by Ralph Stackpole. It decorates San Francisco’s Coit Tower, one of the best preserved sites of WPA mural projects.

**AMERICAN GOTHIC (1930)**

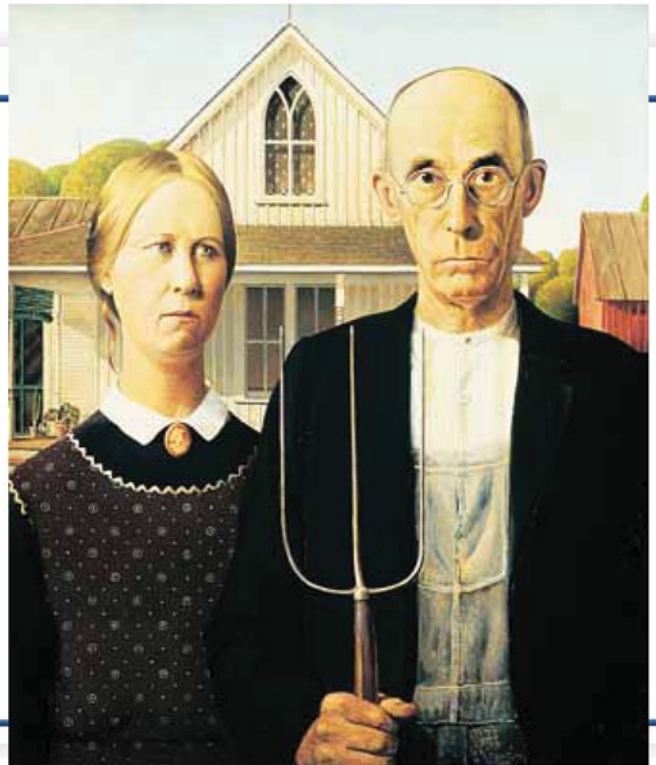
Grant Wood's 1930 painting, *American Gothic*, became one of the most famous portrayals of life in the Midwest during the Great Depression. Painted in the style known as Regionalism, Wood painted familiar subjects in realistic ways. The house in the background was discovered by Wood in Eldon, Iowa, while he was looking for subjects to paint. He returned home with a sketch and a photograph, and used his sister and his dentist as models for the farmer and daughter in the painting's foreground.

**SKILLBUILDER Interpreting Visual Sources**

1. What is the message Wood portrays in this painting? Explain your answer.
2. Do you think this painting is representative of the Great Depression? Why or why not?



SEE SKILLBUILDER HANDBOOK, PAGE R23.



Mexican muralists such as Diego Rivera, typically portrayed the dignity of ordinary Americans at work. One artist, Robert Gwathmey, recalled these efforts.

**A PERSONAL VOICE ROBERT GWATHMEY**

**“The director of the Federal Arts 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. . . . That was a very free and happy period.”**

—quoted in *Hard Times*

*American Gothic* (1930), Grant Wood. Oil on beaver board, 30 11/16" x 25 11/16" (78 cm x 65.3 cm) unframed. The Art Institute of Chicago, Friends of American Art Collection [1930.934]. Photography © The Art Institute of Chicago/All rights reserved by the Estate of Nan Wood Graham/Licensed by VAGA, New York, NY

During the New Deal era, outstanding works of art were produced by a number of American painters, such as Edward Hopper, Thomas Hart Benton, and Iowa's **Grant Wood**, whose work includes the famous painting *American Gothic*.

The WPA's Federal Theater Project hired actors to perform plays and artists to provide stage sets and props for theater productions that played around the country. It subsidized the work of important American playwrights, including Clifford Odets, whose play *Waiting for Lefty* (1935) dramatized the labor struggles of the 1930s.

**WOODY GUTHRIE SINGS OF AMERICA** Experiencing firsthand the tragedies of the Depression, singer and songwriter Woody Guthrie used music to capture the hardships of America. Along with thousands of people who were forced by the Dust Bowl to seek a better life, Guthrie traveled the country in search of brighter opportunities, and told of his troubles in his songs.

