



CHAPTER 10

1933–1939

Roosevelt and the New Deal

❧ The Big Ideas ❧

SECTION 1: The First New Deal

Social and economic crises lead to new roles for government. In the first 100 days of Roosevelt's presidency, his team initiated a series of laws that transformed the United States.

SECTION 2: The Second New Deal

Social and economic crises lead to new roles for government. In 1935 Roosevelt introduced new programs to help unions, the elderly, and the unemployed.

SECTION 3: The New Deal Coalition

Social and economic crises lead to new roles for government. Backed by a new coalition of voters, Roosevelt easily won a second term, but the opposition of conservatives weakened his ability to achieve additional reforms.



The American Vision: Modern Times Video The Chapter 10 video, "Franklin D. Roosevelt and the New Deal," describes the personal and political challenges Franklin Roosevelt faced as president.

1928

- Franklin Delano Roosevelt elected governor of New York

1931

- The Empire State Building opens for business

1929

- Great Depression begins

Hoover
1929–1933



1933

- Gold standard abandoned
- Federal Emergency Relief Act and Agricultural Adjustment Act passed

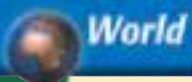
F. Roosevelt
1933–1945



1928

1931

1934



World

1928

- Alexander Fleming discovers penicillin

1930

- Germany's Nazi Party wins 107 seats in Reichstag

1931

- German unemployment reaches 5.6 million
- Surrealist artist Salvador Dali paints *Persistence of Memory*

1933

- Adolf Hitler appointed German chancellor
- Japan withdraws from League of Nations



In this Ben Shahn mural detail, New Deal planners (at right) design the town of Jersey Homesteads as a home for impoverished immigrants.

1935

- Supreme Court strikes down NIRA
- Social Security Act passed

1937

- Court-packing bill defeated
- "Roosevelt recession" begins

1938

- Fair Labor Standards Act passed



1937

1940

1936

- Civil War erupts in Spain

1938

- Hitler annexes Austria

1939

- World War II begins

HISTORY
Online

Chapter Overview

Visit the *American Vision: Modern Times* Web site at tav.mt.glencoe.com and click on **Chapter Overviews—Chapter 10** to preview chapter information.

Preparing to Read Chapter 10

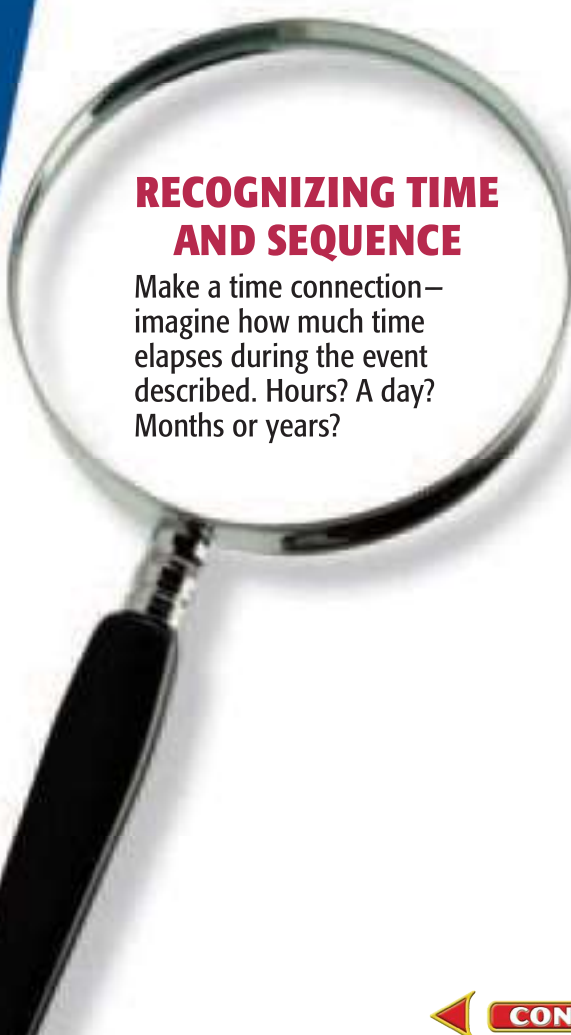
Reading Skill

Recognizing Time and Sequence

Time is the basis for studying history. Since historians describe and explain change over time, they must first know the order of events or developments. They cannot talk about cause and effect or problems and solutions if they don't know what happened first. This means that historians describe a series of actions from beginning to end. Such an order is called chronological order. Chronological order helps readers understand a process over time. Graphs and time lines also help convey the time and sequence of events in history.

Authors often use signal words to let their reader know that they will discuss information in the order of occurrence. You know an author is calling attention to time and sequence when you see words and phrases such as *first, second, last, finally, next, then, since, soon, previously, before, after, meanwhile, at the same time, and at last*. The most obvious signals, of course, are days, dates, and times.

Read the following paragraph and notice how signal words help you anticipate a time-ordered explanation.



RECOGNIZING TIME AND SEQUENCE

Make a time connection—imagine how much time elapses during the event described. Hours? A day? Months or years?

On his **very first night** in office, Roosevelt told Secretary of the Treasury William H. Woodin he wanted an emergency banking bill ready for Congress in **less than five days**. The **following afternoon**, Roosevelt declared a national bank holiday, temporarily closing all banks. . . .

On the day Congress convened, the House of Representatives unanimously passed the Emergency Banking Relief Act **after only 38 minutes of debate**. . . .

On March 12, President Roosevelt addressed the nation by radio. . . . When banks opened **the day after** the speech, deposits far outweighed withdrawals. The banking crisis was **over**. (page 502)

Apply the Skill

Read through the text under the headings "FDR's Early Political Career" and "Governor of New York." As you read, look for words that signal chronological order to help you understand the sequence of events and the time that elapsed. This will help when you take notes because you will learn to place events in the correct order.

Historical Analysis Skill

 Analysis Skill Standard H15

Analyzing Environmental Issues

Historical Interpretation As you study history, you should analyze human modifications of landscapes and examine the resulting environmental policy issues.

It is important for us to realize that our actions impact Earth and the landscape the planet provides. Humans have modified the environment in which they live for millennia with various results. How has the landscape in your community been altered by construction of roads, bridges, or buildings? In order to ensure that the environment continues to sustain life on this planet, we must continually assess the impact of our actions.

Read these passages about two New Deal programs—the Civilian Conservation Corps (CCC) and the Tennessee Valley Authority (TVA)—that had a great impact on the environment.

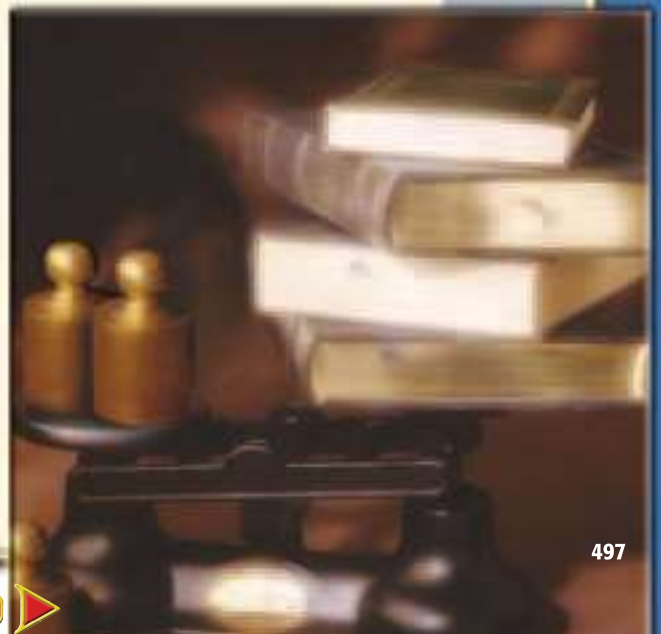
Beginning in March 1933, the CCC offered unemployed young men 18 to 25 years old the opportunity to work under the direction of the national forestry service planting trees, fighting forest fires, and building reservoirs. (page 505)

The TVA erected 20 dams, employing up to 40,000 workers at a time. The agency also reforested millions of acres, built fertilizer factories and power plants, and strung thousands of miles of wire to bring electricity to rural families for the first time. (page 508)

While the CCC and the TVA did much to help unemployed workers and boost the economy, they also made changes in the nation's landscape. How would the building of reservoirs change the environment? What impact did planting thousands of trees have on the landscape? What effects do you think the damming of major rivers had on the environment? What sort of changes in the environment do you think happened when these dams slowed the movement of billions of gallons of water in the rivers?

Apply the Skill

As you read the chapter, make a list of the programs created under the New Deal that changed the landscape. Write down the individual projects, and note your ideas on how these projects changed the environment.





SECTION 1

The First New Deal

Guide to Reading

Connection

In the previous chapter, you learned how President Hoover tried to ease the difficulties of the early years of the Great Depression. In this section, you will discover how President Roosevelt introduced the First New Deal.

Main Idea

- After serving as governor of New York, Franklin D. Roosevelt was elected president in 1932. (p. 499)
- During his first 100 days in office, President Roosevelt sent 15 major acts aimed at financial recovery to Congress. (p. 501)
- President Roosevelt took steps to strengthen the banks and the stock market. (p. 502)
- New legislation tried to address the economic problems of farms and industry. (p. 503)

- Congress created two new programs to help homeowners and farmers who had difficulty paying their mortgages. (p. 504)
- Unemployed people found work through several government programs, such as the Public Works Administration and the Civil Works Administration. (p. 505)

Content Vocabulary

fireside chat

Academic Vocabulary

apparent, ideology, fundamental

People and Terms to Identify

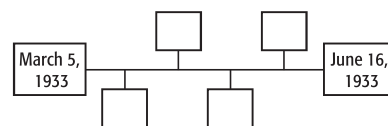
New Deal, gold standard, bank holiday, Hundred Days, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Agricultural Adjustment Administration, Civilian Conservation Corps

Reading Objectives

- **Discuss** Franklin Roosevelt's early political career.
- **Explain** the worsening situation in the U.S. banking system in the early 1930s.
- **List** three programs of the First New Deal that provided jobs for the unemployed.

Reading Strategy

Sequencing As you read about President Roosevelt's first three months in office, complete a time line similar to the one below to record the major problems he addressed during this time.



Preview of Events



The following are the main History–Social Science Standards covered in this section.

11.6.2 Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis.

11.6.4 Analyze the effects of and the controversies arising from New Deal economic policies and the expanded role of the federal government in society and the economy since the 1930s (e.g., Works Progress Administration, Social Security, National Labor Relations Board, farm programs, regional development policies, and energy development projects such as the Tennessee Valley Authority, California Central Valley Project, and Bonneville Dam).

The Big Idea

Social and economic crises lead to new roles for government. After winning the 1932 election, President Roosevelt surrounded himself with a diverse group of advisers who helped him create programs to pull the country out of the Depression. Based on these ideas, during the Hundred Days, Congress passed 15 major acts that later became known as the First New Deal. These acts focused on banking and stock market regulation and plans for managing farms and industry. For the first time, the government also implemented relief programs that directly helped the unemployed. While the programs did not end the Depression, they gave many people hope for the future.



Roosevelt Takes Office

Main Idea After serving as governor of New York, Franklin D. Roosevelt was elected president in 1932.

Reading Connection Do you believe family connections are helpful or necessary to participate in politics? Read on to learn about one man whose family connections may have helped him become president.

When Franklin Delano Roosevelt came into office, he was bursting with ideas to help the United States recover from the Depression. The president, however, had no clear agenda. The previous spring, during his campaign for the presidential nomination, Roosevelt revealed the approach he would take as president. “The country needs,” Roosevelt explained, “bold, persistent experimentation. . . . Above all, try something.”

★ An American Story ★

In the 1920s, cowboy and comedian Will Rogers said that his life’s work was “to rescue the country from the hands of the politicians.” He used his sharp wit to go after these public figures. A friend of presidents and politicians of both parties, Rogers nevertheless satirized them mercilessly in public appearances and on the radio.

With FDR, however, Rogers changed his tune: “President Roosevelt closed the banks before lunch and called Congress into session while he was having dessert. . . . The whole country is with him. . . . Even if he does what is wrong they are with him, just so he does something. . . . If he burned down the Capitol, we would cheer and say, ‘Well, we at least got a fire started anyhow.’”

As Roosevelt’s New Deal gained momentum, Rogers praised the resulting flurry of legislation: “Mr. Roosevelt just makes out a little list of things every morning that he wants [Congress] to do . . . and the whole country is better off.”