**A PERSONAL VOICE WOODY GUTHRIE**

**“Yes we ramble and we roam  
And the highway, that's our home.  
It's a never-ending highway  
For a dust bowl refugee**

**Yes, we wander and we work  
In your crops and in your fruit,  
Like the whirlwinds on the desert,  
That's the dust bowl refugees.”**

—“Dust Bowl Refugees”

Copyright © Ludlow Music, Inc., New York, New York.



Woody Guthrie

Guthrie wrote many songs about the plight of Americans during the Depression. His honest lyrics appealed to those who suffered similar hardships.

**MAIN IDEA****Summarizing**

**C** In what ways did the New Deal deliver art to the public?



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



**DIVERSE WRITERS DEPICT AMERICAN LIFE** Many writers received support through yet another WPA program, the Federal Writers' Project. This project gave the future Pulitzer and Nobel Prize winner Saul Bellow his first writing job. It also helped **Richard Wright**, an African-American author, complete his acclaimed novel *Native Son* (1940), about 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.

John Steinbeck, one of this country's most famous authors, received assistance from the Federal Writers' Project. He 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. **D**

Other books and authors examined the difficulties of life during the 1930s. James T. Farrell's *Studs Lonigan* trilogy (1932–1935) provides a bleak picture of working-class life in an Irish neighborhood of Chicago, while 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.

Nevertheless, other writers found hope in the positive values of American culture. The writer James 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, it portrays the dignity and strength of character in the people it presents. Thornton Wilder's play *Our Town* (1938) captures the beauty of small-town life in New England.

Although artists and writers recognized America's flaws, they contributed positively to the New Deal legacy. These intellectuals praised the virtues of American life and took pride in the country's traditions and accomplishments.

**MAIN IDEA**

**Analyzing Issues**

**D** How did the literature of the time reflect issues of the Depression?

**SECTION 4 ASSESSMENT**

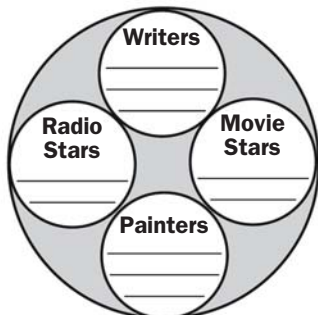
**1. TERMS & NAMES** For each term or name below, write a sentence explaining its significance.

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

**MAIN IDEA**

**2. TAKING NOTES**  
Create a web like the one below, filling in the names of those who contributed to each aspect of American culture in the 1930s.

**Cultural Figures of the 1930s**



What contribution did each group make?

**CRITICAL THINKING**

**3. HYPOTHESIZING**  
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.

**4. ANALYZING EFFECTS**  
How did the entertainment industry affect the economy?

**5. DRAWING CONCLUSIONS**  
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-sponsored art

# The Impact of the New Deal

## MAIN IDEA

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

## WHY IT MATTERS NOW

Americans still debate over how large a role government should play in American life.

## Terms & Names

- Federal Deposit Insurance Corporation (FDIC)
- Securities and Exchange Commission (SEC)
- National Labor Relations Board (NLRB)
- parity
- Tennessee Valley Authority (TVA)

## One American's Story

George Dobbin, a 67-year-old cotton-mill worker, staunchly supported Franklin Delano Roosevelt and his New Deal policies. In an interview for a book entitled *These Are Our Lives*, compiled by the Federal Writers' Project, Dobbin explained his feelings about the president.

### A PERSONAL VOICE GEORGE DOBBIN

"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."

—quoted in *These Are Our Lives*



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

FDR 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.

## New Deal Reforms Endure

During his second term in office, President Roosevelt hinted at plans to launch a Third New Deal. 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."

However, FDR did not favor deficit spending. More importantly, by 1937 the economy had improved enough to convince many Americans that the Depression was finally ending. Although economic troubles still plagued the nation, President



Roosevelt faced rising pressure from Congress to scale back New Deal programs, which he did. As a result, industrial production dropped again, and the number of unemployed increased from 7.7 million in 1937 to 10.4 million in 1938. 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. **A**

**MAIN IDEA**

**Analyzing Issues**

**A** Why did industrial production drop 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. They believe that the government 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. 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. One of Roosevelt's top advisers made this assessment of the president's goals.