—adapted from *Will Rogers: A Biography*

In mid-June 1932, with the country deep in the Depression, Republicans had nominated Herbert Hoover to run for a second term as president. Later that month, the Democrats, after four ballots and a great deal of negotiating, chose Roosevelt, the popular governor of New York. When he won the nomina-

tion, Roosevelt broke with tradition by flying to Chicago to deliver the first acceptance speech ever made to a nominating convention. Roosevelt’s speech set the tone for his campaign:

“The appearance before a National Convention of its nominee for President . . . is unprecedented and unusual, but these are unprecedented and unusual times. . . . Let it also be symbolic that in so doing I broke traditions. Let it be from now on the task of our Party to break foolish traditions. . . . It is inevitable that the main issue of this campaign should revolve about . . . a depression so deep that it is without precedent. . . . Republican leaders not only have failed in material things, they have failed in national vision, because in disaster they have held out no hope. . . . I pledge you, I pledge myself, to a new deal for the American people.”

—quoted in *The Public Papers and Addresses of Franklin D. Roosevelt*

The next day, a cartoonist used the words “new deal” to stand for Roosevelt’s program. From that point forward, Roosevelt’s policies for ending the Depression became known as the **New Deal**. Roosevelt’s confidence that he could make things better contrasted sharply with Hoover’s **apparent** failure to do anything effective. On Election Day, Roosevelt won the Electoral College in a landslide, 472 votes to 59, and he received nearly 23 million votes to slightly less than 16 million for Hoover in the general election.

▼ Franklin Delano Roosevelt and Will Rogers





Roosevelt's Early Political Career Franklin Roosevelt, born in 1882 to a wealthy New York family, married Eleanor Roosevelt in 1905. They were distantly related through former president Theodore Roosevelt—her uncle and his cousin. Likable, optimistic, and intensely competitive, FDR seemed made for a life in politics. Shortly after graduating from Columbia Law School, Roosevelt won a seat in the New York State Senate, where he earned a reputation as a progressive reformer willing to stand up to the party bosses. Under Woodrow Wilson, he became assistant secretary of the navy, a position he held through World War I.

In 1920 Roosevelt temporarily withdrew from politics. The next year he caught the paralyzing disease known as polio. Undaunted, Roosevelt began a vigorous exercise program, while Eleanor kept his name prominent in the New York Democratic Party. In 1928 he was rewarded by being elected governor New York. His policies as governor made him very popular. He cut taxes for farmers, worked to reduce the rates charged by public utilities, and in 1931 pushed through the New York legislature a new state agency to help unemployed New Yorkers.

Roosevelt's popularity in New York paved the way for his presidential nomination in 1932. Many Americans applauded his use of the government's power to help people in economic distress. Others believed that his struggle against polio had given him a better understanding of their hardships. Perhaps most important, Americans saw in Roosevelt an energy and optimism that gave them hope despite the tough economic times. After Roosevelt became president, his serenity and confidence amazed many people. When one aide commented on his attitude, Roosevelt replied, "If you had spent two years in bed, trying to wiggle your big toe, after that anything else would seem easy."

Roosevelt Is Inaugurated Although Roosevelt won the presidency in November 1932, the country's unemployed and homeless had to endure one more winter as they waited for his inauguration on March 4, 1933. All through the winter, unemployment continued to rise. Meanwhile, bank runs greatly increased, further threatening the nation's banking system. Some of the bank runs occurred because people feared Roosevelt would abandon the **gold standard**



*“ . . . the only thing we have
to fear is fear itself . . . ”*

—Franklin D. Roosevelt

Picturing History

Inspiring Words President Roosevelt used his first Inaugural Address of March 1933 to rally the nation's spirits. **What problems had made the nation anxious and fearful?**



and reduce the value of the dollar in order to fight the Depression. Under the gold standard, one ounce of gold equaled a set number of dollars. To reduce the value of the dollar, the United States would have to stop exchanging dollars for gold. Many Americans, and foreign investors, decided to take their money out of the banks and convert it to gold before it lost its value.

Across the nation, people stood in long lines with paper bags and suitcases, waiting to withdraw their money from banks. By March 1933, over 4,000 banks had collapsed, wiping out 9 million savings accounts. In 38 states, governors declared **bank holidays**—closing the remaining banks before bank runs could put them out of business.

By the day of Roosevelt's inauguration, most of the nation's banks were closed. One in four workers was unemployed. The economy seemed paralyzed. Roosevelt knew he had to restore the nation's confidence. "First of all," the president declared in his Inaugural Address, "let me assert my firm belief that the only thing we have to fear is fear itself. . . . This nation asks for action, and action now!"

 **Reading Check** **Interpreting** What events in Roosevelt's life shaped his ideas and character?

The Hundred Days Begins

Main Idea During his first 100 days in office, President Roosevelt sent 15 major acts aimed at financial recovery to Congress.

Reading Connection Do you think it is wise for a national leader to be surrounded with people who agree with all of the leader's ideas? Why do you think as you do? Read on to learn about Roosevelt's choices for advisers.

Roosevelt assembled a team of advisers, which sometimes was called the Brain Trust. With the help of this team, the new president began to send bill after bill to Congress. Between March 9 and June 16, 1933—which came to be called the **Hundred Days**—Congress passed 15 major acts to meet the economic crisis, setting a pace for new legislation that has never been equaled. Together, these programs made up what would later be called the First New Deal.



 *People rush to California bank to withdraw their money*

Origins of the New Deal The New Deal was not based on a clear strategy shaped by a single philosophy. Roosevelt was not an intellectual, nor did he have a strong political **ideology**. He was a practical politician. FDR was willing to try a variety of approaches both to see whether they worked and whether they were helping or hurting him politically.

To generate new ideas and programs, Roosevelt sought advice from a wide range of advisers with experience in academia, business, agriculture, government, law, and social work. The president deliberately chose advisers who disagreed with each other. He wanted to hear many different points of view, and by setting his advisers against one another, Roosevelt ensured that he alone made the final decision on what policies to pursue.

A Divided Administration Roosevelt's advisers were divided roughly into three main groups. Despite their disagreements, most of the advisers had grown up in the Progressive Era, and their approaches reflected progressive ideas. They generally favored some form of government intervention in the economy—although they disagreed over what the government's role should be.

One group that was very influential during the early years of Roosevelt's administration supported



the “New Nationalism” of Theodore Roosevelt. These advisers believed that business and government should work together to manage the economy. They had been very impressed by business–government cooperation on the War Industries Board during World War I. They believed that if government agencies worked with businesses to regulate wages, prices, and production, they could lift the economy out of the Depression.

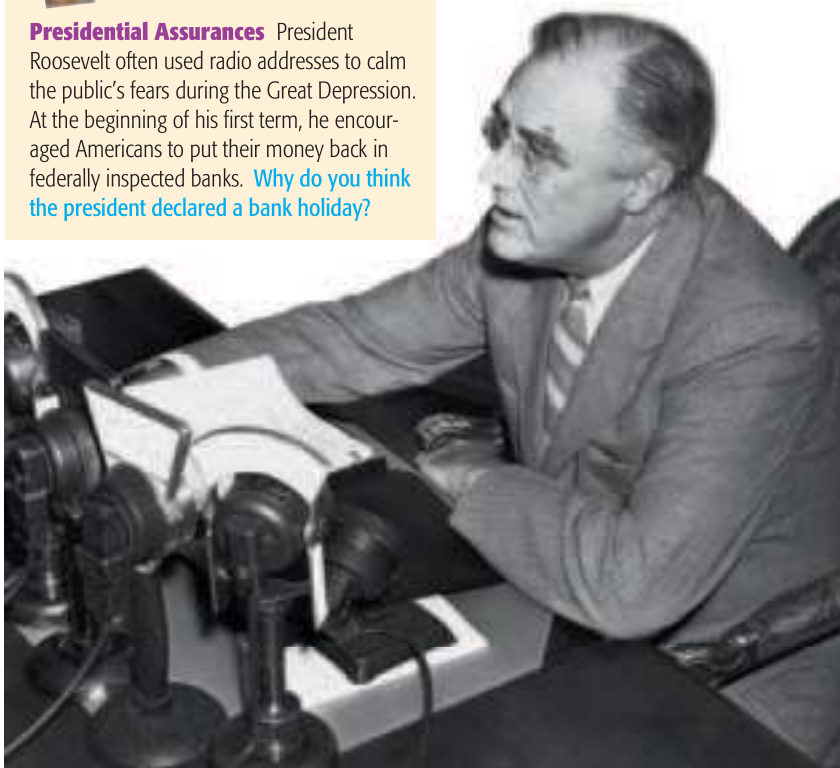
A second group of advisers in the Roosevelt administration went even further. They distrusted big business and blamed business leaders for causing the Depression. These advisers wanted government planners to run key parts of the economy.

A third group in Roosevelt’s administration supported the “New Freedom” of Woodrow Wilson. They too blamed large trusts for the Depression, but they believed the government had to restore competition to the economy. These advisers wanted Roosevelt to support “trust busting” by breaking up big companies and allowing competition to set wages, prices, and production levels. They also thought the government should impose regulations on the economy to keep competition fair.

 **Reading Check** **Summarizing** What ideas did Roosevelt’s advisers support?

Picturing History

Presidential Assurances President Roosevelt often used radio addresses to calm the public’s fears during the Great Depression. At the beginning of his first term, he encouraged Americans to put their money back in federally inspected banks. **Why do you think the president declared a bank holiday?**



Fixing the Banks and the Stock Market

Main Idea **President Roosevelt took steps to strengthen the banks and the stock market.**

Reading Connection Describe a time you listened to or watched a presidential address. Read on to discover how President Roosevelt and his cabinet restored confidence in America’s financial institutions.

As the debate over policies and programs swirled around him, President Roosevelt took office with one thing clear in his mind. Very few of the proposed solutions would work as long as the nation’s banks remained closed. President Roosevelt knew the first thing he had to do was restore the American people’s confidence in the banking system. He immediately began to work on his plan.

The Emergency Banking Relief Act On his very first night in office, Roosevelt told Secretary of the Treasury William H. Woodin he wanted an emergency banking bill ready for Congress in less than five days. The following afternoon, Roosevelt declared a national bank holiday, temporarily closing all banks, and called Congress into a special session scheduled to begin on March 9, 1933.

On the day Congress convened, the House of Representatives unanimously passed the Emergency Banking Relief Act after only 38 minutes of debate. The Senate approved the bill that evening, and Roosevelt signed it into law shortly afterward. The new law required federal examiners to survey the nation’s banks and issue Treasury Department licenses to those that were financially sound.

On March 12, President Roosevelt addressed the nation by radio. Sixty million people listened to this first of many “**fireside chats**,” direct talks FDR held with the American people to let them know what he was trying to accomplish. He told the people that their money would now be secure if they put it back into the banks. “I assure you that it is safer to keep your money in a reopened bank than under the mattress.” When banks opened the day after the speech, deposits far outweighed withdrawals. The banking crisis was over.



Regulating Banks and Brokers Although President Roosevelt had restored confidence in the banking system, many of his advisers who favored trust-busting and fair competition urged him to go further. They pushed for new regulations for both banks and the stock market. Roosevelt agreed with their ideas and threw his support behind the Securities Act of 1933 and the Glass-Steagall Banking Act.

The Securities Act required companies that sold stocks and bonds to provide complete and truthful information to investors. The following year Congress created an independent agency, the **Securities and Exchange Commission** (SEC), to regulate the stock market and prevent fraud.

The Glass-Steagall Act separated commercial banking from investment banking. Commercial banks handle everyday transactions. They take deposits, pay interest, cash checks, and loan money for mortgages and other business activities. Under the Glass-Steagall Act, these banks were no longer permitted to risk depositors' money by using it to speculate on the stock market. To further protect depositors, the Glass-Steagall Act also created the **Federal Deposit Insurance Corporation** (FDIC) to provide government insurance for bank deposits up to a certain amount. By protecting depositors in this way, the FDIC greatly increased public confidence in the banking system.

 **Reading Check** **Explaining** How did the government restore confidence in the banking system?

Managing Farms and Industry

Main Idea New legislation tried to address the economic problems of farms and industry.

Reading Connection Do you believe federal agencies should help manage the economy? Read on to learn about the farm programs created during the First New Deal.

Many of Roosevelt's advisers believed that both farmers and businesses were suffering because prices were too low and production too high. Several advisers believed competition was inefficient and bad for the economy. They wanted business and government to work together and favored the creation of federal agencies to manage the economy.

The Agricultural Adjustment Administration

The nation's farmers had been hit hard by the Depression. One week after calling Congress into

special session, Roosevelt announced plans for a new farm program. Working closely with the leaders of the nation's farm organizations, Secretary of Agriculture Henry Wallace raced to complete a new farm bill before planting season began.