**A PERSONAL VOICE** REXFORD TUGWELL

**“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.”**

—quoted in *Redeeming the Time*

**P O I N T**

**“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 New Republic*, for example, argued 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 of 3,300,000 persons for five years.”

Some historians stress that the New Deal was more than a temporary solution to a crisis. Professor A. A. Berle stated that, “human beings cannot indefinitely be sacrificed by millions to the operation of economic forces.”

According to the historian William E. Luechtenburg, “It is hard to think of another period in the whole history of the republic that was so fruitful or of a crisis that was met with as much imagination.”

To Pulitzer Prize-winning historian Allan Nevins, the New Deal was a turning point in which the U.S. government assumed a greater responsibility for the economic welfare of its citizens.

**C O U N T E R P O I N T**

**“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. 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, “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 “The government should gradually withdraw from the business of lending money and leave that function to private capital under proper regulation.”

**THINKING CRITICALLY**

**CONNECT TO HISTORY**

**1. Comparing and Contrasting** How did the New Deal succeed? How did it fail? Write a paragraph that summarizes the main points.



**SEE SKILLBUILDER HANDBOOK, PAGE R8.**

**CONNECT TO TODAY**

**2. Draft a Proposal** Research the programs of the WPA and draft a proposal for a WPA-type program that would benefit your community.

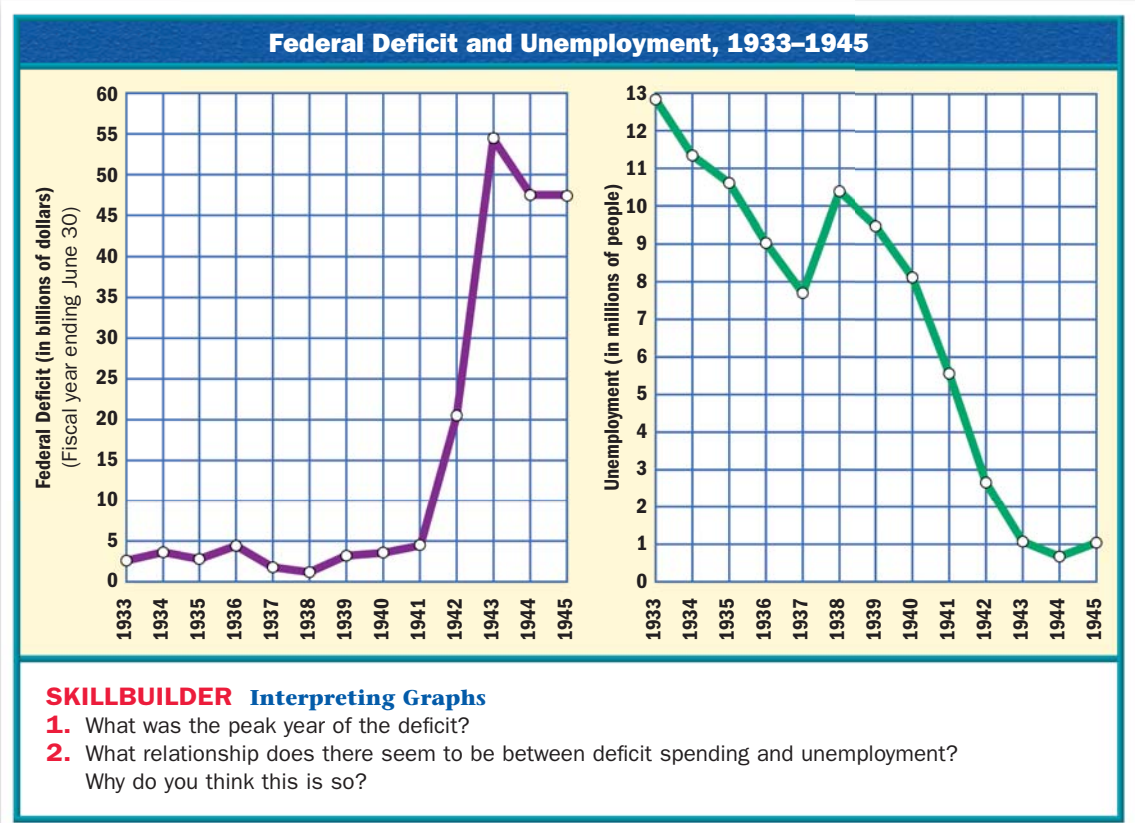
## EXPANDING GOVERNMENT'S ROLE IN THE ECONOMY

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 (FDIC)** and the **Securities and Exchange Commission (SEC)**, 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 into debt to provide jobs and aid to the American people. The federal deficit increased to \$2.9 billion in fiscal year 1934. As a result of the cutbacks in federal spending made in 1937–1938, the deficit dropped to \$100 million. But the next year it rose again, to \$2.9 billion. What really ended the Depression, however, 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 \$54.5 billion in 1943.



▲ Unemployed workers sit on a street in a 1936 photograph by Dorothea Lange.





**PROTECTING WORKERS' RIGHTS** One of the areas in which New Deal policies have had a lasting effect is the protection of workers' rights. New Deal legislation, such as the Wagner Act and the Fair Labor Standards Act, set standards for wages and hours, banned child labor, and ensured the right of workers to organize and to bargain collectively with employers. Today, the **National Labor Relations Board (NLRB)**, created under the Wagner Act, continues to act as a mediator in labor disputes between unions and employers.

**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 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.

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**NOW & THEN**

**SOCIAL SECURITY**

Today the Social Security system continues to rely on mandatory contributions paid by workers—through payroll deductions—and by employers. The money is invested in a trust fund, from which retirement benefits are later paid. However, several problems have surfaced. For example, benefits have expanded, and Americans live 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 eligible to receive benefits.

The long-range payment of benefits may be in jeopardy because of the large number of recipients. Continuing disagreement about how to address the costs has prevented legislative action.

## Social and Environmental Effects

New Deal economic and financial reforms, including the 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. 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 the disabled and families with dependent children. It has had a major impact on the lives of millions of Americans since its founding in 1935. **B**

**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, loans were made to farmers by the Commodity Credit Corporation. The value of a loan was determined by the amount of a farmer's surplus crops and the **parity** price, a price intended to keep farmers' income steady. Establishing agricultural price supports set a precedent of federal aid to farmers that continued into the 2000s. Other government programs, such as rural electrification, helped to improve conditions in rural America.

### MAIN IDEA

#### Developing Historical Perspective

**B** Why was the establishment of the Social Security system such an important part of the New Deal?



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

**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 to protect the nation's natural resources. The Civilian Conservation Corps planted trees, created hiking trails, and built fire lookout towers. 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.

The **Tennessee Valley Authority (TVA)** harnessed water power to generate electricity and to help prevent disastrous floods in the Tennessee Valley. The government also added to the national park system in the 1930s, established new wildlife refuges and set aside large wilderness areas. On the other hand, government-sponsored stripmining and coal burning caused air, land, and water pollution. **C**

The New Deal legacy has many dimensions. It brought hope and gratitude from some people for the benefits and protections they received. It also brought anger and criticism from those who believed that it took 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.



▲ This 1933 cartoon depicts Roosevelt spurring on a slow-moving Congress with his many reform policies.

**MAIN IDEA**

**Analyzing Effects**

**C** How did New Deal programs benefit and harm the environment?

**SECTION 5**

**ASSESSMENT**

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- **Federal Deposit Insurance Corporation (FDIC)**
- **Securities and Exchange Commission (SEC)**
- **National Labor Relations Board (NLRB)**
- **parity**
- **Tennessee Valley Authority (TVA)**

**MAIN IDEA**

**2. TAKING NOTES**

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



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

**CRITICAL THINKING**

**3. MAKING GENERALIZATIONS**

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 LEADERSHIP**

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

**5. INTERPRETING VISUAL SOURCES**

Look at the political cartoon above. What does it suggest about Roosevelt's leadership and the role of Congress? Explain.