The Agricultural Adjustment Act that Roosevelt asked Congress to pass was based on a simple idea—that prices for farm goods were low because farmers grew too much food. Under Roosevelt's program, the government would pay farmers not to raise certain livestock, such as hogs, and not to grow certain crops, such as cotton, corn, wheat, and tobacco. The farm program was administered by the **Agricultural Adjustment Administration** (AAA).

By the time the AAA was organized, however, farmers had already planted their crops for the year and begun raising the season's livestock. To prevent cotton—which was already at a very low price—from reaching the market, the AAA paid cotton farmers about \$100 million to plow under about 25 percent of their crop. Similarly, hog producers slaughtered 6 million piglets instead of fattening them for market.

Over the next two years, farmers withdrew millions of acres from production and received more than \$1 billion in support payments. The program accomplished its goal: The farm surplus fell greatly by 1936. Food prices then rose, as did total farm income, which quickly increased by more than 50 percent.

In a nation caught in a Depression, however, raising food prices drew harsh criticism. Furthermore, not all farmers benefited. Large commercial farmers, who concentrated on one crop, profited more than smaller farmers who raised several products. Worse, thousands of poor tenant farmers—many of them African Americans—became homeless and jobless when landlords chose their fields to be taken out of production.

A Blueprint for Industrial Recovery The government turned its attention from farming to manufacturing in June 1933, when Roosevelt and Congress enacted the National Industrial Recovery Act (NIRA). The NIRA suspended the antitrust laws and allowed business, labor, and government to cooperate in setting up voluntary rules for each industry.

These rules were known as codes of fair competition. Some codes set prices, established minimum wages, and limited factories to two shifts per day so production could be spread to as many firms as possible. Other codes shortened workers' hours with the goal of creating additional jobs. Another provision in the law guaranteed workers the right to form unions.



Under the leadership of Hugh Johnson, the National Recovery Administration (NRA) ran the entire program. Business owners who signed code agreements received signs displaying the NRA's symbol—a blue eagle—and the slogan, “We do our part.” Since the NRA had limited power to enforce the codes, it used public opinion to pressure companies into going along. It urged consumers to buy goods only from companies that displayed the blue eagle.

The NRA did produce a revival of a few industries, but the gains proved short-lived. Small companies complained, justifiably, that large corporations wrote the codes to favor themselves. More efficient companies disliked price fixing, which limited competition and made it hard for them to increase their market share by cutting prices. Employers disliked codes that gave workers the right to form unions and bargain collectively over wages and hours. They also argued that paying high minimum wages forced them to charge higher prices to cover their costs.

The codes were also very difficult to administer, and business leaders often ignored them. It became obvious that the NRA was failing when industrial production actually fell after the organization was established. By the time the Supreme Court declared the NRA to be unconstitutional in 1935, it had already lost much of its political support.

 **Reading Check** **Examining** What were the provisions of the Agricultural Adjustment Act and the National Industrial Recovery Act?



Picturing History

The NRA Eagle As a symbol of the National Recovery Administration, this eagle informed consumers about industries that were meeting the standards of the National Industrial Recovery Act. [How successful was the NRA?](#)

Providing Debt Relief

Main Idea Congress created two new programs to help homeowners and farmers who had difficulty paying their mortgages.

Reading Connection Do you think governments should help people keep their own homes or farms? Why or why not? Read on to find out about the help offered during Roosevelt's first term in office.

While some of Roosevelt's advisers believed low prices had caused the Depression, others believed that debt was the main obstacle to economic recovery. With incomes falling, people had to use most of their money to pay their debts and had little left over to buy goods or pay for services. Many Americans, terrified of losing their homes and farms, deliberately cut back on their spending to make sure they could pay their mortgages. President Roosevelt responded to the crisis by introducing several policies intended to assist Americans with their debts.

The Home Owners' Loan Corporation To help homeowners pay their mortgages, Roosevelt asked Congress to establish the Home Owners' Loan Corporation (HOLC). The HOLC bought the mortgages of many homeowners who were behind in their payments. It then restructured them with longer terms of repayment and lower interest rates. Roughly 10 percent of the nation's homeowners received a HOLC loan.

The HOLC did not help everyone. It only made loans to homeowners who were still employed. When people lost their jobs and could no longer pay their mortgages, the HOLC foreclosed on their property, just as a bank would have done. By 1938 the HOLC had foreclosed on more than 100,000 mortgages. Despite these failures, the HOLC helped refinance one out of every five mortgages on private homes in the United States.

The Farm Credit Administration Three days after Congress authorized the creation of the HOLC, it authorized the Farm Credit Administration (FCA) to begin helping farmers refinance their mortgages. Over the next seven months, the FCA lent four times as much money to farmers as the entire banking system had done the year before. It was also able to push interest rates substantially lower. “I would be without a roof over my head if it hadn't been for the government loan,” wrote one of the millions of farmers who were saved by FCA loans.



Although FCA loans helped many farmers in the short term, their long-term value can be questioned. FCA loans helped less efficient farmers keep their land, but giving loans to poor farmers meant that the money was not available to loan to more efficient businesses in the economy. Although FCA loans may have slowed the overall economic recovery, they did help many desperate and impoverished people hold onto their land.

 **Reading Check** **Identifying** What New Deal programs helped farmers and homeowners?

Spending and Relief Programs

Main Idea Unemployed people found work through several government programs, such as the Public Works Administration and the Civil Works Administration.

Reading Connection Are there projects in your community that could be completed with the help of federal programs? Read on to learn about new programs that Roosevelt and Congress created for people in need of jobs.

While many of Roosevelt's advisers emphasized tinkering with prices and providing debt relief in order to cure the Depression, others maintained that the **fundamental** cause of the Depression was low consumption. People were simply not buying enough products to keep the economy going. The fastest way out of the Depression, these advisers asserted, was to get money directly into the hands of needy individuals.

Neither President Roosevelt nor his advisers wanted simply to give money to the unemployed. They argued that recipients were more likely to maintain work skills and self-respect if they earned their money. As a result, Roosevelt urged Congress to establish a series of government agencies that would organize work programs for the unemployed.

The CCC The most highly praised New Deal work relief program was the **Civilian Conservation Corps (CCC)**, which combined Roosevelt's love of nature and commitment to conservation with the need to help the unemployed. Beginning in March 1933, the CCC offered unemployed young men 18 to 25 years old the opportunity to work under the direction of the national forestry service planting trees, fighting forest fires, and building reservoirs.

The young men lived in camps near their work areas and earned \$30 a month. By midsummer the CCC had created some 1,500 camps. The average



Picturing History

The Civilian Conservation Corps FDR satisfied both the nation's need for employment and his love of nature with the CCC. Workers planted forests, built reservoirs, and received a monthly salary. [In what year did the CCC halt operations?](#)

CCC worker returned home after six months to a year of service better nourished than before and with greater self-respect. "I weighed about 160 pounds when I went there, and when I left, I was 190," said one. "It made a man of me, all right." By the time it closed down in 1942, the CCC had put 3 million young men to work outdoors.

Public Works and Emergency Relief A few weeks after authorizing the CCC, Congress established the Federal Emergency Relief Administration (FERA). FERA did not initially create projects for the unemployed. Instead, it channeled money—a half-billion dollars in all—to state and local agencies to fund their relief projects. The leader of FERA was Harry Hopkins, whose nervous energy and sarcastic manner put off many people. Despite his personality, Hopkins became one of the most influential people in Roosevelt's administration.

Half an hour after meeting with Roosevelt to discuss his new job, Hopkins set up a desk in the hallway of his new office. In the next two hours, he spent \$5 million on relief projects. When critics charged that some of the projects did not make sense in the long run, Hopkins replied, "People don't eat in the long run—they eat every day."



In June 1933, Congress authorized the creation of another federal relief agency—the Public Works Administration (PWA). Roosevelt knew that nearly one-third of the nation’s unemployed were in the construction industry. To put them back to work, the PWA began a series of construction projects.

Unlike other relief efforts, these projects focused on economic investment. Workers built and improved highways, dams, sewer systems, water-works, schools, and other government facilities. Among others, the PWA authorized dams in the West to provide needed water and electricity for economic development. The largest project was the Grand Coulee Dam in Washington, which brought cheap electricity to the Pacific Northwest. Other major dams included the Bonneville and Boulder (now the Hoover Dam).

In most cases, the PWA did not hire workers directly, but instead awarded contracts to construction companies. By insisting that contractors hire African Americans, the agency broke down some of the longstanding racial barriers in the construction trades.

The Central Valley Project (CVP), funded in 1935 by the Emergency Relief Construction Act, provided for the construction of the Contra Costa Canal, Shasta Dam, and Folsom Dam. These components of the CVP help prevent water shortages, flooding, and generate electrical power for California’s Central Valley and much of the San Francisco Bay area.

The CWA By the fall of 1933, neither FERA nor the PWA had reduced unemployment significantly. Hopkins realized that unless the federal government acted quickly, a huge number of unemployed would be in severe distress once winter began. After Hopkins explained the situation, President Roosevelt authorized him to set up the Civil Works Administration (CWA).

Unlike the PWA, the CWA hired workers directly and put them on the federal government’s payroll. That winter the CWA employed 4 million people, 300,000 of them women. Under Hopkins’s direction, the agency built or improved 1,000 airports, 500,000 miles of roads, 40,000 school buildings, and 3,500 playgrounds, parks, and playing fields.

The First New Deal, 1933–1935

Agency	Established	Function
Civilian Conservation Corps (CCC)	March 1933	Employed single men, ages 18–25, for natural resource conservation
Tennessee Valley Authority (TVA)	May 1933	Built hydroelectric plants and dams aimed at improving seven Southern states and attracting industry to the South
Agricultural Adjustment Act (AAA)	May 1933	Reduced agricultural surplus and raised prices for struggling farmers
Federal Emergency Relief Agency (FERA)	May 1933	Granted federal money to state and local governments to be used to help the unemployed
National Recovery Administration (NRA)	June 1933	Controlled industrial production and prices with industry-created codes of fair competition
Federal Deposit Insurance Corporation (FDIC)	June 1933	Guaranteed bank deposits up to \$2,500
Public Works Administration (PWA)	June 1933	Provided employment in construction of airports, parks, schools, and roads
Civil Works Administration (CWA)	November 1933 (cancelled 1934)	
Securities and Exchange Commission (SEC)	June 1934	Regulated the stock market to avoid dishonest practices

Chart Skills

- Interpreting Charts** Which of the programs listed was cancelled the year after it was established?
- Examining** What steps did the AAA take to ensure its listed function?



The cost of the CWA was huge—the program spent nearly \$1 billion in just five months. A former colleague remembered Hopkins as “the kind of guy that seldom wrote a letter. He’d just call and say, ‘Send a million dollars to Arkansas, and five million to New York. People are in need.’”

Although the CWA helped many people get through the winter, the program would not last much longer. President Roosevelt was alarmed at how quickly the agency was spending money. He did not want Americans to get used to the federal government providing them with jobs. Warning that the CWA would “become a habit with the country,” Roosevelt insisted that it be shut down. “We must not take the position,” the president explained, “that we are going to have a permanent depression in this country.” By early April 1934, just over 5 months after it was created, Hopkins had shut down the CWA and fired the 4 million workers the agency had hired.

By the end of his first year in office, President Roosevelt had convinced Congress to pass an astonishing array of programs and policies. The programs passed during the First New Deal did not restore prosperity, but they all reflected Roosevelt’s zeal for action, his willingness to experiment, and his openness to new ideas. Perhaps the most important result of the First New Deal was a noticeable change in the spirit of the American people. Roosevelt’s actions had inspired hope and optimism when it was needed most, and Americans’ faith in their nation had been restored.



CWA Man works on a building as part of the CWA program

 **Reading Check** **Identifying** What three New Deal programs provided work relief to the unemployed?

HISTORY  **Study Central**
Online

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

SECTION 1 ASSESSMENT

Checking for Understanding

- Vocabulary** Define: apparent, ideology, fireside chat, fundamental.
- People and Terms** Identify: New Deal, gold standard, bank holiday, Hundred Days, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Agricultural Adjustment Administration, Civilian Conservation Corps.
- Summarize** the different viewpoints of Roosevelt’s advisers.

Reviewing Big Ideas

- Reviewing** How did the Glass-Steagall Act and the FDIC help make the banking industry safer?

Critical Thinking

- Interpreting** Did the CCC, CWA, and PWA achieve their goals? Explain your answer.
- Organizing** Use a graphic organizer like the one below to list the major agencies of the First New Deal.