# The Tennessee Valley Authority

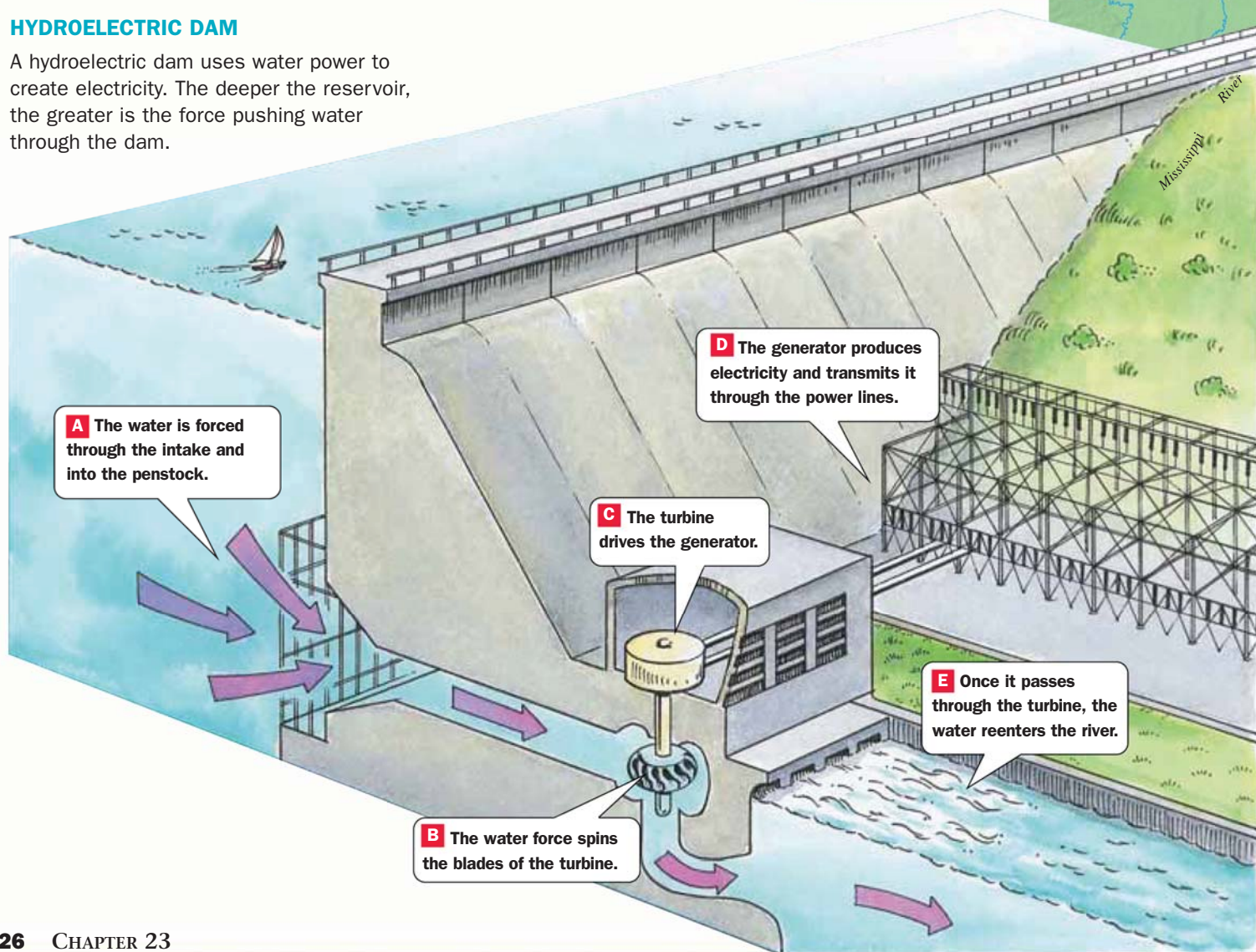
The Tennessee Valley Authority (TVA) is a federal agency that was established in 1933 to construct dams and power plants along the Tennessee River and its tributaries. The Tennessee River basin is one of the largest river basins in the United States, and people who live in this area have a number of common concerns. The TVA has helped the region in various ways: through flood and navigation control, the conservation of natural resources, and the generation of electric power, as well as through agricultural and industrial development.

The Tennessee Valley covers parts of seven states. Thus, the TVA became an enormous undertaking, eventually comprising dozens of major dams, each with associated power plants, recreational facilities, and navigation aids.