Analyzing Visuals

- Analyzing Charts** Examine the chart on page 506. How did the various agencies listed change the historical role of the federal government?

Writing About History

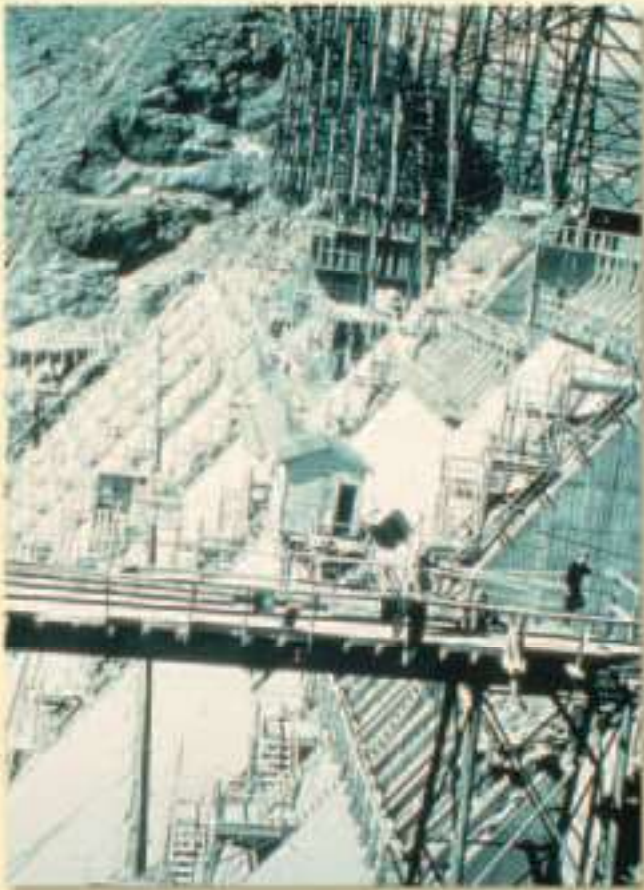
- Expository Writing** Research the Agricultural Adjustment Act by rereading the text on page 503. Use library resources and the Internet to complete your research. Then write an article explaining the benefits and drawbacks of this piece of legislation. **CA 11WA2.2c**



Why It Matters

The TVA

Perhaps no New Deal program produced as many visible benefits as the Tennessee Valley Authority (TVA). This dam-building project was a bold venture to control floods, conserve forestlands, and bring electricity to rural America. The TVA created a comprehensive plan for developing a vast seven-state region drained by the Tennessee and Cumberland Rivers and populated mainly by poor farmers working worn-out land. The TVA erected 20 dams, employing up to 40,000 workers at a time. The agency also reforested millions of acres, built fertilizer factories and power plants, and strung thousands of miles of wire to bring electricity to rural families for the first time.

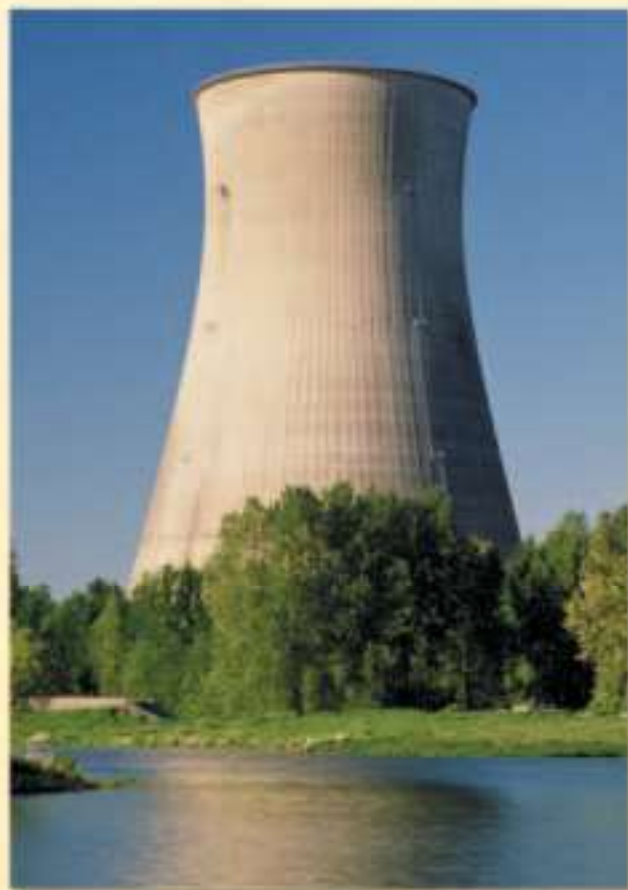
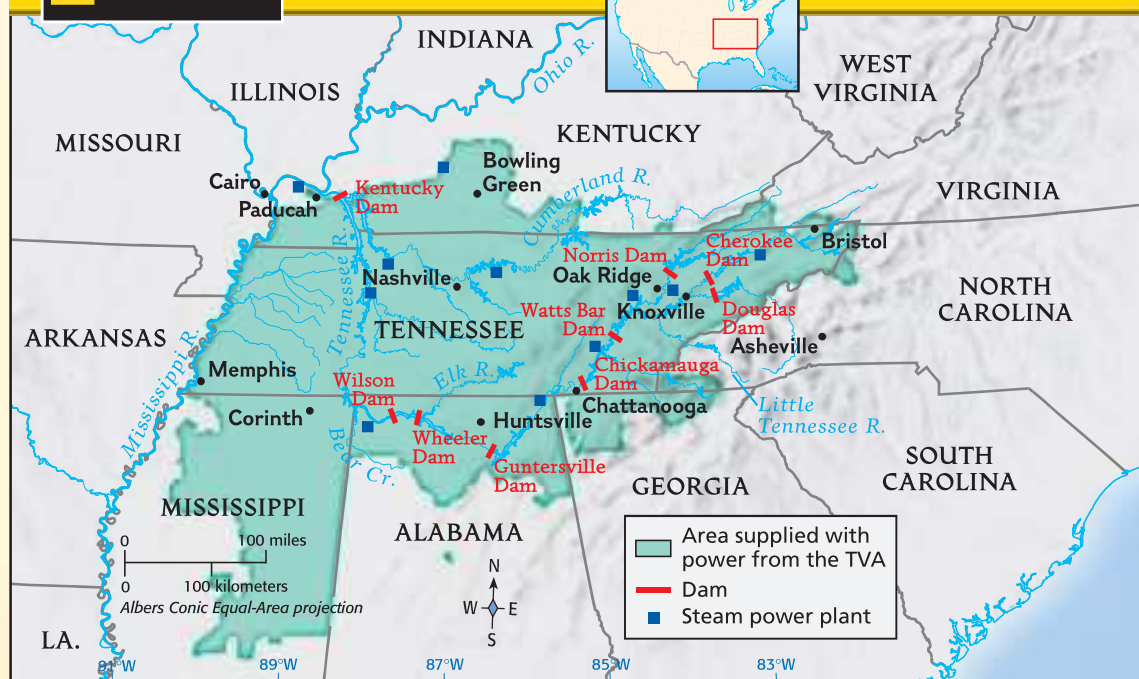


▲ Recreation

Millions of people each year fish, swim, ski, white-water raft, or go boating on the reservoirs. Sometimes the reservoir system is referred to as the “Great Lakes of the South.”

◀ Flood Control

In spring 1984, torrential rains would have brought the Tennessee River crest to almost 20 feet (6 m) above flood level. However, by storing water in reservoirs behind dams such as Dawson Dam and releasing it slowly, the TVA prevented most potential flooding.



The TVA Today

The TVA's power facilities include 29 hydroelectric dams, 11 fossil-fuel plants, 3 nuclear power plants, 4 combustion-turbine plants, a pumped-storage facility, and 17,000 miles of transmission lines. These facilities provide power to nearly 8 million people in the seven-state region.

ANALYZING THE IMPACT

Checking for Understanding

1. **Identify** In addition to creating jobs, what was the purpose of the TVA?

Critical Thinking

2. **Evaluate** Explain the importance of the TVA projects to people living in the region drained by the Tennessee and Cumberland Rivers.



SECTION 2

The Second New Deal

Guide to Reading

Connection

In the previous section, you learned about President Roosevelt's early efforts to end the Great Depression. In this section, you will discover how the president initiated a new series of laws as an answer to critics and to help the economy.

Main Idea

- With improvement in the economy slower than expected, Roosevelt faced opposition from several different people and groups. (p. 511)
- In 1935 Roosevelt began the Second New Deal, which included the Works Progress Administration and several other programs. (p. 513)

- Aided by the Wagner Act, workers used sit-down strikes to protect their right to organize, and union membership increased rapidly. (p. 514)
- The Social Security Act guaranteed benefits for the elderly and the unemployed. (p. 516)

Content Vocabulary

deficit spending, binding arbitration, sit-down strike

Academic Vocabulary

finance, thereby, crucial

People and Terms to Identify

American Liberty League, Works Progress Administration, National Labor Relations Board, Social Security Act

Reading Objectives

Describe the political challenges Roosevelt faced in the mid-1930s.

Explain why the Social Security Act is still regarded as an important piece of legislation.

Reading Strategy

Organizing As you read about President Roosevelt's Second New Deal, complete a graphic organizer like the one below by filling in his main legislative successes during this period.

Legislation	Provisions



Preview of Events



The following are the main History-Social Science Standards covered in this section.

11.6.4 Analyze the effects of and the controversies arising from New Deal economic policies and the expanded role of the federal government in society and the economy since the 1930s (e.g., Works Progress Administration, Social Security, National Labor Relations Board, farm programs, regional development policies, and energy development projects such as the Tennessee Valley Authority, California Central Valley Project, and Bonneville Dam).

11.6.5 Trace the advances and retreats of organized labor, from the creation of the American Federation of Labor and the Congress of Industrial Organizations to current issues of a postindustrial multinational economy, including the United Farm Workers in California.

The Big Idea

Social and economic crises lead to new roles for government. Both the right and the left criticized the First New Deal. The right disliked Roosevelt's deficit spending. The left thought the president did not go far enough in helping Americans and suggested higher taxes for the wealthy, nationalization of banks, and a national pension plan. At the same time, the Supreme Court struck down parts of the First New Deal as unconstitutional. The president responded with a new set of legislative acts called the Second New Deal. The Works Progress Administration had already begun employing millions of Americans. Now workers gained more rights, including the right to form unions. The Social Security Act also provided the nation's first old-age and unemployment benefits.



Challenges to the New Deal

Main Idea With improvement in the economy slower than expected, Roosevelt faced opposition from several different people and groups.

Reading Connection Do you know anyone who is easily able to convince others to follow his or her ideas? Read on to learn about several people who used this power against Roosevelt and his New Deal policies.

The New Deal had been in effect for two years, yet the economy had shown only a slight improvement. Although more than 2 million new jobs had been created, more than 10 million workers remained unemployed, and the nation's total income remained about half of what it had been in 1929. As one of Harry Hopkins's aides reported on a visit to Houston, Texas, "Nobody seems to think any more that the thing [the New Deal] is going to work."

★ An American Story ★

Harry Hopkins, head of the Federal Emergency Relief Administration, worked long hours in his Washington office, a bare, dingy room with exposed water pipes. He preferred this space to the grandeur of the more conventional offices of high-ranking officials. Here he often defended the New Deal's work relief programs when reporters dropped by, and he lashed out at New Deal critics with headline-making phrases. "Some people just can't stand to see others make a decent living," he said, or, "Hunger is not debatable."

Sometimes Hopkins went on the road to talk about his job. Once, on a trip to his home state of Iowa, Hopkins was extolling New Deal policies to a sympathetic audience when a voice from the crowd shouted, "Who's going to pay for it?" Without a word Hopkins peeled off his jacket, loosened his tie, and rolled up his sleeves. Then his voice ripped through the utter stillness, "You are!"

—adapted from *The Politics of Upheaval*

President Roosevelt appreciated Harry Hopkins's feistiness. He needed effective speakers who were willing to contend with his adversaries. Although Roosevelt had been tremendously popular during his first two years in office, opposition to his policies had begun to grow.

Criticism From Left and Right Hostility toward Roosevelt came from both the right wing and the left wing of the political spectrum. People on the right generally believed the New Deal had imposed too many regulations on business.

The right wing also included many Southern Democrats who believed the New Deal had expanded the federal government's power at the expense of states' rights.

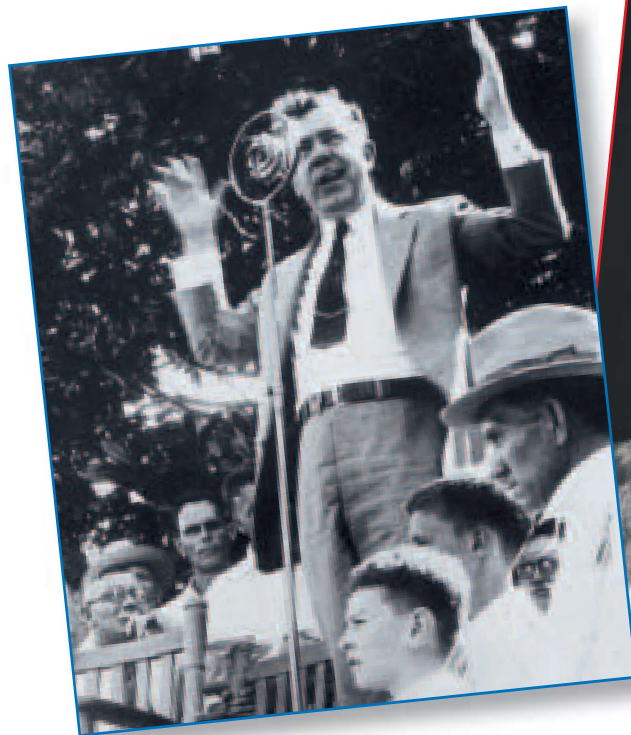
The right wing had opposed the New Deal from the beginning, but by late 1934, the opposition began to increase. To pay for his programs, Roosevelt had begun **deficit spending**. He had abandoned a balanced budget and begun borrowing money to pay for his programs. Many business leaders became greatly alarmed at the government's growing deficit.

In August 1934, business leaders and anti-New Deal politicians from both parties joined together to create the **American Liberty League**. Its purpose was to organize opposition to the New Deal and "teach the necessity of respect for the rights of person and property."

While criticisms from the right threatened to split the Democratic Party and reduce business support for Roosevelt, another serious challenge to the New Deal came from the left. People on the left believed Roosevelt had not gone far enough. They wanted the government to intervene even more dramatically in the economy to shift wealth from the rich to middle-income and poor Americans.

Harry Hopkins ▼





Critics From the Left Huey Long and Father Charles Coughlin claimed the New Deal did not do enough to help the poor.

Huey Long Perhaps the most serious threat from the left came from Democratic senator Huey Long of Louisiana. Long captivated audiences with folksy humor and fiery oratory. As governor of Louisiana, Long had championed the downtrodden. He had improved schools, colleges, and hospitals, and had built roads and bridges. These benefits made Long very popular and enabled him to build a powerful and corrupt political machine.

Long's attacks on the rich gave him a national following, too. His supporters organized some 27,000 "Share Our Wealth" clubs across the country. Pollsters estimated that if he ran against Roosevelt as a third-party candidate in 1936, Long would win several million votes—enough, they believed, to ensure a Republican victory.

Father Coughlin Huey Long's challenge to Roosevelt became even more credible when his supporters were combined with those of Father Charles Coughlin, a Catholic priest in Detroit. Coughlin had a popular radio show that attracted a weekly audience of about 30 to 45 million Americans.

Originally a New Deal supporter, Coughlin had become impatient with its moderate reforms. He called instead for heavy taxes on the wealthy and nationalization of the banking system. In the spring

of 1935, Coughlin organized the National Union for Social Justice, which some Democrats feared was the first step to creating a new political party. By the late 1930s, Coughlin began to lose influence by praising fascism and making comments many considered anti-Semitic.

The Townsend Plan A third left-wing challenge to Roosevelt came from Dr. Francis Townsend, a former public health official. Townsend proposed that the federal government pay citizens over age 60 a pension of \$200 a month. Recipients would have to retire and spend their entire pension check each month. He believed the plan would increase spending and remove people from the labor force, freeing up jobs for the unemployed.

Townsend's proposal attracted millions of supporters, especially among the elderly, who mobilized as a political force for the first time in American history. Townsend's program was particularly popular in the West. When combined with Long's support in the Midwest and South and Coughlin's support among urban Catholics in the Northeast, there was a real possibility of a coalition that would draw enough votes away from Roosevelt to prevent his reelection in 1936.

 **Reading Check** **Examining** What groups of people challenged Roosevelt and the New Deal? What concerns did they have?



Launching the Second New Deal

Main Idea In 1935 Roosevelt began the Second New Deal, which included the Works Progress Administration and several other programs.

Reading Connection What role do you think art and literature should play in public life? Read on to find out about a federal program designed to employ artists, actors, and musicians.

Although he remained tremendously popular with the American people, Roosevelt realized that his political support could be undermined by the attacks from his opponents on the left and right. He was also disturbed by the failure of the New Deal to generate a rapid economic recovery. In 1935 he launched what came to be called the Second New Deal—another series of programs and reforms that he hoped would speed up the nation’s recovery, provide economic security to every American, and ensure his reelection in 1936.

The WPA In January 1935, Roosevelt began by asking Congress for nearly \$5 billion “for work relief and to increase employment by providing useful projects.” Much of the money would be given to the **Works Progress Administration** (WPA), a new federal agency headed by Harry Hopkins. “The big boss is ready to go places in a big way,” Hopkins told a colleague.

Over the next several years, the WPA spent \$11 billion. Its 8.5 million workers constructed about 650,000 miles of highways, roads, and streets, 125,000 public buildings, and more than 8,000 parks. It built or improved more than 124,000 bridges and 853 airports.

The WPA’s most controversial program was “Federal Number One,” a section of the Professional Projects Division that offered work to artists, musicians, theater people, and writers. “They’ve got to eat just like other people,” Hopkins commented to critics of the program. The artists created thousands of murals and sculptural works to beautify the walls and halls of public buildings. Musicians established 30 city symphony orchestras, as well as hundreds of smaller musical groups. The Federal Theater Project **financed** playwrights, actors, and directors. The program also funded historians who interviewed former slaves to document American history. The program helped record important information about the history of the United States, as well as improve the aesthetic quality of many public buildings.

The Supreme Court’s Role When Roosevelt asked Congress to fund the WPA in January 1935, he had expected quick action on the bill. He quickly discovered that opposition to his programs was growing in Congress. The bill creating the WPA did not pass until April 1935. By late May, Congress was preparing to adjourn for the summer, leaving Roosevelt with very few accomplishments.

Suddenly, the political situation shifted. On May 27, 1935, the Supreme Court unanimously struck down the National Industrial Recovery Act in *Schechter v. United States*. The Schechter brothers, who had a poultry business in Brooklyn, New York, had been convicted in 1933 of violating the NIRA’s Live Poultry Code. They had sold diseased chickens and violated the code’s wage-and-hour provisions.  (See page 1006 for more about *Schechter v. United States*.)

In what became known as the “sick chicken case,” the Court ruled that employees of a slaughterhouse were only involved in the slaughtering and sale of chickens in a local area. Because employees were not involved in interstate commerce, their wages and hours could not be regulated by the NIRA’s code for wage-and-hour provisions. More importantly, however, the court ruled that the Constitution did not allow Congress to delegate its powers to the executive branch. Thus it considered the NIRA codes unconstitutional. The decision worried Roosevelt. The ruling suggested that the Court could soon strike down the rest of the New Deal as well.

Shortly after the Schechter decision, Roosevelt sprang into action. With the Court threatening to strike down the New Deal and with growing challenges from the left and right, the president knew he needed a new series of programs to keep voters’ support. He called congressional leaders to a White House conference. Pounding his desk, he thundered that Congress could not go home until it passed his new bills. That summer, Congress began what the press nicknamed the “second hundred days” and worked feverishly to pass Roosevelt’s programs.

 **Reading Check** **Examining** How did the Supreme Court’s ruling affect the New Deal?



Student Web Activity Visit the *American Vision: Modern Times* Web site at tav.mt.glencoe.com and click on **Student Web Activities—Chapter 10** for an activity on the New Deal.



NATIONAL GEOGRAPHIC MOMENT in HISTORY

BRIEF RESPIRE FOR FDR

Enjoying a short break from the pressures of dealing with the country's economic woes, President Franklin D. Roosevelt holds his beloved dog Fala while chatting with the granddaughter of the family gardener at his Hyde Park, New York, estate. The president and his staff, with the help of the press, took great pains to conceal his polio-induced paralysis. He was never filmed or photographed being wheeled or carried from place to place. This rare snapshot is one of the few known to exist that shows Roosevelt seated in his wheelchair.



The Rise of Industrial Unions

Aided by the Wagner Act, workers used sit-down strikes to protect their right to organize, and union membership increased rapidly.

Reading Connection How did leaders respond to major railroad strikes in the late 1800s? How would you respond to a strike if you were in a leadership position? Read on to learn about a new, effective method of striking and its results.

When the Supreme Court ruled against the NIRA, it also struck down the section of the law that established labor's right to organize. President Roosevelt and the Democrats in Congress knew that the working-class vote was very important in winning reelection in 1936. They also believed that unions could help end the Depression. They thought that high union wages would let workers spend more money, **thereby** boosting the economy. Opponents

disagreed, arguing that high wages forced companies to charge higher prices and to hire fewer people. Despite these concerns, Congress pushed ahead with new labor legislation.

The National Labor Relations Act In July 1935, Congress passed the National Labor Relations Act, also called the Wagner Act after its author, Democratic senator Robert Wagner of New York. The act guaranteed workers the right to organize unions without interference from employers and to bargain collectively. The law set up the **National Labor Relations Board** (NLRB), which consists of five members appointed by the United States President and approved by the Senate. Members serve five-year terms and receive assistance from 33 regional directors. The NLRB organized factory elections by secret ballot to determine whether workers wanted a union. The NLRB then certified the successful unions.

The new law also set up a process whereby dissatisfied union members could take their complaints to



binding arbitration, in which a neutral party would listen to both sides and decide the issues. The NLRB was authorized to investigate the actions of employers and had the power to issue “cease and desist” orders against unfair practices.

The CIO The Wagner Act stimulated a burst of labor activity. In the mid-1930s, the United Mine Workers union, led by John L. Lewis, began working with several other unions to organize workers in industries where unions did not yet exist. They formed the Committee for Industrial Organization (CIO) in 1935.

The CIO set out to organize industrial unions, or unions that included all workers in a particular industry, skilled and unskilled. The CIO began by focusing on the automobile and steel industries—two of the largest industries in America where workers were not yet organized into unions.

Sit-Down Strikes In late December 1936, officials at the General Motors auto-body plant in Cleveland, Ohio, demoted two union men. In an unplanned protest, a shift of 135 workers sat down and launched an unprecedented kind of strike. They stopped work-

ing but refused to leave the factory. This stopped the work flow and also prevented the factories from bringing in replacement workers. A few days later, the workers at the company’s plant in Flint, Michigan, launched their own **sit-down strike**, as the press quickly dubbed it. Workers at other plants followed suit or carried out traditional strikes. Bruce Bliven, editor of *The New Republic* magazine, was among the few journalists allowed into the plant. Regarding the condition of the strike, he reported:

“The place was remarkably neat and tidy, at least as clean as it is under normal conditions. Beds were made up on the floor of each car, the seats being removed if necessary. . . . I could not see—and I looked for it carefully—the slightest damage done anywhere to the General Motors Corporation. The nearly completed car bodies, for example, were as clean as they would be in the salesroom, their glass and metal shining.”

—quoted in *The Great Depression*

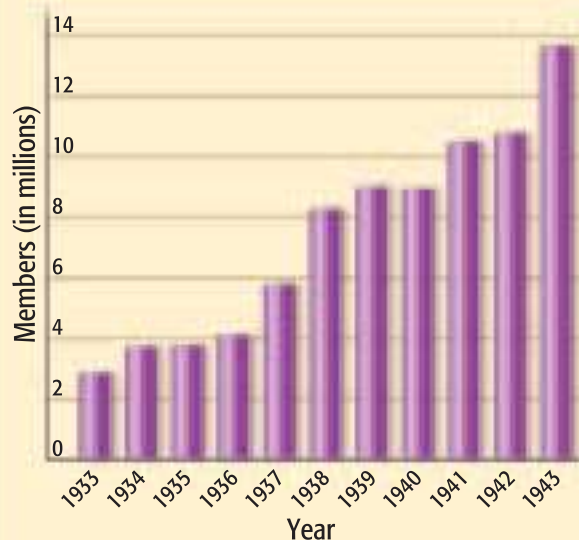
Violence broke out in Flint when police launched a tear gas assault on one of the smaller plants. The

Trying to Improve Working Conditions



Autoworkers stage a sit-down strike in 1937 in Flint, Michigan.