## HYDROELECTRIC DAM

A hydroelectric dam uses water power to create electricity. The deeper the reservoir, the greater is the force pushing water through the dam.



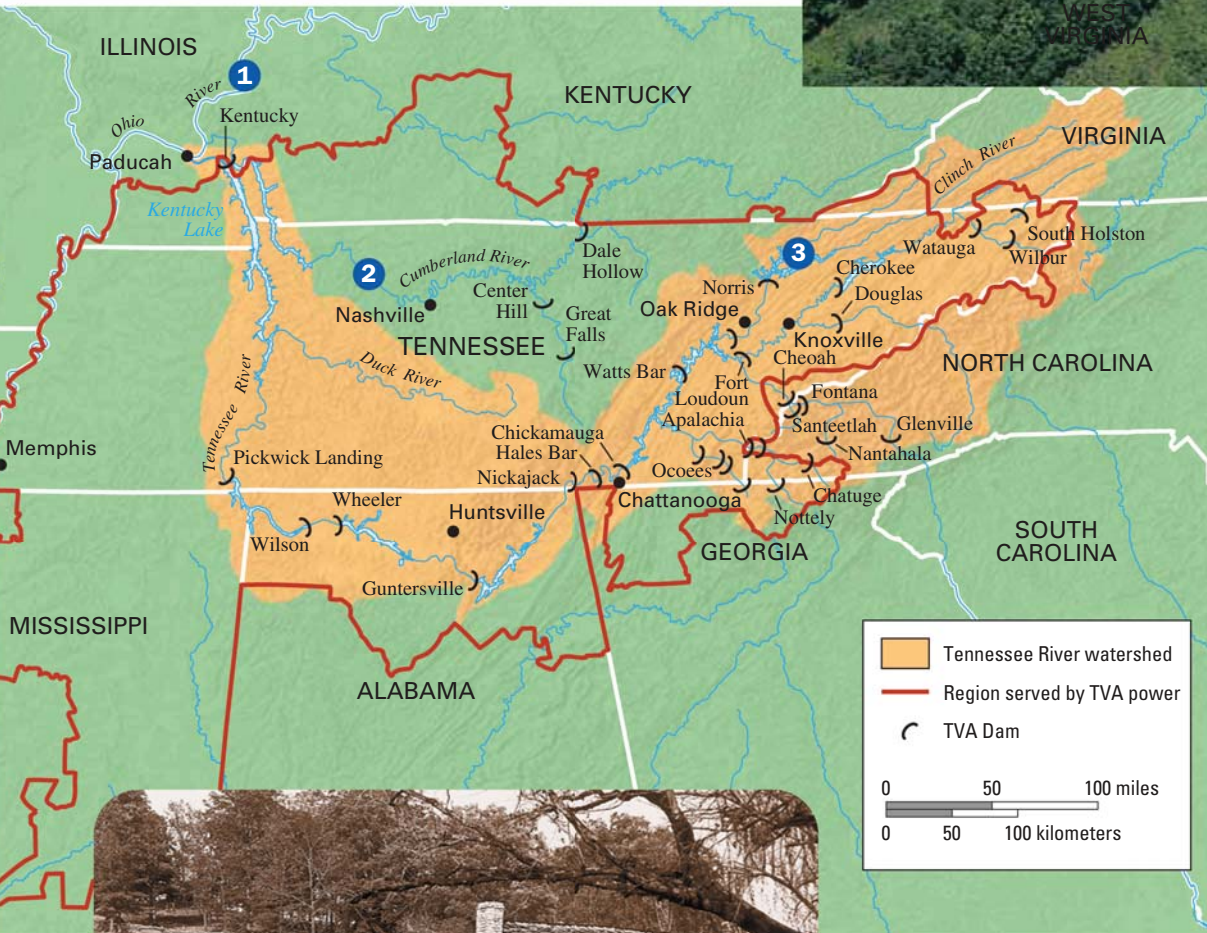


### 1 KENTUCKY DAM

Over a mile and a half long and 206 feet high, the Kentucky Dam created the 184-mile-long Kentucky Lake, a paradise for fishing.

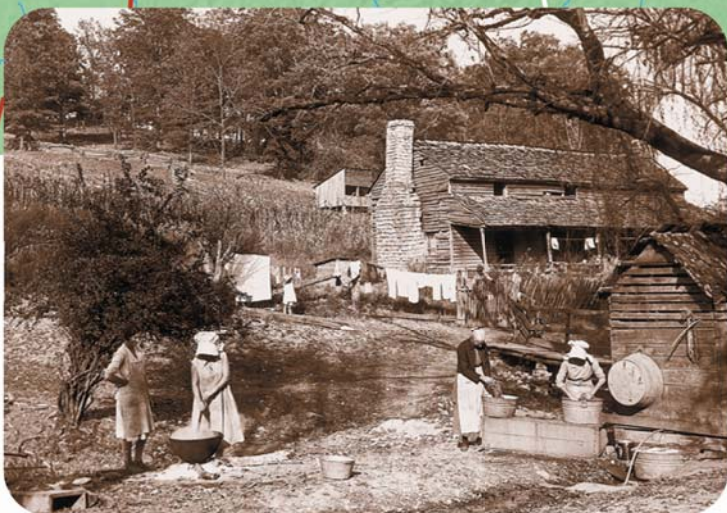
### 2 THE CUMBERLAND RIVER

A similar series of dams, operated by the Corps of Engineers, is found on the Cumberland River. This system cooperates with the TVA.



### 3 NORRIS DAM ▲

Located on the Clinch River, a tributary of the Tennessee River, the Norris Dam is named after Senator George W. Norris of Nebraska. Norris was a progressive leader who called for government involvement in the development of the power potential of the Tennessee River.



▲ Before 1930, most homes in the area had no electricity. Women wash clothes outside this homestead near Andersonville, Tennessee, in 1933. Their estate was submerged when the Norris Dam filled.

### THINKING CRITICALLY

- 1. Analyzing Distributions** Locate the dams on this map. Why do you think they might have been placed in these particular areas?
- 2. Creating a Model** Create a 3-D model of a dam. Before you begin, pose a historical question your model will answer. Think about environmental changes caused by the construction of a dam.



SEE SKILLBUILDER HANDBOOK, PAGE R31.



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**VISUAL SUMMARY**

**THE NEW DEAL**

**PROBLEMS**

- Industries and farms failed.
- U.S. stock market crashed and banks closed.
- Bankrupt businesses
- Unemployment
- Homelessness

**SOLUTIONS**



- Work projects help the unemployed.
- Money given to farmers, sharecroppers, and migrant workers
- New opportunities for women and minorities
- Social Security Act allocates money to the elderly, the unemployed, and the disabled.

- NLRB protects workers' rights.
- SEC monitors stock market.
- FDIC protects individuals' deposits in banks.
- Fireside chats increase public confidence.



**CONTINUING EFFECTS**

- Banking and finance are reformed.
- Government takes a more active role in the economy.
- Workers benefit from labor standards.
- Social Security system continues to provide for the needy.
- Conservation efforts continue to preserve the environment.

**TERMS & NAMES**

For each term or name below, write a sentence explaining its historical significance or contribution to the New Deal.

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

**MAIN IDEAS**

Use your notes and the information in the chapter to answer the following questions.

**A New Deal Fights the Depression** (pages 694–700)

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

**The Second New Deal Takes Hold** (pages 701–707)

3. In what ways did the New Deal programs extend federal aid?
4. How did the Wagner Act help working people?

**The New Deal Affects Many Groups** (pages 710–715)

5. Summarize the impact the New Deal had on various ethnic groups.
6. Why did many urban voters support Roosevelt and the Democratic party?

**Culture in the 1930s** (pages 716–720)

7. What purpose did movies and radio serve during the Great Depression?
8. Explain how the New Deal programs supported artists and writers in the 1930s.

**The Impact of the New Deal** (pages 721–725)

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

**THINKING CRITICALLY**

1. **USING YOUR NOTES** Copy the web below and fill it in with actions that Americans took to end the economic crisis of the 1930s.



2. **DEVELOPING HISTORICAL PERSPECTIVE** What federal programs instituted in the 1930s and later discontinued might be of use to the nation today? Explain and support your opinion in a paragraph or two.