Union Membership, 1933–1943



Source: *Historical Statistics of the United States: Colonial Times to 1970.*

Graph Skills

- Interpreting Graphs** Approximately how many people were union members in 1936?
- Understanding Cause and Effect** Why did union membership increase steadily after 1936?



strikers turned back the attack with whatever was at hand—door hinges, bottles, stones, and balls of ice. The police wounded more than a dozen strikers with gunfire, but the strike held. On February 11, 1937, the company gave in and recognized the CIO's United Auto Workers (UAW) as its employees' sole bargaining agent. The UAW quickly became one of the most powerful unions in the United States.

The United States Steel Corporation, the nation's largest steel producer, decided it did not want to repeat the General Motors experience with striking workers. The company recognized the CIO's United Steelworkers of America, which won a 40-hour workweek and a 10-percent pay raise. Smaller steel producers did not initially recognize unions, and strikes broke out around the country. By 1941, however, the steelworkers' union had contracts with the entire industry.

In the late 1930s, workers in other industries also sat down at their jobs to gain union recognition. In only six years, total union membership tripled from roughly 3 million in 1933 to about 9 million in 1939. In 1938 the CIO changed its name to the Congress of Industrial Organizations and became a federation of industrial unions.

 **Reading Check** Examining What provisions did the National Labor Relations Act establish?

The Social Security Act

Main Idea The Social Security Act guaranteed benefits for the elderly and the unemployed.

Reading Connection Do you think that the elderly and others in need receive enough government assistance? Read on to find out about a program to help the elderly and people with disabilities.

After passing the Wagner Act, Congress began work on a bill that ranks as one of the most important pieces of legislation in American history. This was the **Social Security Act**, which became law in August 1935. Its major goal was to provide some security for the elderly and for unemployed workers.

With the support of Secretary of Labor Frances Perkins, Roosevelt and his team spent months preparing the bill. The framers viewed it primarily as an insurance bill. Workers earned the right to receive benefits because they paid premiums. The Social Security Act provided two social insurance programs. A federal program provided retirement insurance. The individual states administered a program for unemployment compensation that used federal funds. The legislation also provided modest welfare payments to other needy people, including those with disabilities and poor families with young dependent children.

The core of Social Security was the monthly retirement benefit, which people could collect when they stopped working at age 65. Another important benefit—unemployment insurance—supplied a temporary income to unemployed workers looking for new jobs. Some critics did not like the fact that the money came from payroll taxes imposed on workers and employers, but to Roosevelt these taxes were **crucial**: “We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and the unemployment benefits.”

The Second New Deal, 1935

Agency/Legislation	Function
Works Progress Administration (WPA)	Combated unemployment; created jobs throughout economy
Rural Electrification Administration (REA)	Brought electricity to isolated agricultural areas
Social Security Act	Created unemployment system, disability insurance, old-age pension, and child welfare benefits
Public Utility Holding Company Act	Eliminated unfair practices and abuses of utility companies
Banking Act	Strengthened the Federal Reserve
Resettlement Act	Assisted poor families and sharecroppers in beginning new farms or purchasing land

Chart Skills

- 1. Interpreting Charts** What did the Resettlement Act try to accomplish?
- 2. Understanding Cause and Effect** How did these acts create a safety net for American citizens?



Picturing History

Social Security President Roosevelt signs the Social Security Act of 1935 among supporters of the act. While critics did not like that contributions were payroll deducted, Roosevelt argued that this was vital to the social security program. **Why did Roosevelt believe it was so important for contributions to be payroll deducted?**

Since the people receiving benefits had already paid for them, he explained, “no politician can ever scrap my social security program.” What Roosevelt did not anticipate was that in the future, Congress would borrow money from the Social Security fund to pay for other programs while failing to raise payroll deductions enough to pay for the benefits.

The Social Security Act created a Social Security Board (SSB) to oversee the administration of the new program. In 1939 the SSB became part of the new Federal Security Agency. Six years later, in 1946, the SSB was reorganized and renamed the Social Security Administration, a designation it has kept until today.

Social Security helped many people, but initially it left out many of the neediest members of society—farm and domestic workers. Some 65 percent of all African American workers in the 1930s fell into these two categories. In 1939 the act was expanded to also include dependents and survivors of workers. It was not until 1950 that the coverage was again expanded,



this time to include full-time farm and domestic workers. Nevertheless, Social Security established the principle that the federal government should be responsible for those who, through no fault of their own, are unable to work.

Reading Check **Explaining** How did the Social Security Act protect workers?

HISTORY Online Study Central

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

SECTION 2 ASSESSMENT

Checking for Understanding

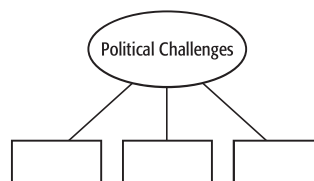
- Vocabulary** Define: deficit spending, financed, thereby, binding arbitration, sit-down strike, Social Security Act, crucial.
- People and Terms** Identify: American Liberty League, Works Progress Administration, National Labor Relations Board.
- Contrast** the ideas of Father Charles Coughlin, Senator Huey Long, and Dr. Francis Townsend.

Reviewing Big Ideas

- Explaining** How did the New Deal contribute to the growth of industrial unions?

Critical Thinking

- Historical Analysis** **Analyzing** Why is the Social Security Act an important piece of legislation? **CA CS1; HIT**
- Organizing** Use a graphic organizer similar to the one below to list the political challenges Roosevelt faced in his first term.



Analyzing Visuals

- Analyzing Graphs** Examine the photo and graph on page 515. How did successful strikes such as the sit-down strike shown in the photograph lead to a rise in union membership?

Writing About History

- Descriptive Writing** Imagine you are either a General Motors worker or a member of management during the sit-down strike in Flint, Michigan. Write a letter to your local newspaper describing the strike and explaining your actions during it. **CA 11WA2.1C**

Interactive
Graphic Organizer

Looking Back...

The Role of the Federal Government

Why It Matters The New Deal dramatically expanded the federal government's role. To address the Depression, federal programs were directed at everything from the economy to caring for the country's unemployed, aged, and sick. Many critics opposed this new federal activity, and the Supreme Court struck down several New Deal programs as unconstitutional. At the same time, the Court also issued decisions that dramatically increased the federal government's role. The debate over the power and role of the federal government echoed debates from earlier times in the nation's history.



Steps To . . . a Strong Federal Government

The growth of federal power began with the writing of the Constitution itself. When the American Revolution began, the individual state governments were very suspicious of centralized power. They did not want to create a strong national government that might endanger their liberties.

Federalism In drafting the new Constitution in 1787, the Founders adopted the idea of federalism. Federalism refers to a system under which power is shared between the national or federal government and the state governments. The Constitution divides government authority. It gives the national government specific powers but reserves all other powers to the states or to the people.

The Founders saw federalism as a way to forge a strong union while preserving the states as a check on federal power.

Necessary and Proper Clause The Constitution also gives the federal government implied powers. These are powers that the government has, even though they are not written down, because without them the government could not carry out the powers it has been expressly given.

The basis for implied powers is the Constitution's necessary and proper clause (art. 1, sec. 8). This clause gives Congress the power to make laws that are "necessary and proper" for it to execute its powers under the Constitution. The necessary and proper clause has been used many times to expand the federal government's power.

The debate over implied powers began in George Washington's administration in a dispute about the

"The government of the United States, then, though limited in its powers is supreme; and its laws, when made in pursuance of the Constitution, form the supreme law of the land . . ."

—U.S. Supreme Court Chief Justice
John Marshall, 1819

The Federal System

Powers of the National Government	Powers Shared by National and State Governments	Powers Reserved for State Governments
• Regulate interstate and foreign trade • Raise/support armed forces • Declare war/make peace • Coin and print money • Grant patents/copyrights • Establish federal courts • Govern territories and admit new states • Set weights/measures • Establish a postal system • Regulate immigration	• Collect taxes • Borrow money • Make and enforce laws • Establish and maintain courts • Charter banks • Provide for public welfare	• Regulate trade within the state • Write business/corporate laws • Establish and maintain public schools • Set up local governments • Pass marriage/divorce laws • Conduct elections • Ratify constitutional amendments

creation of a national bank. Alexander Hamilton believed a bank was convenient and not prohibited in carrying out the government's treasury functions, while Thomas Jefferson believed the federal government could not create a bank since it was not absolutely necessary. Washington sided with Hamilton, and the bank was created.

The Supreme Court, under the leadership of Chief Justice John Marshall, strongly defended the idea that the necessary and proper clause gave the federal government wide-ranging powers. In 1819, in *McCulloch v. Maryland*, the Court ruled that the necessary and proper clause allowed the federal government to use any method that was convenient for carrying out its express powers, as long as it was not specifically forbidden in the Constitution.

The Commerce Clause Another clause in the Constitution that has been used to expand the federal government's power is the commerce clause. The Constitution gives the federal government the power to regulate commerce with foreign nations and between the states. Over time, the definition of the word *commerce* has played an important role in determining the powers of the federal government.

In 1824 the Supreme Court ruled in *Gibbons v. Ogden* that the commerce clause meant that anything crossing state lines could be regulated by the federal government. In the late 1800s and early 1900s, however, the Court ruled that federal laws regulating industry, agriculture, child labor, and

unions were unconstitutional because such activities took place within states, not across state lines. During the New Deal, however, the Supreme Court's opinion shifted. In 1937 it ruled in *NLRB v. Jones and Laughlin Steel* that the commerce clause allowed the federal government to regulate industry within states.

The Fourteenth Amendment Perhaps the most dramatic increase in federal power took place following the Civil War. The new Fourteenth Amendment banned states from depriving people of their life, liberty, or property "without due process of law" and prohibited states from denying people the "equal protection of the laws." Both the due process clause and the equal protection clause have been used repeatedly by the Supreme Court to extend the Bill of Rights to the states and to end segregation of African Americans. As a result, by the late twentieth century, the federal government had acquired powers far beyond those envisioned in 1787.

Checking for Understanding

1. What is the necessary and proper clause in the Constitution?
2. In what ways did the Supreme Court use the commerce clause?

Critical Thinking

1. Do you agree with Jefferson's or Hamilton's view of implied powers? Explain.
2. How did the Fourteenth Amendment increase federal power?



SECTION 3

The New Deal Coalition

Guide to Reading

Connection

In the previous section, you learned about the Second New Deal. In this section, you will discover how President Roosevelt faced the problems brought by Supreme Court decisions and a new recession.

Main Idea

- After winning reelection in 1936, Roosevelt faced controversies over the plan to increase the size of the Supreme Court and over a recession caused by his desire to stop deficit spending. (p. 521)
- Roosevelt and his colleagues continued to push for reforms in housing, farming, and labor. (p. 523)

- The New Deal expanded the role of the federal government in society and the economy by providing a safety net for many people. (p. 525)

Content Vocabulary

broker state, safety net

Academic Vocabulary

demonstrate, enhance, mediate

Names and Terms

Frances Perkins, court-packing, Henry Morgenthau, John Maynard Keynes

Reading Objectives

- **Explain** the achievements and the defeats of Roosevelt's second term.

- **Analyze** how the New Deal affected Americans' sense of security and their attitude toward the role of government.

Reading Strategy

Taking Notes As you read about the New Deal Coalition, use the major headings of the section to create an outline similar to the one below.

The New Deal Coalition

- I. Roosevelt's Second Term
 - A.
 - B.
 - C.
- II.
 - A.
 - B.



Preview of Events



The following are the main History–Social Science Standards covered in this section.

11.6.4 Analyze the effects of and the controversies arising from New Deal economic policies and the expanded role of the federal government in society and the economy since the 1930s (e.g., Works Progress Administration, Social Security, National Labor Relations Board, farm programs, regional development policies, and energy development projects such as the Tennessee Valley Authority, California Central Valley Project, and Bonneville Dam).

11.6.5 Trace the advances and retreats of organized labor, from the creation of the American Federation of Labor and the Congress of Industrial Organizations to current issues of a postindustrial multinational economy, including the United Farm Workers in California.

The Big Idea

Social and economic crises lead to new roles for government. President Roosevelt won overwhelmingly in the 1936 election, but he lost support with his court-packing plan and a recession that hit the following year. Conservative Democrats now began to work with Republicans to oppose new legislation. The president tried to push ahead with more New Deal programs to strengthen the economy and aid Americans. He was able to get a housing bill, a loan program for farmers, and a revised labor law approved, but Congress balked at most of his bills. Still, the role of the federal government had increased considerably, and the nation began to expect the government to provide a safety net for average Americans.



Roosevelt's Second Term

Main Idea After winning reelection in 1936, Roosevelt faced controversies over the plan to increase the size of the Supreme Court and over a recession caused by his desire to stop deficit spending.

Reading Connection Describe a time you had to reach a consensus within a group. Read on to learn how Roosevelt tried to gain Supreme Court approval for his programs.

A dramatic shift in party allegiance by African Americans was part of a historic political realignment triggered by FDR's New Deal. As the election of 1936 approached, millions of voters believed they owed their jobs, mortgages, or salvaged bank accounts to the New Deal.

★ An American Story ★

One day in 1932, Emma Guffey Miller, the sister of Democratic senator Joseph Guffey, was having her nails done at a salon in Pittsburgh. Her manicurist mentioned that Robert Vann, publisher of the *Pittsburgh Courier*, a leading African American newspaper, wanted to see the senator. When Senator Guffey met Vann, Vann told him that the Democrats could win most of the 280,000 African American votes in Pennsylvania if they made the effort.

Since the Civil War, most African Americans had voted for the Republicans. Now times had changed. The Depression had hit the African American community very hard, and Republicans had done little to help. In talks to African American voters, Vann often said, "My friends, go home and turn Lincoln's picture to the wall. That debt has been paid in full."

Guffey was impressed. He persuaded party leaders to appoint Vann to lead "the first really effective Negro division a Democratic campaign committee ever had." By 1936 the majority of African American voters had switched their support to the Democratic Party.

—adapted from *The Politics of Upheaval*

The white South, which had been the core of the Democratic Party, now became just one part of a new coalition that included farmers, laborers, African Americans, new immigrants, ethnic minorities, women, progressives, and intellectuals. First Lady Eleanor Roosevelt helped bring about the change in the African American and women's vote. She had

demonstrated strong sympathies toward these groups, with whom she spoke in her many tours of the country. She recounted her experiences to her husband and persuaded him to address at least some of their problems in his New Deal programs.

African Americans and women made some modest gains during the New Deal. For example, the president appointed a number of African Americans to positions in his administration; informally, they became known as the Black Cabinet. Roosevelt also tried to ensure that New Deal relief programs did not exclude African Americans.

A similar approach guided New Deal policies toward women. Roosevelt appointed the first woman to a cabinet post, Secretary of Labor **Frances Perkins**, and assigned many women to lower-level jobs in the federal bureaucracy. Even so, the general view was that women did not need federal government action to ensure equal treatment, but rather to provide certain protections for them.

The Election of 1936 To oppose Roosevelt, the Republicans nominated Kansas Governor Alfred Landon. Although Landon favored some New Deal policies, he declared it was time "to unshackle initiative and free the spirit of American enterprise." As the election neared, Landon became more aggressive. The New Deal "violates the basic ideals of the American system," he declared. "If we are to preserve our American form of government, this administration must be defeated."

Despite Landon's attacks, Roosevelt and the New Deal remained overwhelmingly popular with the American people. The challenge from left-wing radicals also proved much weaker than expected—primarily because Huey Long had been assassinated in Louisiana in September of 1935. Long's supporters

*"... go home
and turn
Lincoln's
picture to
the wall."*

—Robert Vann





joined with those of Father Coughlin and Francis Townsend in the summer of 1936 to form a new political movement called the Union Party, but without a strong leader, the party had no chance.

On Election Day, Roosevelt swept to victory in one of the largest landslides in American history. He won more than 60 percent of the popular vote and carried every state except Maine and Vermont.

The Court-Packing Plan Although popular opinion supported most of the president's programs, the Supreme Court saw things differently. In January 1936, the Court declared the Agricultural Adjustment Act to be unconstitutional. With cases pending on Social Security and the Wagner Act, it seemed likely the Court would strike down nearly all of the major New Deal programs.

Roosevelt was furious that a handful of jurists, "nine old men" as he called them, were blocking the wishes of a majority of the people. After winning reelection, he decided to try to change the political balance on the Supreme Court. Claiming that the Court was overburdened with work, Roosevelt sent Congress a bill to increase the number of justices: If any justice had served for 10 years and did not retire within six months after reaching the age of 70, the president could appoint an additional justice to the Court. Since four justices were in their 70s and two more were in their late 60s, the bill, if passed, would

allow Roosevelt to quickly appoint as many as six new justices.

The **court-packing** plan, as the press called it, was Roosevelt's first serious political mistake as president. Although Congress had the power to change the size of the Court, the scheme created the impression that the president was trying to interfere with the Constitution's separation of powers and undermine the Court's independence.

The issue split the Democratic Party. Many Southern Democrats feared Roosevelt's plan would put justices on the Court who would overturn segregation. At the same time, African American leaders worried that once Roosevelt set the precedent of changing the Court's makeup, a future president might pack the Court with justices opposed to civil rights. Many Americans believed the plan would give the president too much power.

Despite the uproar over the scheme, Roosevelt's actions appeared to force the Supreme Court to back down. In April 1937, the Court upheld the Wagner Act, and in May it declared the Social Security Act to be constitutional. Shortly afterward, one of the more conservative judges resigned, enabling Roosevelt to appoint a supporter of the New Deal to the Court.

In mid-July, the Senate quietly killed the court-packing bill without bringing it to a vote. Although Roosevelt had achieved his goal of changing the Court's view of the New Deal, the fight over the plan had hurt his reputation with the American people and encouraged conservative Democrats in Congress to work with Republicans to oppose further New Deal proposals.

Picturing History

Campaigning in 1936 During the 1936 election, FDR's Democratic Party brought together farmers, like this North Dakotan, and many other groups of Americans to form a new coalition of political supporters. This coalition helped give Roosevelt a strong re-election victory. [What different groups made up this coalition?](#)



The Roosevelt Recession In late 1937, Roosevelt's reputation suffered another blow when unemployment suddenly surged. Earlier in the year, the economy had seemed to be on the verge of full recovery. Industrial output was almost back to the level it had reached before the Depression began, and many people believed the worst was over.

Although unemployment remained high, Roosevelt decided it was time to balance the budget. Concerned about the dangers of too much debt, Roosevelt ordered the WPA and the PWA to be cut significantly. Unfortunately, Roosevelt cut spending

just as the first Social Security payroll taxes removed \$2 billion from the economy. Almost immediately the economy plummeted. By the end of 1937, about two million people had been thrown out of work.





Profiles IN HISTORY

Mary McLeod Bethune

1875–1955

Mary McLeod Bethune was born into a poor South Carolina family, the 15th of 17 children. Although she worked from a young age picking cotton and washing clothes, Bethune was determined to get an education. She won a scholarship to a seminary in North Carolina and later graduated from the Moody Bible Institute in Chicago. Bethune then began teaching at the Haines Institute. In 1904 she founded a school in Florida for the children of African American railroad workers. “I rang doorbells,” she later recalled. “I wrote articles . . . distributed leaflets, [and] invaded churches, clubs, lodges, [and] chambers of commerce.” Gradually she raised enough money to found the Daytona Normal and Industrial School, later known as Bethune College.

Bethune’s efforts gained her a national reputation. In the 1920s, she visited the White House to discuss African American affairs. She also became a good friend of Eleanor Roosevelt. In 1936 FDR appointed her director of the Negro Division of the National Youth Administration (NYA), which provided job training for young people. Bethune also founded the National Council of Negro Women to support civil rights. In later years, she advised Presidents Truman and Eisenhower.



Frances Perkins

1882–1965

From the moment she became FDR’s secretary of labor at the age of 50, Frances Perkins confronted the challenge of being the first female cabinet member in the nation’s history.

Perkins studied social work at Columbia University. Early in her career, she assisted Jane Addams at Hull House and worked with Florence Kelley of the Consumers’ League. From her lobbying efforts there, Perkins learned how to deal with politicians.

Perkins first met Roosevelt when she worked for the New York Committee on Safety, lobbying state legislators to limit the workweek for women to 54 hours. When Roosevelt became governor in 1928, he appointed Perkins state industrial commissioner.

After Roosevelt won the presidency in 1932, he asked Perkins to head the Department of Labor. Upon taking the job, Perkins found many areas that needed improvement: offices that were run down, disorganized files, and lax work schedules, conditions she quickly remedied.

Given her background, it was fitting that one of Perkins’s major tasks was to head the team that designed the Social Security program. She also supervised implementation of the Fair Labor Standards Act and built up the Bureau of Labor Statistics.



The recession of 1937 led to a debate inside Roosevelt’s administration over what to do. Treasury Secretary **Henry Morgenthau** favored balancing the budget and cutting spending. This would reassure business leaders and encourage them to invest in the economy. Harry Hopkins, head of the WPA, and Harold Ickes, head of the PWA, both disagreed with Morgenthau and pushed for more government spending. They pointed to a new theory called “Keynesianism” to support their arguments.

Keynesianism was based on the theories of an influential British economist named **John Maynard Keynes**. In 1936 Keynes published a book that discussed the causes of recessions. He argued that the government should spend heavily during a recession, even if it had to run a deficit, in order to jumpstart the economy.

According to Keynesian economics, Roosevelt had done exactly the wrong thing when he reduced government spending on programs in 1937. At first Roosevelt was reluctant to begin deficit spending again. Many critics of his policies had argued that the recession proved the American people were becoming too dependent on government spending, and

Roosevelt worried they might be right. Finally, in the spring of 1938, with no recovery in sight, President Roosevelt gave in. He asked Congress to approve \$3.75 billion for the PWA, the WPA, and other programs with hope that government spending would stimulate the economy.

 **Reading Check** **Summarizing** What events weakened Roosevelt’s reputation in 1937?

The Last New Deal Reforms

 **Main Idea** Roosevelt and his colleagues continued to push for reforms in housing, farming, and labor.

Reading Connection Should the government make loans to people who want to buy houses or farms? Read on to find out about the final programs of the New Deal.

In his second inaugural speech, Roosevelt had pointed out that despite the nation’s progress in climbing out of the Depression, many Americans still endured crippling poverty:



"Come along. We're going to the Throne-Less to His Roosevelt."



Analyzing Political Cartoons

Traitor to His Class By 1936 many wealthy Americans believed that FDR had turned his back on his own upbringing, and they actively worked to prevent his re-election. [How did the New Deal change the way many people view government?](#)

“In this nation I see tens of millions of its citizens—a substantial part of its whole population—who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life. . . . I see one-third of a nation ill-housed, ill-clad, ill-nourished. . . . The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

—quoted in *Public Papers and Addresses of Franklin D. Roosevelt*

Despite the president’s idealistic goals, the fight over the court-packing scheme and the recession of 1937 had weakened Roosevelt politically. Although he pushed ahead with a new series of New Deal programs, his successes were limited.

The National Housing Act One of the president’s goals for his second term was to provide better hous-

ing for the nation’s poor. The Home Owners Loan Corporation had helped many middle-class citizens, but it had not provided housing for those who could not afford a mortgage. Eleanor Roosevelt, who had toured poverty-stricken regions of Appalachia and the Deep South, was among those urging the president to do something.

Senator Wagner, who shared the First Lady’s concerns, prepared a new housing bill with Roosevelt’s full support. The 1937 National Housing Act established the United States Housing Authority, which received \$500 million to subsidize loans for builders willing to buy blocks of slums and build low-cost housing.

The Farm Security Administration Before the Supreme Court struck it down, the Agricultural Adjustment Administration had paid many farmers to take land out of production to force food prices to rise. The price-support program raised farm income, but it badly hurt tenant farmers. Landowners often expelled tenants from the land in order to take it out of production. About 150,000 white and 195,000 African American tenants left farming during the 1930s for this reason.

To stop this trend, the Farm Security Administration was created in 1937 to give loans to tenants so they could purchase farms. Over the next four years it extended loans of about \$1 billion. Members of Congress, many of whom believed the program made agricultural problems worse by increasing farm production and driving down prices, kept its appropriations at a low level.

The Fair Labor Standards Act In 1938 New Dealers were still trying to reinstate important pro-labor regulations to make up for the Supreme Court’s dismantling of the NIRA in 1935. The Fair Labor Standards Act of 1938 provided more protection for workers, abolished child labor, and established a 40-hour workweek for many workers to come into effect within three years.

Congress, however, was beginning to turn against the New Deal. The recession of 1937 enabled the Republicans to win many seats in Congress in the midterm elections of 1938. Together with conservative Southern Democrats, they began blocking further New Deal legislation. Roosevelt, meanwhile, became increasingly preoccupied with the growing international threat posed by Germany and Japan. By 1939 the New Deal era had come to an end.

Reading Check **Examining** What groups did Roosevelt’s last New Deal programs try to help?



The Legacy of the New Deal

Main Idea The New Deal expanded the role of the federal government in society and the economy by providing a safety net for many people.

Reading Connection Do you think it is the government's responsibility to provide help for those in need? Read on to learn how people felt about the government as the New Deal came to an end.

In terms of its main goal of ending the Depression, the New Deal was only a limited success. Unemployment remained high, and economic recovery was not complete until after World War II. Even so, the New Deal gave many Americans a stronger sense of security and stability.

The Broker State As a whole, the New Deal tended to operate so that it balanced competing economic interests. Business leaders, farmers, workers, consumers, homeowners, and others now looked to government to protect their interests.

The federal government's ability to take on this new role was **enhanced** by two important Supreme Court decisions. In 1937, in *NLRB v. Jones and Laughlin Steel*, the Court ruled that the federal government had the constitutional authority, under the interstate commerce clause, to regulate production within a state. In 1942, in *Wickard v. Filburn* the Court used a similar argument to allow the federal government to regulate consumption in the states. These decisions increased federal power over the economy and allowed it to **mediate** between competing groups. (See pages 1006 and 1007 for more information on these Supreme Court cases.)

In taking on this mediating role, the New Deal established what some have called the **broker state**,

working out conflicts among different interests. This broker role has continued under the administrations of both parties ever since.

Government's New Role Probably the biggest change the New Deal brought about was the new public attitude toward government. Roosevelt's programs had succeeded in creating something of a **safety net** for average Americans—safeguards and relief programs that protected them against economic disaster. By the time the Roosevelt years were over, the American people felt that the government had a duty to maintain this safety net even though it required a larger, more expensive federal government than at any time in American history.

Critics continued to argue that the New Deal made the government too powerful. Another legacy of the New Deal, therefore, is a debate that has continued to the present over how much the government should intervene in the economy or support the disadvantaged.

Throughout the hard times of the Depression, most Americans maintained a surprising degree of confidence in the American system. Journalist Dorothy Thompson expressed this feeling in 1940:

“We have behind us eight terrible years of a crisis. . . . Here we are, and our basic institutions are still intact, our people relatively prosperous and most important of all, our society relatively affectionate. . . . No country is so well off.”

Reading Check **Summarizing** What was the legacy of Roosevelt's New Deal?

HISTORY
Online



Study Central

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

SECTION 3 ASSESSMENT

Checking for Understanding

1. **Vocabulary** Define: demonstrate, enhance, mediate, broker state, safety net.
2. **People and Terms** Identify: Frances Perkins, court-packing, Henry Morgenthau, John Maynard Keynes.
3. **Explain** Roosevelt's court-packing plan and how it was received.

Reviewing Big Ideas

4. **Identifying** What groups made up the New Deal coalition?

Critical Thinking

5. **Interpreting** How did the New Deal change attitudes toward government?
6. **Categorizing** Use a chart like the one below to list the achievements and defeats of Roosevelt's second term.

Achievements	Defeats

Analyzing Visuals

7. **Analyzing Photographs** Study the photograph on page 522. What does it suggest about Roosevelt's method of campaigning?

Writing About History

8. **Persuasive Writing** Write an essay evaluating the effectiveness of New Deal measures in ending the Depression. **CA 11W.5.1.3**



Primary Sources

Eyewitness to History

In 1933 Americans were desperate for change. President Franklin D. Roosevelt promised to experiment, to act decisively, and to use the government as a weapon against the Great Depression. While Roosevelt faced criticism for his New Deal programs, many people were grateful for the help they received.

SOURCE 1:

In his Inaugural Address on March 4, 1933, President Roosevelt outlined in broad terms his plans to pull the nation out of the Depression. Roosevelt compared the Great Depression to a war he needed to fight by all possible means.

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a **candor**¹ and a decision which the present situation of our Nation impels. This is preeminently the time to speak the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. . . .

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious **curtailment**² of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problems of existence, and an equally great number **toil**³ with little return. Only a foolish optimist can deny the dark realities of the moment. . . .



▲ *President Roosevelt delivers his First Inaugural Address.*

. . . This Nation asks for action, and action now. . . .

But in the event that the Congress shall fail to take one of these two courses [I outlined], and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

¹ **candor**: honesty

² **curtailment**: reduction

³ **toil**: work



▲ Artist Lucille Lloyd paints a new mural in the California State Building in Los Angeles as part of the WPA Federal Art Project.

SOURCE 2:

As part of Roosevelt's New Deal, the staff of the Federal Writer's Project of the Works Progress Administration collected life histories. Nineteen-year-old Millard Ketchum, one of the men interviewed in 1938, talked about his experience with the Civilian Conservation Corps (CCC).

Millard Ketchum had just come in from his day's work in the field. He was still in his blue CCC work uniform. "This is better clothes than I ever had at home," he said, "before I got to the CCC. You see, at home there was so many of us, we couldn't have much clothes to wear and in summer time we jist [just] didn't wear no shoes, and no shirts much, nor nothing else much. . . ."

I asked if he wanted to stay with the CCC.

"Yes'm, as long as I kin [can], because I git [get] plenty to eat here. I didn't always at home, not the same kind of stuff, anyhow. Guess we had plenty, such as it was, at home, but it jist wasn't good like this, nor enough of it for the kind it was. I git to go more, git to see more. I'm learning too. I watch the others, and then, I have more clothes and can keep cleaner too. . . ."

. . . I git thirty dollars a month and send twenty-two of it home to them. They need it! My papa he don't make enough to do for all, jist renting and farming like he does."

SOURCE 3:

In 1939 an interviewer from the Federal Writer's Project spoke with Eugenia Martin. The granddaughter of enslaved persons and the widow of a church minister, she worked for the Works Progress Administration as a housekeeping aide in Atlanta.

Of course husband left me a little money, very little however, at his death and this was soon exhausted. I then tried to get work to maintain myself. I made every attempt to get work in private industry and being unsuccessful, I was compelled to get work on WPA. I was reluctant at first to go to WPA, for . . . it had seemingly been the consensus of many that only the shiftless, lazy and lower types resorted to relief agencies. . . .

but I was growing more and more in need and this caused me to keep on trying. I finally succeeded in being certified and then was later assigned to work. . . .

. . . I had worked in the church, coming in contact with the poor and needy, the sick and suffering but it was nothing compared with that which I found or experienced on this project. I never realized before just what was out there in those alleys, in the slums, the poverty and illiteracy that existed there. I am glad that I have had the opportunity to work on WPA, first because it has provided me a livelihood and second for the experience I've gotten, which I wouldn't have gotten otherwise. It enabled me to keep up . . . my home. I haven't been able to save anything since working on WPA but it enabled me to carry on. I simply could not have held out this long had it not been for WPA. . . .

DBQ

Document-Based Questions

Historical Analysis

CA HR4; HI1; HI3

Source 1: What steps is Roosevelt willing to take to solve the nation's problems?

Source 2: Why did Ketchum enjoy being in the CCC?

Source 3: What were Martin's views of the WPA?

Comparing and Contrasting Sources:

Do you think the accounts of Ketchum and Martin justify Roosevelt's strong approach to government programs? Explain.

Reviewing Key Terms

On a sheet of paper, use each of these terms in a sentence.

- | | |
|------------------------|------------------------|
| 1. gold standard | 5. sit-down strike |
| 2. fireside chat | 6. Social Security Act |
| 3. deficit spending | 7. broker state |
| 4. binding arbitration | 8. safety net |

Reviewing Academic Vocabulary

On a sheet of paper, use each of these terms in a sentence that reflects the term's meaning in the chapter.

- | | | |
|-----------------|-------------|-----------------|
| 9. apparent | 12. finance | 15. demonstrate |
| 10. ideology | 13. thereby | 16. enhance |
| 11. fundamental | 14. crucial | 17. mediate |

Reviewing the Main Ideas**Section 1**

18. Why did the federal government create work programs during the Depression?

Section 2

19. How did the Wagner Act contribute to the growth of unions?

Section 3

20. Why did President Roosevelt devise the court-packing plan?

Critical Thinking**21. Reading Skill****Recognizing Time and Sequence**

Create a time line identifying key events from the New Deal. Then write a brief letter identifying the sequence of events. Be sure to include signal words and phrases.

22. **Civics** Identify the political opposition to the New Deal. Why did these individuals and groups disagree with President Roosevelt's programs?
23. **Categorizing** Use a graphic organizer like the one below to list groups of people helped by each program.

New Deal Agencies	Whom It Helped
NRA	
AAA	
FDIC	
HOLC	
CCC	

Chapter Summary**Major New Deal Programs****Financial and Debt**

- Emergency Banking Relief Act regulated banks.
- Federal Deposit Insurance Corporation insured bank deposits.
- Farm Credit Administration refinanced farm mortgages.
- Home Owners' Loan Corporation financed homeowners' mortgages.

Work and Relief

- Civilian Conservation Corps created forestry jobs for young men.
- Federal Emergency Relief Administration funded city and state relief programs.
- Public Works Administration created work programs to build public projects, such as roads, bridges, and schools.

Agriculture and Industry

- Agricultural Adjustment Administration paid farmers to limit surplus production.
- National Industrial Recovery Act limited industrial production and set prices.
- National Labor Relations Act gave workers the right to organize unions and bargain collectively.
- Tennessee Valley Authority financed rural electrification and helped develop the economy of a seven-state region.

Social "Safety Net"

- Social Security Act provided:
 - income for elderly, handicapped, and unemployed.
 - monthly retirement benefit for people over 65

Self-Check Quiz

Visit the *American Vision: Modern Times* Web site at tav.mt.glencoe.com and click on **Self-Check Quizzes—Chapter 10** to assess your knowledge of chapter content.

Writing About History

24. **Historical Analysis** **Analyzing Environmental Issues**
Choose a federal, state, or local government building project such as new roads, airports, or reservoirs. Write an editorial to the local newspaper explaining how this project will impact the environment. **CA HIS**
25. **Big Idea** Choose one of the New Deal programs. Describe its goals and evaluate its success or failure.
26. **Expository Writing** Under Economic Crisis and the New Deal on the American History Primary Source Document Library CD-ROM, read Roosevelt's First Inaugural Address. Work with another student to write a commentary on the address and then present it as a radio broadcast to the class. Your commentary should include opinions about Roosevelt's economic ideas.

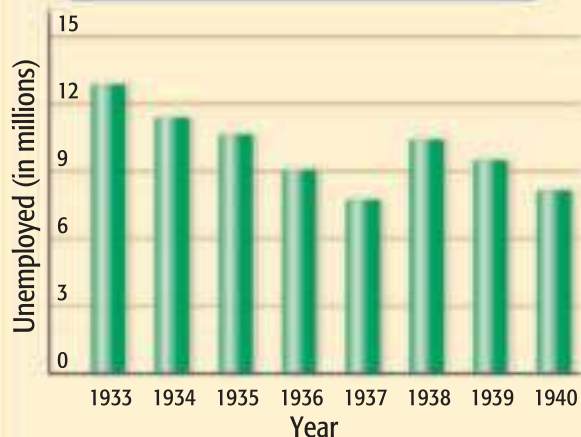
DBQ Document-Based Questions

27. **Interpreting Primary Sources** In her autobiography, Eleanor Roosevelt wrote about discussions she had with people across the country. Read the excerpt and answer the questions that follow.

“This trip to the mining areas was my first contact with the work being done by the Quakers. I liked the idea of trying to put people to work to help themselves. The men were started on projects and taught to use their abilities to develop new skills. The women were encouraged to revive any household arts they might once have known but which they had neglected in the drab life of the mining village. This was only the first of many trips into the mining districts but it was the one that started the homestead idea [placing people in planned communities with homes, farms, and jobs]. . . . It was all experimental work, but it was designed to get people off relief, to put them to work building their own homes and to give them enough land to start growing food.”

- a. Why did Eleanor Roosevelt like the Quaker project?
- b. Based on this excerpt, do you think that Eleanor Roosevelt supported her husband's New Deal programs? Explain your answer.

Unemployment, 1933–1940



Source: Historical Statistics of the United States: Colonial Times to 1970.

Economics and History

28. Examine the graph above showing unemployment figures, and then answer the questions below.
 - a. **Interpreting Graphs** What was the difference in unemployment between 1937 and 1938?
 - b. **Analyzing** Why did unemployment decline between 1933 and 1937? Why did it increase in 1938?

Standards Practice



Directions: Choose the best answer to the following question.

29. Which of the following is true of the bills passed during the first Hundred Days of FDR's presidency?
 - A They were intended to provide long-term relief to American citizens.
 - B They were known as the Second New Deal.
 - C They were designed as temporary measures to restart the economy.
 - D They were the subjects of divisive and protracted debate in Congress.

Standard 11.6.2: Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress, and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis.