

9

The New Deal 1932–1941



WITNESS HISTORY AUDIO

A New Beginning

Still suffering through the worst economic crisis in the nation's history, depression-weary Americans anxiously awaited Franklin D. Roosevelt's Inaugural Address.

“Saturday, March 4, 1933.

Turn on the radio. It's time for the inauguration.

There is a tension in the air today—a sense of momentousness and of expectation. When you went downtown this morning you found the banks shut. . . .

But what next? . . . The one thing you want to hear, that everybody wants to hear, is the Inaugural Address. All over the country people are huddled round their radios, wondering what Roosevelt's answer to disaster will be.”

—Frederick Lewis Allen, *Since Yesterday: The 1930s In America*

Listen to the Witness History audio to learn more about FDR's inauguration.

- ◀ On the campaign trail in West Virginia, Governor Roosevelt greets a coal miner.

Chapter Preview

Chapter Focus Question: How did the New Deal respond to the ravages of the depression and change the role of the federal government?

Section 1

FDR Offers Relief and Recovery

Section 2


The Second New Deal

Section 3

Effects of the New Deal

Section 4

Culture of the 1930s

Use the  **Quick Study Timeline** at the end of this chapter to preview chapter events.



Movie poster for *King Kong*



1932 presidential campaign button



The CCC provided government jobs for unemployed young men.

Note Taking Study Guide Online

For: Note Taking and American Issues Connector
Web Code: nee-8201

▼ Roosevelt campaign banner



▼ Franklin Delano Roosevelt

WITNESS HISTORY  AUDIO

Overcoming Fear

Franklin D. Roosevelt's March 1933 inauguration came at a somber moment in American history. The U.S. economy had hit rock bottom. Many Americans wondered if they would ever find work again. With the first words of his Inaugural Address, FDR reassured the American people:

“This is preeminently the time to speak the truth, 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.”

—Franklin D. Roosevelt, *First Inaugural Address*, March 4, 1933

FDR Offers Relief and Recovery

Objectives

- Analyze the impact Franklin D. Roosevelt had on the American people after becoming President.
- Describe the programs that were part of the first New Deal and their immediate impact.
- Identify critical responses to the New Deal.

Terms and People

Franklin D. Roosevelt	CCC
Eleanor Roosevelt	NRA
New Deal	PWA
fireside chat	Charles Coughlin
FDIC	Huey Long
TVA	

NoteTaking

Reading Skill: Connect Ideas Fill in a chart like the one below with the problems that FDR faced and the steps he took to overcome them.

FDR Tackles Tough Problems	
Problem	FDR's Policy
Failing banks	

Why It Matters The Great Depression challenged the faith of Americans that democracy could handle the crisis. Faced with similar circumstances, people in Germany, Italy, and Japan had turned to dictators to deliver them from despair. The New Deal had great significance because America's response to the Great Depression proved that a democratic society could overcome the challenges presented by the severe economic crisis. **Section Focus Question:** How did the New Deal attempt to address the problems of the depression?

Roosevelt Takes Charge

In 1928, Herbert Hoover had almost no chance of losing his bid for the presidency. In 1932 however, Hoover had almost no chance of winning reelection. The depression had taken its toll. About 25 percent of the population was unemployed. Bank failures had wiped out peoples' savings. The hungry waited on long lines at soup kitchens.

Americans were ready for a change. In July of 1932, the relatively unknown governor of New York, **Franklin D. Roosevelt**, accepted the Democratic Party's nomination for President.

Roosevelt Overcame Obstacles Strangely enough, Americans had chosen a presidential candidate who had never known economic hardship. As a child, Franklin Delano Roosevelt had enjoyed all the privileges of an upper-class upbringing, including education at elite schools and colleges. From his parents and teachers, FDR gained a great deal of self-confidence and a belief that public service was a noble calling.

In 1905, Franklin married his distant cousin **Eleanor Roosevelt**. President Theodore Roosevelt, Eleanor's uncle and Franklin's fifth cousin gave the bride away. In time, Eleanor would become deeply involved in public affairs.

Like Teddy Roosevelt, Franklin rose quickly through the political ranks. After election to the New York State Senate, he served as Woodrow Wilson's Assistant Secretary of the Navy. In 1920, Roosevelt was the Democratic Party's vice presidential nominee. Although the Democrats lost the election, many considered him the rising star of the party.

Then, in the summer of 1921, tragedy struck. While vacationing, FDR slipped off his boat into the chilly waters of the North Atlantic. That evening, he awoke with a high fever and severe pains in his back and legs. Two weeks later, Roosevelt was diagnosed with polio, a dreaded disease that at the time had no treatment. He never fully recovered the use of his legs.

FDR did not allow his physical disability to break his spirit. With Eleanor's encouragement, Roosevelt made a political comeback. In 1928, he was elected governor of New York and earned a reputation as a reformer. In 1932, he became the Democrat's presidential candidate, pledging "a new deal for the American people."

Voters Elect a New President When FDR pledged a "**New Deal**," he had only a vague idea of how he intended to combat the depression. Convinced that the federal government needed to play an active role in promoting recovery and providing relief to Americans, he experimented with different approaches to see which one worked best.

Primary Source

"The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and to try it. If it fails, admit it frankly and try another. But above all, try something!"

—Franklin D. Roosevelt, speech at Oglethorpe University, May 22, 1932

The 1932 election campaign pitted Roosevelt against President Herbert Hoover. The two men advocated very different approaches to the problems of the Great Depression. Hoover believed that depression relief should come from state and local governments and private agencies. Roosevelt believed that the depression required strong action and leadership by the federal government. As Hoover noted, "This campaign is more than a contest between two men. . . . It is a contest between two philosophies of government."

Hoover's popularity declined as the Great Depression worsened. Even longtime Republicans deserted him. FDR—with the support of those who embraced his ideas as well as those who opposed Hoover's approach—won a landslide presidential victory, defeating Hoover by more than 7 million votes.

Americans had to wait four long months between Roosevelt's election, in November 1932, and his inauguration, in March 1933. Meanwhile, they watched helplessly as thousands of banks collapsed and unemployment soared. What would Roosevelt do to combat the depression? Even the experts did not know what to expect.

Putting Together a Winning Team To help him plan the New Deal, FDR sought the advice of a diverse group of men and women. Among the most influential was a group of professionals and academics whom the press nicknamed the

FDR Not Slowed by Polio

Despite the debilitating effects of polio, FDR continued to serve in public office. *How do you think FDR's earlier jobs and experiences prepared him to serve as President?*

- 1903 Earned BA in history from Harvard University
- 1910 Elected to the New York State Senate
- 1913 Appointed Assistant Secretary of the Navy
- 1920 Campaigned as Democratic nominee for Vice President
- 1921 Contracted polio, which paralyzed his legs
- 1928 Elected governor of New York State
- 1933 Inaugurated as President of the United States



“Brain Trust.” Roosevelt, a Democrat, displayed his openness by nominating two Republicans, Henry Wallace and Harold Ickes (IHK uhs), to serve as his Secretary of Agriculture and Secretary of Interior. Roosevelt also nominated Frances Perkins, a social worker, to serve as his Secretary of Labor. She became the first woman Cabinet member in U.S. history.

Throughout his presidency, FDR depended heavily on his wife, Eleanor. She traveled widely, interacting with the American people and serving as FDR’s “eyes and ears.” For example, in 1933, the Bonus Army, which had marched on Washington, D.C., in 1932, returned to the capital, seeking an early payment of its bonus for World War I service. Like Hoover, FDR informed the marchers that the government could not afford to pay them their bonus. But unlike Hoover, who had sent the army to evict the Bonus Army, FDR sent Eleanor. She sang songs with the veterans and made them feel that the government cared.

✔ **Checkpoint** How did FDR’s background and actions help build confidence among the American people?

The First Hundred Days Provide Instant Action

During his first hundred days in office, Roosevelt proposed and Congress passed 15 bills. These measures, known as the First New Deal, had three goals: relief, recovery, and reform. Roosevelt wanted to provide relief from the immediate hardships of the depression and achieve a long-term economic recovery. He also instituted reforms to prevent future depressions.

FDR Swiftly Restores the Nation’s Confidence Roosevelt wasted no time dealing with the nation’s number one crisis. Late in 1932, banks had begun to

● INFOGRAPHIC



RELIEF, RECOVERY, AND REFORM THE FIRST 100 DAYS

Working together, President Roosevelt and Congress quickly passed many new laws to provide job relief, speed economic recovery, and reform business practices. These New Deal programs marked the beginning of the federal government’s increasingly active role in shaping the economy and society.

- ▲ FDR used his first “fireside chat” to explain reform measures taken to end bank runs.
- ▼ Low-interest HOLC loans helped people meet mortgage payments, stimulating the housing industry.

Achievements of the First Hundred Days

Federal Deposit Insurance Corporation (FDIC)
National Recovery Administration (NRA)
Civilian Conservation Corps (CCC)
Public Works Administration (PWA)
Agricultural Adjustment Act (AAA)
Tennessee Valley Authority (TVA)
Home Owners’ Loan Corporation (HOLC)



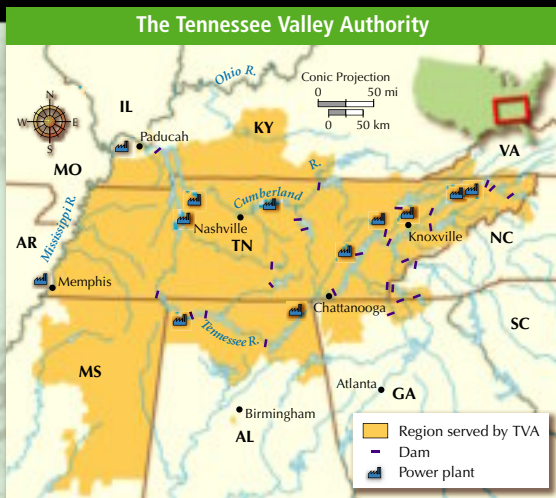
fail in great numbers. A banking panic gripped the nation as frightened depositors lined up outside banks, trying to withdraw their savings.

The day after his inauguration, Roosevelt called Congress into a special session and convinced them to pass laws to shore up the nation's banking system. The Emergency Banking Bill gave the President broad powers—including the power to declare a four-day bank “holiday.” Banks all over the country were ordered to close. The closings gave banks time to get their accounts in order before they reopened for business.

Eight days after becoming President, Roosevelt delivered an informal radio speech to the American people. This was the first of many presidential **fireside chats**. They became an important way for Roosevelt to communicate with the American people. In the first fireside chat, FDR explained the measures he had taken to stem the run on banks. His calming words reassured the American people. When the bank holiday ended, Americans did not rush to their banks to withdraw their funds. Roosevelt had convinced them that the banks were a safe place to keep their money.

Reforming the Financial System A number of Roosevelt's proposals sought to reform the nation's financial institutions. One act created the **Federal Deposit Insurance Corporation (FDIC)**, which insured bank deposits up to \$5,000. In the following year, Congress established the Securities and Exchange Commission (SEC) to regulate the stock market and make it a safer place for investments.

These financial reforms helped restore confidence in the economy. Runs on banks ended, largely because Americans now had confidence that they would not lose their lifetime savings if a bank failed. The stock markets also stabilized as regulated trading practices reassured investors.



▲ The TVA built dams and power plants, providing electricity and improving living conditions in the Southeast.

◀ CCC workers like these young men labored on environmental conservation projects.

▼ PWA projects provided construction jobs on roads, bridges, and public buildings.

Thinking Critically

- Analyze Maps** Name the states that were affected by TVA projects.
- Analyze Information** How did the programs of the first 100 days benefit both the economy and the environment?



Government Puts People to Work

The Works Progress Administration poster (above) promoted the benefits of putting people to work. These TVA workers (right) assembled generators at the Cherokee Dam in Tennessee. *If you had been out of work during the depression, what effect might these images have had on you? Why?*

Helping Farmers A number of New Deal programs aimed at easing the desperate plight of American farmers had far exceeded demand. Prices dropped to the point where it was no longer profitable to grow some crops. To counter this, Congress passed the Agricultural Adjustment Act (AAA), which sought to end overproduction and raise crop prices. To accomplish these goals, the AAA provided financial aid, paying farmers subsidies not to plant part of their land and to kill off excess livestock. Many Americans believed it was immoral to kill livestock or destroy crops while people went hungry. However, by 1934, farm prices began to rise.

The TVA Aids Rural Southerners Americans living in the Tennessee River valley were among the poorest in the nation. Few had electricity, running water, or proper sewage systems. In 1933, Congress responded by creating a government agency called the **Tennessee Valley Authority (TVA)**. The TVA built a series of dams in the Tennessee River valley to control floods and to generate electric power. The agency also replanted forests, built fertilizer plants, created jobs, and attracted industry with the promise of cheap power.

Despite its accomplishments, the TVA attracted a host of critics. Some called the TVA “socialist,” because it gave government direct control of a business. Private power companies complained that they could not compete with the TVA, because the agency paid no taxes. However, the TVA’s successes in improving life in the Tennessee Valley have ensured its survival to the present.

Providing Relief and Promoting Industrial Recovery During his first hundred days as President, Roosevelt proposed and Congress enacted numerous other relief measures. To counter the depression’s devastating impact on young men, FDR created the **Civilian Conservation Corps (CCC)**. The CCC provided jobs for more than 2 million young men. They replanted forests, built trails, dug irrigation ditches, and fought fires. As time went on, programs such as the CCC became more inclusive, extending work and training to Mexican American and other minority youth, as well as to whites. FDR called the CCC his favorite New Deal program.

Congress passed a number of other relief acts. The Federal Emergency Relief Act (FERA) granted federal funds to state and local agencies to help the unemployed. The short-lived Civil Works Administration (CWA) provided jobs on public-works projects. On another front, Congress created the Home Owners Loan Corporation (HOLC), which loaned money at low interest rates to homeowners who could not meet mortgage payments. The Federal Housing Administration (FHA) insured bank loans used for building and repairing homes.

These New Deal measures marked a clear break from the policies of the Hoover administration, which had disapproved of direct relief to individuals. The \$500 million appropriated for FERA represented the largest peacetime expenditure by the federal government to that time.

The centerpiece of the early New Deal's recovery program was the National Industrial Recovery Act, which established the **National Recovery Administration (NRA)**. Roosevelt called the NIRA "the most important and far-reaching legislation ever enacted by the American Congress." Working with business and labor leaders, the NRA developed codes of fair competition to govern whole industries. These codes established minimum wages for workers and minimum prices for the goods that businesses sold. The idea behind these codes was to increase the wages of workers so they could buy more goods and raise prices so companies could make a profit.

Another New Deal legislative achievement was the **Public Works Administration (PWA)**, which built bridges, dams, power plants, and government buildings. The PWA was responsible for building many important projects still in use today, such as New York City's Triborough Bridge, the Overseas Highway linking Miami and Key West, and the Bonneville Dam on the Columbia River in the Pacific Northwest. These public-works projects improved the nation's infrastructure and created millions of new jobs for workers.

✓ **Checkpoint** What actions did Roosevelt take during his first hundred days in office?

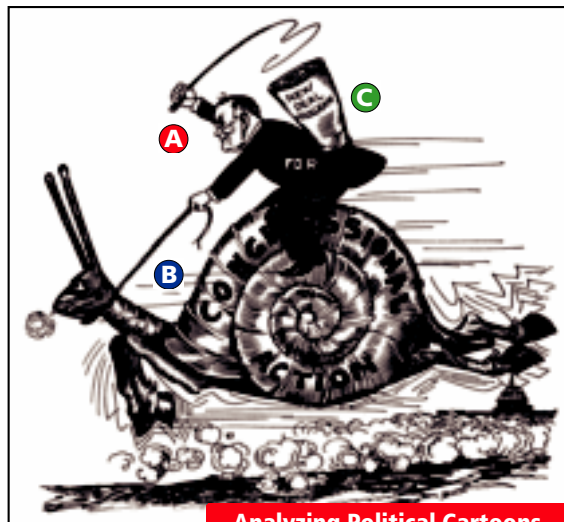
Opposition to the New Deal Emerges

While Roosevelt had little difficulty gaining support from Congress for his proposals, a minority of Americans expressed their opposition to the New Deal. Some thought the changes it brought were too radical. Others thought that the New Deal was not radical enough. Several of FDR's critics attracted mass followings and made plans to challenge him for the presidency in 1936.

The Right Says "Too Much" The chief complaint against the New Deal was that it made the government too powerful. Critics contended that the government was telling business how to operate, spending large sums of money, and piling up a huge national debt.

To many conservatives, the New Deal was destroying free enterprise and undermining individualism. In a 1934 book entitled *The Challenge to Liberty*, former President Herbert Hoover described the New Deal as "the most stupendous invasion of the whole spirit of liberty" in the nation's history. Robert Taft, the son of former President William Howard Taft and a leading Republican in Congress, claimed Roosevelt's programs threatened individual freedom.

In 1934, these critics formed the American Liberty League. Supporters included prominent business leaders, such as Alfred Sloan and William Knudsen of General Motors. Leading Democrats, such as John W. Davis, the Democrat's presidential nominee in 1924, and Al Smith, the nominee in 1928, joined the Liberty League because they felt Roosevelt had deserted the Democratic Party's principles of a limited federal government.



Analyzing Political Cartoons

The Galloping Snail This cartoon represents the relationship between President Roosevelt and Congress during FDR's first hundred days in office.

- A** President Roosevelt
- B** Congress
- C** Roosevelt's New Deal agenda

1. Why did the cartoonist use a snail to represent Congress?
2. What is the cartoonist saying about the relationship between the President and Congress?

The New Deal: Too Much—or Not Enough?

Franklin Roosevelt's New Deal raised the issue of how involved the government should be in the economy and in the lives of its citizens. This question divided many Americans.

ALFRED E. SMITH

Smith (1873–1944) served as governor of New York and ran for President in 1928. He believed the New Deal made the government too powerful and described it as a “trend toward Fascist control” and “the end of democracy.”

Primary Source

“... Something has taken place in this country—there is a certain kind of foreign ‘ism’ crawling over [it]. . . . There can be only one Capitol, Washington or Moscow! There can be only one atmosphere of government, [the] clear, pure, fresh air of free America, or the foul breath of Communistic Russia.”



FRANCIS TOWNSEND

Townsend (1867–1960) was a medical doctor who felt the New Deal did not do enough to help older Americans devastated by the depression. He proposed a pension plan funded by a national sales tax.

Primary Source



Compare

1. Which man thought that the New Deal went too far? Which man thought that the New Deal did not go far enough?
2. Why does each oppose the New Deal?

Vocabulary Builder

ensure—(ehn SHUR) *v.* to make safe; guarantee

The Left Says “Not Enough” While conservatives accused FDR of supporting socialism, some leading socialists charged that the New Deal did not do enough to end the depression. Norman Thomas, the Socialist Party’s presidential candidate, claimed that FDR’s only concern was saving the banking system and **ensuring** profits for big business. The American Communist Party described the New Deal as a “capitalist ruse.”

Populist Critics Challenge FDR The most significant criticism of FDR came from a cluster of figures whose roots were in the Populist movement. They saw themselves as spokesmen for poor Americans, challenging the power of the elite. Roosevelt’s strongest critics were Francis Townsend, Father Charles Coughlin, and Huey Long.

Townsend, a doctor from California, had a simple program. It called for the federal government to provide \$200 a month to all citizens over the age of 60. These funds, he argued, would filter out to the rest of society and produce an economic recovery. To promote this plan, he established “Townsend Clubs” and held meetings that resembled old-time church revivals.

Father **Charles Coughlin** presented an even bigger challenge to FDR. Coughlin, a Roman Catholic priest, had attracted millions of listeners to his weekly radio show. At first, Coughlin supported the New Deal, but in time he broke with FDR, accusing him of not doing enough to fight the depression. Coughlin

said that Roosevelt had “out-Hoovered Hoover” and called the New Deal “the raw deal.”

Coughlin mixed calls for the nationalization of industry with anti-Semitic remarks and attacks on “communists” who, he charged, were running the country. By the early 1940s, Coughlin’s views became so extreme that Roman Catholic officials forced him to end his broadcasts.


Canadian by birth, Coughlin could not run against FDR in the 1936 election. However, he threatened to throw his support behind an even more popular New Deal critic, Senator **Huey Long** of Louisiana. Long was an expert performer whose folksy speeches delighted audiences. Long’s solution to the depression was his “Share Our Wealth” program that proposed high taxes on the wealthy and large corporations, and the redistribution of their income to poor Americans.

Primary Source

“God invited us all to come and eat and drink all we wanted. He smiled on our land and we grew crops of plenty to eat and wear. . . . [But then] Rockefeller, Morgan, and their crowd stepped up and took enough for 120,000,000 people and left only enough for 5,000,000 for all the other 125,000,000 to eat. And so the millions must go hungry and without those good things God gave us unless we call on them to put some of it back.”

—Huey Long radio broadcast, 1934

Roosevelt viewed Long as a serious political threat. But unlike Roosevelt, Long did not have a deep faith in democracy. Ruling Louisiana as if he owned the state, he made many enemies. In 1935, a political enemy assassinated Long, ending the most serious threat to Roosevelt’s presidency.

-  **Checkpoint** What were the two major criticisms of FDR’s New Deal economic policies?



Huey Long Challenges the Roosevelt Administration

Huey Long used his Share Our Wealth Society to promote the redistribution of wealth in the country. *How might Long’s efforts have influenced FDR’s policies?*

SECTION 1 Assessment

Progress Monitoring Online

For: Self-test with vocabulary practice
Web Code: nea-0902

Comprehension

- 1. Terms and People** For each item below, write a sentence explaining how it affected the lives of people during the New Deal.

- Eleanor Roosevelt
- fireside chat
- TVA
- PWA
- Charles Coughlin
- Huey Long

- 2. NoteTaking Reading Skill:**

Connect Ideas Use your problem-solution table to answer the Section Focus Question: How did the New Deal attempt to address the problems of the depression?

Writing About History

- 3. Quick Write: Identify Main Ideas** Before you can synthesize, you must understand the main idea, or thesis, of each source. Study the political cartoon in this section and write a sentence summarizing its main idea about FDR. Then, review the Alfred E. Smith primary source quote. Write a sentence summarizing Smith’s view of FDR.

Critical Thinking

- 4. Draw Inferences** Why did President Roosevelt need his wife, Eleanor, to serve as his “eyes and ears”?
- 5. Make Comparisons** How did FDR’s economic policies differ from those of Herbert Hoover?
- 6. Identify Central Issues** Why do you think the depression led to the development of some extreme proposals?

Children picket for the Workers' Alliance during the Great Depression. ►



WITNESS HISTORY AUDIO

Trying to Survive

During the Great Depression, people found themselves desperate for work. Daily visits to the unemployment office and workplaces often turned up nothing. Some of the jobless lost their homes. Others could not feed their children. One 12-year-old boy wrote to President Roosevelt to ask for help for his family.

“My father hasn’t worked for 5 months. . . . Please you do something. . . . We haven’t paid the gas bill, and the electric bill, haven’t paid grocery bill. . . . I have a sister she’s twenty years, she can’t find work. My father he staying home. All the time he’s crying because he can’t find work.”

—Anonymous 12-year-old boy, Chicago, 1936

The Second New Deal

Objectives

- Discuss the programs of social and economic reform in the second New Deal.
- Explain how New Deal legislation affected the growth of organized labor.
- Describe the impact of Roosevelt’s court-packing plan on the course of the New Deal.

Terms and People

Second New Deal	collective bargaining
WPA	Fair Labor Standards Act
John Maynard Keynes	CIO
pump priming	sit-down strikes
Social Security Act	court packing
Wagner Act	

NoteTaking

Reading Skill: Connect Ideas Complete a table like the one below to record problems and the second New Deal’s solutions.

The Second New Deal	
Problem	Solution
Unemployment	

Why It Matters FDR’s goals for the first New Deal were relief, recovery, and reform. Progress had been made, but there was still much work that needed to be done. Beginning in early 1935, Roosevelt launched an aggressive campaign to find solutions to the ongoing problems caused by the Great Depression. This campaign, known as the Second New Deal, created Social Security and other programs that continue to have a profound impact on the everyday lives of Americans. **Section Focus Question:** What major issues did the Second New Deal address?

Extending Social and Economic Reform

In his fireside chats, press conferences, and major addresses, Roosevelt explained the challenges facing the nation. He said that the complexities of the modern world compelled the federal government to “promote the general welfare” and to intervene to protect citizens’ rights. Roosevelt used legislation passed during the **Second New Deal** to accomplish these goals. The Second New Deal addressed the problems of the elderly, the poor, and the unemployed; created new public-works projects; helped farmers; and enacted measures to protect workers’ rights. It was during this period that the first serious challenges to the New Deal emerged.

New Programs Provide Jobs In the spring of 1935, Congress appropriated \$5 billion for new jobs and created the **Works Progress Administration (WPA)** to administer the program. Roosevelt placed his longtime associate Harry Hopkins in charge. The WPA built or improved a good part of the nation’s highways, dredged rivers and

harbors, and promoted soil and water conservation. The WPA even provided programs in the arts for displaced artists. As Hopkins explained, artists “have to eat just like other people.”

By 1943, the WPA had employed more than 8 million people and spent about \$11 billion. Its workers built more than 650,000 miles of highways and 125,000 public buildings. Among the most famous projects funded by the WPA were the San Antonio River Walk and parts of the Appalachian Trail.

All of these programs were expensive, and the government paid for them by spending money it did not have. The federal deficit—\$461 million in 1932—grew to \$4.4 billion in 1936. The enormous expenditures and growing debt led many to criticize the government’s public-works projects as wasteful. Some economists disagreed. British economist **John Maynard Keynes** argued that deficit spending was needed to end the depression. According to Keynes, putting people to work on public projects put money into the hands of consumers who would buy more goods, stimulating the economy. Keynes called this theory **pump priming**.

Social Security Eases the Burden on Older Americans The United States was one of the few industrialized nations in the world that did not have some form of pension system for the elderly. During the depression, many elderly people had lost their homes and their life savings and were living in poverty. On January 17, 1935, President Roosevelt unveiled his plans for Social Security.

In addition to creating a pension system for retirees, the **Social Security Act** that Congress enacted established unemployment insurance for workers who lost their jobs. The law also created insurance for victims of work-related accidents and provided aid for poverty-stricken mothers and children, the blind, and the disabled.

The Social Security Act had many flaws. At first, it did not apply to domestics or farmworkers. Since African Americans were disproportionately employed in these fields, they were not eligible for many of the benefits of Social Security. Widows received smaller benefits than widowers, because people presumed that elderly women could manage on less money than elderly men. Despite these shortcomings, Social Security proved the most popular and significant of the New Deal programs.

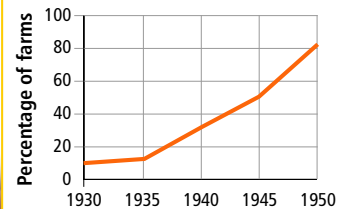
More Aid Goes to Farmers The Second New Deal included further help for farmers. When the depression began, only 10 percent of all farms had electricity, largely because utility companies did not find it profitable to run electric lines to communities with small populations. To bring farmers into the light, Congress established the Rural Electrification Administration (REA). The REA loaned money to electric utilities to build power lines, bringing electricity to isolated rural areas. The program was so successful that by 1950, more than 80 percent of American farms had electricity.

New Deal programs changed the relationship of the federal government to the American farmer. The government was now committed to providing price supports, or subsidies, for agriculture. Critics attacked price supports for undermining the free market. Others observed that large

Electricity Comes to Rural Farms

The success of the REA allowed farm families to light their homes, pump water, and run radios, refrigerators, and washing machines.

Farms With Electricity, 1930–1950



SOURCE: *Statistical Abstract of the United States*



farms, not small farmers, benefited most from federal farm programs. Even during the 1930s, many noticed that tenant farmers and sharecroppers, often African Americans, did not fully share in the federal programs. Yet farm prices stabilized, and agriculture remained a productive sector of the economy.

Water Projects Change the Face of the West Many of the New Deal public-works water projects had an enormous impact on the development of the American West. The government funded the complex Central Valley irrigation system in California. The massive Bonneville Dam in the Pacific Northwest controlled flooding and provided electricity to a vast number of citizens. In 1941, the Department of the Interior's Bonneville Power Administration (BPA) hired folk singer Woody Guthrie for one month to write songs for a movie they had made

Events That Changed America

Milestones in SOCIAL SECURITY

During the Great Depression, many elderly Americans had lost their life savings and were struggling to survive. The 1935 Social Security Act created a pension system as well as unemployment insurance for workers who had lost their jobs. Financed through a payroll tax on employers and workers, Social Security is one of the country's most important legislative achievements.



1935–1950 The Social Security program was expanded in 1939 to pay benefits to the widows and young children of deceased workers. In 1950, amendments to the Social Security Act increased benefit payments and extended coverage to more workers. As a result, almost all working Americans now contribute to Social Security and are eligible for benefits.



◀ Since 1940, senior citizens have depended on their monthly Social Security retirement checks.

Social Security benefits ▶ helped widows feed their children.



promoting the benefits of electricity. Guthrie's song, "Roll on, Columbia," pays tribute to the projects that harnessed the power of the Columbia River.

Primary Source

"Your power is turning our darkness to dawn,
And on up the river is the Grand Coulee Dam,
The Mightiest thing ever built by a man,
To run the great factories and water the land."

—Woody Guthrie, "Roll On, Columbia," 1941

✓ **Checkpoint** Why did the onset of the depression make it essential to have some form of Social Security?

1950–1970 During the 1950s and 1960s, Social Security expanded to provide benefits to people with disabilities. In 1965, two new Social Security programs, Medicare and Medicaid, were introduced. Medicare is a health-insurance program for Americans age 65 and older, and Medicaid provides health insurance to needy persons of any age.

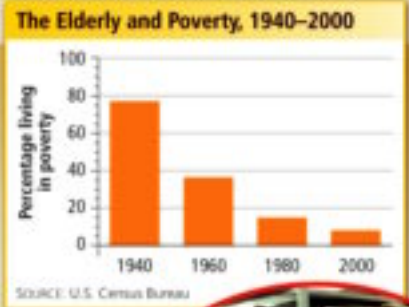
1970–Today The Supplemental Social Security Income (SSI) program, begun in 1974, provides monthly payments to the needy elderly and to people who are blind or who have a disability. The Medicare Prescription Drug program, passed in 2003, provides Medicare recipients with voluntary prescription-drug coverage and discounts. President George W. Bush's proposal to allow younger workers to invest Social Security tax money in personal retirement accounts was rejected by the public in 2005.

▼ Supplemental Security Income benefits help people who are blind.

The Medicare Prescription Drug program helps seniors manage rising drug costs. ►



▲ Medicaid makes healthcare more available to low-income families.



Why It Matters

For more than 70 years, Social Security has provided basic economic security to millions of Americans. Social Security programs act as a safety net for senior citizens, the poor, and others in financial need. Popular support for Social Security continues, although concern mounts over the program's long-term funding.

Thinking Critically

Describe four different kinds of benefits that the Social Security system provides today.

History Interactive

For: More about Social Security
Web Code: nep-0903

Labor Unions Find a New Energy

Even before the Great Depression, most industrial workers labored long hours for little pay. Few belonged to labor unions. However, during the Great Depression, there was an **upsurge** in union activity. New unions enlisted millions of workers from the mining and automobile industries.

Vocabulary Builder

upsurge—(UHP serj) *n.* a sudden, rapid increase

Granting New Rights to Workers Roosevelt believed that the success of the New Deal depended on raising the standard of living for American industrial workers. This, he believed, would improve the entire economy. The National Labor Relations Act was the most important piece of New Deal labor legislation. Called the **Wagner Act**, it recognized the right of employees to join labor unions and gave workers the right to **collective bargaining**. Collective bargaining meant that employers had to negotiate with unions about hours, wages, and other working conditions. The law created the National Labor Relations Board (NLRB) to look into workers' complaints.

The **Fair Labor Standards Act** of 1938 provided workers with additional rights. It established a minimum wage, initially at 25 cents per hour, and a maximum workweek of 44 hours. It also outlawed child labor. The minimum wage remains one of the New Deal's most controversial legacies. In the years ahead, the minimum wage would be gradually raised. Today, whenever a raise in the minimum wage is proposed, economists and political leaders debate the wisdom of such an increase.

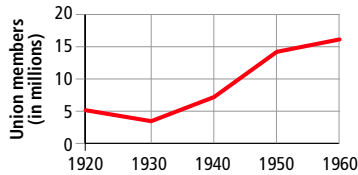
Sit-Down Strikes Lead to Union Gains

The success of the UAW's sit-down strike against General Motors led the U.S. Steel Company to recognize the steelworkers' union. *How do you think strikes affected union membership?*

Workers Use Their Newfound Rights The upsurge in union activity came at the same time as a bitter feud within the major labor federation, the American Federation of Labor (AFL). The AFL represented skilled workers—such as plumbers, carpenters, and electricians—who joined trade or craft unions. Few workers in the major industries belonged to the AFL, and the union made little effort to organize them.

Fed up with the AFL's reluctance to organize, John L. Lewis, the president of the United Mine Workers, and a number of other labor leaders, established the **Congress of Industrial Organizations (CIO)**. The workers targeted by the CIO-organizing campaigns tended to be lower paid and ethnically more diverse than those workers represented by the AFL.

Labor Union Membership, 1920–1960



SOURCE: *Historical Statistics of the United States*



The Second New Deal

Program	Year	Effects
Social Security Act (SSA)	1935	Established a pension system and unemployment insurance; provided payments to workers injured on the job, the poor, and people with disabilities
Works Progress Administration (WPA)	1935	Employed millions of people on government projects ranging from highway construction to arts programs
Rural Electrification Administration (REA)	1935	Provided loans to electric companies to build power lines, bringing electricity to isolated rural areas
National Labor Relations Act (Wagner Act)	1935	Outlawed unfair labor practices; granted workers the right to organize unions and to bargain collectively; created the National Labor Relations Board
National Youth Administration (NYA)	1935	Trained and provided jobs and counseling for unemployed youth between the ages of 16 and 25
Banking Act of 1935	1935	Finalized the creation of the FDIC and made insurance for bank deposits permanent; created a board to regulate the nation's money supply and interest rates on loans
United States Housing Authority (USHA)	1937	Subsidized construction of low-cost public housing by providing federal loans
Fair Labor Standards Act	1938	Banned child labor, established a minimum hourly wage, and set the workweek at 44 hours
Food, Drug, and Cosmetic Act	1938	Prohibited the mislabeling of food, drugs, and cosmetics, and ensured the safety and purity of these products



This commemorative postage stamp honors the many programs of FDR's New Deal. Critics mocked the abbreviated titles, or acronyms, of the New Deal programs as "alphabet soup." Use the chart to identify five programs from the second New Deal that helped workers.

In December 1936, members of the CIO's newly formed United Automobile Workers Union (UAW) staged a **sit-down strike**, occupying one of General Motors' most important plants in Flint, Michigan. In a sit-down strike, workers refuse to leave the workplace until a settlement is reached. When the police and state militia threatened to remove them by force, the workers informed Michigan governor Frank Murphy that they would not leave.

Primary Source "We fully expect that if a violent effort is made to oust us many of us will be killed and we take this means of making it known to our wives, to our children, to the people of the State of Michigan and the country, that if this result follows from the attempt to eject us, you are the one who must be held responsible for our deaths!"

—Auto workers sit-down committee, Flint, Michigan, January 1936

The strike lasted for 44 days until General Motors, then the largest company in the world, agreed to recognize the UAW. This union success led to others. By 1940, 9 million workers belonged to unions, twice the number of members in 1930. Just as important, union members gained better wages and working conditions.

✓ Checkpoint How did the New Deal affect trade unions?

Challenges to the New Deal

Franklin Roosevelt won an overwhelming victory in the presidential election of 1936. He received 61 percent of the vote, compared to just 37 percent for his Republican challenger, Alfred M. Landon. Roosevelt carried every state but Maine and Vermont. FDR entered his second term determined to challenge the group that he considered the main enemy of the New Deal—a Supreme Court that had struck down many of his programs.

The Supreme Court Opposes the New Deal A year before the 1936 election, the Supreme Court had overturned one of the key laws of Roosevelt's first hundred days. In the case of *Schechter Poultry v. United States*, the Supreme Court unanimously ruled that since the President has no power to regulate interstate commerce, the National Industrial Recovery Act was unconstitutional. One pro–New Deal newspaper captured the mood of many Democrats: “AMERICA STUNNED; ROOSEVELT’S TWO YEARS’ WORK KILLED IN TWENTY MINUTES.”

Not long afterward, the Court ruled a key part of the Agricultural Adjustment Act unconstitutional. Roosevelt charged that the Court had taken the nation back to “horse-and-buggy” days. He expected the Court to strike down other New Deal measures, limiting his ability to enact new reforms.

FDR Proposes “Packing” the Court So on February 5, 1937, in a special address to Congress, FDR unveiled a plan that would dilute the power of the sitting Justices of the Supreme Court. He called for adding up to six new Justices to the nine-member Court. He justified his proposal by noting that the Constitution did not specify the number of judges on the Court. He added that many of the Justices were elderly and overworked. Critics, recognizing that Roosevelt's new appointees would most likely be New Deal supporters, called his plan **court packing**. They accused him of trying to increase presidential power and upsetting the delicate balance between the three branches of the federal government. Some critics urged Americans to speak out.

Primary Source

“If the American people accept this last audacity of the President without letting out a yell to high heaven, they have ceased to be jealous of their liberties and are ripe for ruin.”

—Dorothy Thompson, newspaper columnist, 1937

Given Roosevelt's enormous popularity, he might have convinced Congress to enact his plan but he did not have to because the Court began to turn his way. On March 29, 1937, the Court ruled 5 to 4 in favor of a minimum wage law. Two weeks later, again by a vote of 5 to 4, the Supreme Court upheld the constitutionality of the Wagner Act. In both cases, Justice Owen J. Roberts provided the deciding vote. Pundits called it the “switch in time to save nine,” because Roberts had previously voted against several New Deal programs. Roberts's two votes in support of the New Deal removed FDR's main reason for packing the Court.

Shortly after this switch, Judge Willis Van Devanter, who had helped strike down several New Deal programs, resigned from the Court. This enabled FDR to nominate a Justice friendlier to the New Deal. With more retirements, Roosevelt nominated a number of other new Justices, including Felix Frankfurter, one of his top advisers.

Indeed, 1937 marked a turning point in the history of the Court. For years to come, the Court more willingly accepted a larger role for the federal government. Yet the court-packing incident weakened FDR politically. Before the court-packing plan, FDR's popularity prevented critics from challenging him. Now that Roosevelt had lost momentum, critics felt free to take him on. And even though the Court did not strike down any more laws, after 1937 Roosevelt found the public much less willing to support further New Deal legislation.



Analyzing Political Cartoons

The Ingenious Quarterback! This 1937 cartoon makes fun of FDR's court-packing plan.

1. Why did the cartoonist make FDR the quarterback and Congress the referee?
2. What is the cartoonist's message?



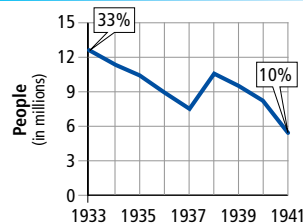
A New Downturn Spurs Conservative Gains The turmoil over the Supreme Court had barely faded when the Roosevelt administration faced another crisis. During 1935 and 1936, economic conditions had begun to improve. Unemployment had fallen 10 percent in four years. With the economy doing better, FDR cut back on federal spending in order to reduce the rising deficit. But he miscalculated.

While Roosevelt reduced federal spending, the Federal Reserve Board raised interest rates, making it more difficult for businesses to expand and for consumers to borrow to buy new goods. Suddenly, the economy was in another tailspin. Unemployment soared to more than 20 percent. Nearly all of the gains in employment and production were wiped out.

Largely because of the downturn, the Democrats suffered a setback in the 1938 congressional elections. Republicans picked up 7 Senate and 75 House seats. Although Democrats still maintained a majority in both houses of Congress, Roosevelt's power base was shaken because many southern Democrats were lukewarm supporters of the New Deal. Needing their support for his foreign policies, FDR chose not to try to force more reforms through Congress.

 **Checkpoint** What setbacks did Roosevelt face during his second term as President?

Unemployment, 1933–1941



SOURCE: *Historical Statistics of the United States*

Millions Look for Jobs

While New Deal programs employed many Americans, millions of others continued to search for work. *What happened to the unemployment rate in 1937?*

SECTION

2 Assessment

Progress Monitoring *Online*

For: Self-test with vocabulary practice
Web Code: nea-0904

Comprehension

- Terms** For each act or New Deal agency below, explain how it eased conditions during the depression.
 - WPA
 - Social Security Act
 - Wagner Act
 - Fair Labor Standards Act

2. NoteTaking Reading Skill:

Connect Ideas Use your table to answer the Section Focus Question: What major issues did the second New Deal address?

Writing About History

- Quick Write: Compare and Contrast** In order to synthesize, you need to compare and contrast different sources. List some emotions expressed by the photos on the first and last pages of this section. Do these images convey the same idea as the graph above? Explain in one or two sentences.

Critical Thinking

- Identify Central Issues** What were the most important reforms of the Second New Deal?
- Make Comparisons** Why did American labor make greater progress during the 1930s than during the prosperous 1920s?
- Demonstrate Reasoned Judgment** Do you think that FDR's court-packing plan was justified? Explain your answer.



▲ Eleanor Roosevelt serves food to unemployed women and their children.

WITNESS HISTORY AUDIO

The Caring First Lady

Eleanor Roosevelt played a crucial role in the New Deal. She traveled to places FDR could not, advised her husband, and served as an inspiration to millions of Americans. Mrs. Roosevelt also corresponded with thousands of citizens. The following letter reflects the affection that many citizens felt for the first lady.

“Ridley Park, Pennsylvania

Dear Mrs. Roosevelt:

. . . Just to look at your picture and that of our President seems to me like looking at the picture of a saint. So when you answered my letter and promised to have some one help me it only proved that you are our own Mrs. Roosevelt. I have told everyone what you have done for me. I want them to know you are not too busy to answer our letters and give us what help and advice you can. You hold the highest place any woman can hold still you are not to[o] proud to befriend the poor. . . . Thank you and God bless you both.”

—Letter to Eleanor Roosevelt, September 1, 1935

Effects of the New Deal

Objectives

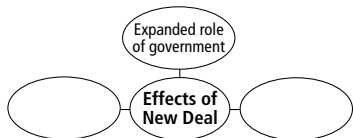
- Describe how the New Deal affected different groups in American society.
- Analyze how the New Deal changed the shape of American party politics.
- Discuss the impact of Franklin D. Roosevelt on the presidency.

Terms and People

Black Cabinet	New Deal coalition
Mary McLeod Bethune	welfare state
Indian New Deal	

NoteTaking

Reading Skill: Identify Main Ideas As you read, identify the lasting effects of the New Deal upon American society.



Why It Matters The New Deal provided desperately needed relief from the depression and enacted reforms that guarded against economic catastrophe. It did not end the depression. World War II, with its massive military spending, would do that. Yet, the New Deal mattered enormously because it brought fundamental changes to the nation. It changed the role of the federal government in the economy, the power of the presidency, and the relationship of the American people to their government. **Section Focus Question:** How did the New Deal change the social, economic, and political landscape of the United States for future generations?

Women Help Lead the New Deal


The New Deal provided some women with the opportunity to increase their political influence and to promote women’s rights. Foremost among them was Eleanor Roosevelt, who transformed the office of First Lady from a largely ceremonial role to a position of action and deep involvement in the political process. Representing the President, she toured the nation. She visited farms and Indian reservations and traveled deep into a coal mine. She helped FDR on his campaigns and offered advice on policy issues. In her newspaper column, “My Day,” she called on Americans to live up to the goal of equal justice for all.

“Eleanor Roosevelt is the First Lady of Main Street,” explained magazine writer Margaret Marshall. “She occupies the highest social position in the land. Yet she makes friends on a plane or a train even as you and I.” Mrs. Roosevelt’s causes included advancing public health and education, promoting the arts in rural areas, and even addressing flood control. She exhibited boundless energy, traveling more than 60,000 miles in two years.

Molly Dewson, head of the Women’s Division of the Democratic Party, observed that Eleanor Roosevelt provided women with an unprecedented access to the President. “When I wanted help on some definite point, Mrs. Roosevelt gave [me] the opportunity to sit by the President at dinner and the matter was settled before we finished our soup.”

The Roosevelt Administration included the first female Cabinet member, Secretary of Labor Frances Perkins. She played a leading role in establishing Social Security. Perkins also helped win approval of the Fair Labor Standards Act, which ended child labor and established a minimum wage.

However, the New Deal did not fight to end gender discrimination in the workplace. Indeed, some historians have argued that a number of New Deal programs reinforced traditional gender differences. The WPA and other relief programs employed women but made a much greater effort to provide work to men first. For example, women were not eligible to work for the CCC. However, the increased homeownership and insured savings accounts brought by the New Deal were of special benefit to the widows of men who were covered.

 **Checkpoint** What impact did the New Deal have on women?

African Americans Make Advances and Face Challenges

When the depression hit, African American workers were often the first to lose their jobs. By 1934, the unemployment rate for African Americans was almost 50 percent, more than twice the national average. Eleanor Roosevelt and others urged the President to improve the situation of African Americans.

As the New Deal progressed, Eleanor Roosevelt increasingly used her position to protest against racial discrimination. At a meeting held by the Southern Conference on Human Welfare, a biracial group that sought to promote racial reforms, the first lady sat with the black delegates—a daring move in segregated Birmingham, Alabama. When a white police officer told her that she was violating local segregation laws, Mrs. Roosevelt moved her chair to the space between the black and white sides. She then delivered a rousing and provocative keynote address in favor of racial reform.

Primary Source “We are the leading democracy of the world and as such must prove to the world that democracy is possible and capable of living up to the principles upon which it was founded. The eyes of the world are upon us, and often we find they are not too friendly eyes.”

—Eleanor Roosevelt, November 22, 1938

Vocabulary Builder
gender—(JEHN der) *n.* a person’s sex

HISTORY MAKERS

Frances Perkins (1882–1965)

After graduating from college, Frances Perkins earned her master’s degree in economics. From 1912, until being named Secretary of Labor, she held various jobs in New York State government. She was a strong voice for consumers and workers, especially working women and children.



Mary McLeod Bethune (1875–1955)

Mary McLeod Bethune was a teacher who worked to improve educational opportunities for African Americans. Bethune served as FDR’s special adviser on minority affairs. As the director of Negro Affairs of the National Youth Administration, Bethune was the first black woman to head a federal agency.



The President invited many African American leaders to advise him. These unofficial advisers became known as the **Black Cabinet**. They included Robert Weaver and William Hastie, Harvard University graduates who rose to high positions within the Department of the Interior. Hastie later became a federal judge, and Weaver was the first African American Cabinet member.

Mary McLeod Bethune was another member of the Black Cabinet. The founder of what came to be known as Bethune Cookman College, she was a powerful champion of racial equality. In her view, the New Deal had created a “new day” for African Americans. She noted that African Americans gained unprecedented access to the White House and positions within the government during Roosevelt’s presidency.

Nevertheless, Roosevelt did not always follow the advice of his Black Cabinet. Racial discrimination and injustice continued to plague African Americans. When the NAACP launched an energetic campaign in favor of a federal anti-lynching law, the President refused to support it. FDR told black leaders that he could not support an anti-lynching law, because if he did, southern Democrats “would block every bill I ask Congress to pass.” Hence, no civil rights reforms became law during the 1930s.

Several New Deal measures also unintentionally hurt African Americans. Federal payments to farmers to produce fewer crops led white landowners to evict unneeded black sharecroppers from their farms. Even though they benefited from the WPA and other relief measures, African Americans often did not receive equal wages. Social Security and the Fair Labor Standards Act exempted domestic workers and farm laborers, two occupations in which African Americans were employed in great numbers.

 **Checkpoint** How did the New Deal affect African Americans?

Native Americans Benefit From Building Projects

Navajo medicine men attend the opening of a new hospital in Fort Defiance, Arizona, in 1938. *How was this project part of the Indian New Deal?*

The New Deal Affects Native Americans


Attempting to improve the lives of Native Americans, the Roosevelt administration made major changes in long-standing policies. The 1887 Dawes Act had divided tribal lands into smaller plots. By the early 1930s, it was clear that the



act had worsened the condition of the people it was designed to help. Of the original 138 million acres American Indians had owned in 1887, only 48 million remained in American Indian hands, and much of it was too arid to farm. John Collier, the New Deal's Commissioner of Indian Affairs, warned that the Dawes Act was resulting in "total landlessness for the Indians."

To prevent further loss of land and improve living conditions for Native Americans, Collier developed the **Indian New Deal**, a program that gave Indians economic assistance and greater control over their own affairs. Collier got funding from New Deal agencies for the construction of new schools and hospitals and to create an Indian Civilian Conservation Corps. In addition, the Bureau of Indian Affairs, in a reversal of previous policies, encouraged the practice of Indian religions, native languages, and traditional customs. Collier also convinced Congress to pass the Indian Reorganization Act of 1934, considered the centerpiece of the Indian New Deal. This law restored tribal control over Native American land.

Although it did not immediately improve their standard of living, the Indian Reorganization Act gave Native Americans greater control over their destiny. But some New Deal measures actually hurt Native Americans. For example, federal authorities determined that large herds of sheep tended by the Navajos were causing soil erosion on the Colorado Plateau. As a result, the federal government enacted a Navajo Livestock Reduction program, which mandated that the Navajo sell or kill thousands of sheep. The Navajo deeply resented this act. They did not believe that their sheep threatened the soil and they did not trust the motives of government agents.

 **Checkpoint** In what ways did the New Deal alter the U.S. policies toward Native Americans?

The New Deal Creates a New Political Coalition

By the time he died in 1945, Roosevelt had been elected to four terms as President. His legendary political skills had united an unlikely group of Americans into a strong political force called the **New Deal coalition**. This coalition brought together southern whites, northern blue-collar workers—especially those with immigrant roots—poor midwestern farmers, and African Americans.

African American voting patterns show the importance of the New Deal coalition. Before the New Deal, most African Americans voted Republican, the party of Abraham Lincoln. Responding to the efforts of Franklin and Eleanor Roosevelt, African Americans began to vote Democratic during the 1930s. This trend was strongest in the West and the North. For example, in 1934, Arthur W. Mitchell, an African American Democrat, defeated Oscar De Priest, an African American Republican, to represent the largely black south side of Chicago. Mitchell became the first African American Democrat elected to Congress.

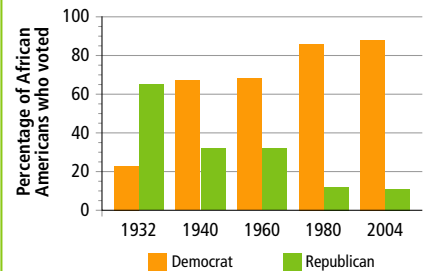
The New Deal coalition gave the Democratic Party a sizable majority in both houses of Congress. Before FDR's election, the Democrats had been the minority party in the House of Representatives for all but eight years since 1895. But from 1932 to 1995, the Democrats controlled the majority of seats in the House of Representatives for all but four years. The coalition that elected Roosevelt in 1932 went on to secure the White House for the Democrats in six of the next eight presidential elections.

African Americans Join New Deal Coalition

In Atlanta, African Americans register to vote in a Democratic primary election. *What percentage of African American voters voted Democratic in 1932? What was the percentage in 2004?*



Presidential Vote of African Americans, 1932–2004



SOURCES: Joint Center for Political and Economic Studies; Donald L. Grant, *The Way It Was in the South: The Black Experience in Georgia*; Sean J. Savage, *Roosevelt: The Party Leader, 1932–1945*; CNN.com

Vocabulary Builder

ethnic—(EHTH nihk) *adj.* relating to groups of people with a common national, racial, religious, or cultural heritage

Besides forging a powerful political coalition, Roosevelt and the New Deal helped to unify the nation. Social and **ethnic** divisions, so much a part of the 1920s, diminished significantly during the 1930s. Immigrant communities, in particular, gained a greater sense of belonging to the mainstream. Programs such as the CCC and WPA allowed individuals of varied backgrounds to get to know one another, breaking down regional and ethnic prejudices. As one CCC worker observed:

Primary Source

“The Civilian Conservation Corps is a smaller melting pot within the big one. We are thrown together in such a way that we have to get acquainted whether or not we want to. . . . Different races and nationalities look each other in the face, work and eat together for the first time. And it is a safe bet, we think, that this process many times results in the elimination of traditional prejudices based on ignorance and misinformation.”

—C. W. Kirkpatrick, CCC worker



Checkpoint How did New Deal policies affect ethnic and social divisions?

The Role of Government Expands

New Deal programs greatly increased the size and scope of the federal government. “For the first time for many Americans,” writes historian William Leuchtenburg, “the federal government became an institution that was directly experienced. More than the state and local governments, it came to be *the* government.” Moreover, the government began to do things it had never done before, from withdrawing taxes directly from workers’ paychecks to distributing benefits to the elderly.

Though the New Deal did not end the depression, it did help restore the American economy. It created the foundation for sustained and stable growth. According to Pulitzer Prize–winning historian David Kennedy, “the unparalleled economic vitality of the post-1940 decades was attributable to many factors. But the [economic expansion] . . . owed much to the New Deal.”

Playing a Larger Role in the Economy With the New Deal, the federal government broke from the tradition of *laissez faire*, or leaving the economy alone, which had characterized most of American history. Now the federal government accepted responsibility for spurring economic growth, or pump priming. For the first time, the government had acted as an employer of the unemployed and a sponsor of work projects. FDR accepted the idea that the federal government had to do something to get the economy going again, and Democrats and many Republicans agreed.

FDR’s rejection of *laissez-faire* policies led a number of New Deal critics to accuse him of promoting socialism. However, many New Deal measures actually strengthened capitalism and helped make possible the economic boom of the post–World War II era. The FDIC and SEC restored Americans’ trust in banks and the stock market. The Federal Housing Authority (FHA) provided low-interest loans, increasing homeownership.

The New Deal affected millions of workers and their families. The Wagner Act boosted union membership, which continued to grow after World War II. Minimum wage increases improved the purchasing power of minorities and those at the bottom rung of the economic ladder. New Deal legislation created child labor laws, workers’ compensation laws, and unemployment insurance, programs that had important and enduring impacts on the U.S. economy.

TRACK THE ISSUE



What is the proper balance between free enterprise and government regulation of the economy?

In theory, a free-enterprise system should function with little government interference. In practice, though, our government often plays a strong economic role. How much government regulation of the economy is appropriate? Use the timeline below to explore this enduring issue.

1890 Sherman Antitrust Act

Congress tries to curb the power of monopolies.

1906 Pure Food and Drug Act

Progressive law regulates the safety of food and medicine.

1913 Federal Reserve Act

Federal Reserve system is established to control the money supply.

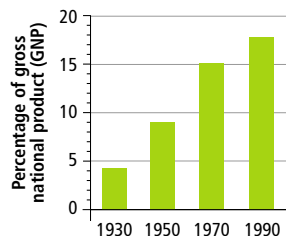
1933 Agricultural Adjustment Act

New Deal law pays farmers to reduce production, causing higher crop prices and farm profits.

2001 Tax Cuts

Government lowers taxes in an effort to promote economic growth.

Federal Social Welfare Spending



SOURCES: *Historical Statistics of the United States*; *Social Security Bulletin*; *Statistical Abstract of the United States*



Activists protest plans to privatize Social Security.

DEBATE THE ISSUE

Social Security's Effectiveness The government manages retirement accounts for millions of Americans through the Social Security system. But with the coming retirement of millions of baby boomers, some people believe that Social Security can no longer achieve its original goals.

“Well, the system is facing serious financial problems, but more than that it has become an increasingly bad deal for today's workers. Workers are paying 12 1/2 percent of their income into a system that is providing a poorer and poorer return. It's a system in which workers don't own their assets, have no legal rights to their benefits, don't control their money, and a system that penalizes groups like African Americans and working women.”

—Michael Tanner, Cato Institute

“Social Security is one of the most successful government programs. It has consistently provided a safety net for seniors so that retirees are able to support themselves through their retirement and pay for food, housing, and medical costs. By helping to support the elderly and vulnerable among us, Social Security provides Americans with the guarantee of security for life.”

—Center for American Progress



TRANSFER Activities

- 1. Compare** Do you think that today's Center for American Progress would support or oppose New Deal laws like the AAA?
- 2. Analyze Costs and Benefits** Compare the data on this page to the data in the Section 2 Social Security feature. Do you think that the costs of Social Security outweigh the benefits?
- 3. Transfer** Use the following Web site to see a video, try a WebQuest, and write in your journal. **Web Code:** neh-8202

The New Deal had a great impact on rural Americans. Regional public-works projects, such as the TVA and Bonneville Dam, reduced flooding and provided water for irrigation. Along with the Rural Electrification Administration, these dams brought electricity to farmers in the Southeast and the Northwest. Rose Dudley Searce of Shelby, Kentucky, recalled what the REA meant to her farm family:

Primary Source

“The first benefit we received from the REA was light, and aren’t lights grand? My little boy expressed my sentiments when he said, ‘Mother, I didn’t realize how dark our house was until we got electric lights.’ . . . Like the rest of the people, we changed our storage-battery radio into an electric radio. . . . Next we bought an electric refrigerator . . . The next benefit we received from the current was our electric stove. . . . Now with a vacuum cleaner, I can even dust the furniture before I clean the carpet, the carpet gets clean, and I stay in good humor.”

—Rose Dudley Searce, “What the REA Service Means to Our Farm House”

INFOGRAPHIC

P.W.A. and W.P.A. PROJECTS A

The Public Works Administration (PWA) and the Works Progress Administration (WPA) were New Deal government agencies that provided work relief for people who had lost their jobs during the depression.

Both agencies focused on large public-works projects that benefited local communities across the nation. Their combined efforts produced thousands of schools, hospitals, parks, bridges, dams, housing developments, libraries, and other public buildings. They also built or improved thousands of miles of roads and highways, installed sewer systems, and conducted environmental-conservation projects.

Pacific Ocean



Los Angeles Aqueduct

Thinking Critically

Analyze Besides giving jobs to the unemployed, describe other ways that PWA and WPA projects might have helped local economies.



Creating a Welfare State “We are going to make a country in which no one is left out,” Franklin Roosevelt once told Frances Perkins. The many programs he enacted to realize this goal led to the rise of a **welfare state** in the United States, a government that assumes responsibility for providing for the welfare of children and the poor, elderly, sick, disabled, and unemployed.

The creation of the American welfare state was a major change in government policy. With the exception of military veterans, most Americans had never received any direct benefits from the federal government. State and local governments, private charities, and families had long served as the safety net for needy Americans. True, the New Deal did not achieve FDR’s goal of “a country in which no one is left out,” because it exempted many Americans from Social Security and other programs. Still, the New Deal established the principle that the federal government was responsible for the welfare of all Americans. In the latter half of the twentieth century, the reach of government programs would grow greatly.



Cause and Effect

Causes

- Stock market crash
- Failure of farms and businesses
- Sharp decline in prices and production
- Failure of banks
- Massive unemployment and low wages
- Homelessness and Hoovervilles
- Drought, crop failures, and Dust Bowl



The New Deal

Effects

- Millions employed in new government programs
- Banking system is stabilized
- Regulated stock market restores confidence
- Social-insurance programs aid elderly and poor
- Agricultural subsidies help farmers
- Government takes more active role in economy



Connections to Today

- Social Security and other New Deal programs still exist
- Size and role of federal government still debated
- Costs and benefits of social welfare programs still debated

Analyze Cause and Effect The New Deal brought dramatic changes to the United States. *Identify one economic and one political effect of the New Deal.*

New Deal reforms provided the framework for the debate over the proper role of the federal government in the private lives of Americans. It energized liberals who would push for an even greater role for the federal government in future years. But it troubled conservatives who would argue that the expansion of the federal government limited American rights. Indeed, this very debate divides liberals and conservatives to this day.

Restoring the Environment Reared in New York State's beautiful Hudson River valley, Franklin Roosevelt had a great love of nature. As a child, FDR also loved outdoor sports and became an expert swimmer and sailor. A number of his New Deal programs, such as the CCC, aimed at restoring forests and preserving the environment. Other federal agencies started soil conservation efforts. Perhaps most visibly, New Dealers worked hard to end the Dust Bowl, a symbol of the degraded state of the land at the beginning of the depression.

Franklin Roosevelt also continued the conservation work of his cousin, President Theodore Roosevelt. Although funds were short, the government set aside about 12 million acres of land for new national parks, including Shenandoah National Park in Virginia, Kings Canyon National Park in California, and Olympic National Park in Washington State.

However, not all New Deal programs helped the environment. Several of the large public-works projects, such as the TVA and the string of dams along the Columbia River, had a mixed impact. The dams controlled floods, generated electric power, and provided irrigation, but they also upset the natural habitats of some aquatic life. Massive reservoirs created by these projects also displaced some people and destroyed some traditional Native American burial, hunting, and fishing grounds.

Changing the Nature of the Presidency In no area did FDR have a greater impact than on the office of the President itself. The expanding role of the government, including the creation of many new federal agencies, gave the executive branch much more power. New Deal administrators, such as Harry Hopkins, head of the WPA, commanded large bureaucracies with massive budgets and little supervision by Congress. Their authority increased Roosevelt's influence. Indeed, some commentators even began to speak of the rise of an imperial presidency, an unflattering comparison to the power exercised in the past by rulers of great empires.

FDR also affected the style of the presidency. His mastery of the radio captivated Americans. His close relations with the press assured a generally popular response to his projects from the major media. Because he served for such a long time and was such an outstanding communicator, FDR set a standard that future Presidents had a hard time fulfilling.

Later, during World War II, FDR's presidential power grew even greater. As commander in chief of the nation's armed forces, he exercised enormous authority over many aspects of life. Most Americans accepted the President's increased

FDR's Effect on the Presidency

Quick Study

- Increased power of the President and the executive branch
- Made mass media, such as radio, an essential tool in advertising and promoting policies
- Expanded role of the President in managing the economy
- Expanded role of the President in developing social policy
- Won third and fourth terms, leading to passage of Twenty-second Amendment, which limited Presidents to two consecutive terms



authority as a necessary condition of wartime. But after the war, they sought to protect the delicate balance between the different branches of government and between the federal and state governments.

One way that Americans sought to guard against the growing power of the President was by amending the Constitution. When Roosevelt ran for an unprecedented third term in 1940, he knew that he had broken an unwritten rule, established by George Washington, that Presidents should serve only two terms. He won that election and then ran and won again in 1944. But after Roosevelt's death in 1945, there was a growing call for limiting a President's term in office. In 1951, the Twenty-second Amendment was ratified, limiting the President to two consecutive terms.

- Checkpoint** In what ways did the role of the federal government grow during Franklin Roosevelt's presidency?

The Presidency After Roosevelt

Franklin Roosevelt had a dramatic impact on the role of the presidency. *Was FDR's impact positive or negative?*

SECTION 3 Assessment

Progress Monitoring *Online*

For: Self-test with vocabulary practice
Web Code: nea-0906

Comprehension

- 1. Terms and People** What is the relationship between each of the following terms or people and the enduring significance of the New Deal?
- Black Cabinet
 - Mary McLeod Bethune
 - Indian New Deal
 - New Deal coalition
 - welfare state

2. NoteTaking Reading Skill:

Identify Main Ideas Use your concept web to answer the Section Focus Question: How did the New Deal change the social, economic, and political landscape of the United States for future generations?

Writing About History

3. Quick Write: Draw Conclusions

After comparing information from different sources, the next step in synthesizing is to draw conclusions. Compare the photograph of Eleanor Roosevelt with the primary source on the section's opening page. Write a paragraph that describes Mrs. Roosevelt's personality.

Critical Thinking

- 4. Recognize Cause and Effect** Why do you think African Americans suffered more extensive discrimination during the depression than during more prosperous times?
- 5. Determine Relevance** Has the New Deal coalition affected politics in your community today? Explain your answer.
- 6. Synthesize Information** Did the growth in the powers of the federal government during the New Deal benefit the nation? Explain your answer.



▲ *The Wizard of Oz's*
Dorothy, Tin Man,
and Scarecrow

WITNESS HISTORY AUDIO

“Somewhere Over the Rainbow”

Americans eager to escape the gloom of the depression regularly sought refuge in the fantasy world presented by the movies. One of their favorites was *The Wizard of Oz*, which opened in 1939. In an early scene, the farm girl Dorothy sings of better times:

“Somewhere over the rainbow
Way up high,
There’s a land that I’ve heard of
Once in a lullaby.

Somewhere over the rainbow
Skies are blue,
And the dreams that you dare to dream
Really do come true.

Some day I’ll wish upon a star
And wake up where the clouds are far behind me.
Where troubles melt like lemon drops
Away above the chimney tops
That’s where you’ll find me.”

—“Over the Rainbow,” E. Y. Harburg, 1939

Culture of the 1930s

Objectives

- Trace the growth of radio and the movies in the 1930s and the changes in popular culture.
- Describe the major themes of literature in the New Deal era.

Terms and People

Frank Capra
Federal Art Project
mural

Dorothea Lange
John Steinbeck
Lillian Hellman

NoteTaking

Reading Skill: Identify Main Ideas and

Details Complete a table like the one below to record examples of cultural or popular media.

Cultural or Popular Media	Example
Movies	

Why It Matters

Mass entertainment, such as *The Wizard of Oz*, flourished during the New Deal years as Americans sought escape from the worries of the depression. And, for the first time, the government played an active role in the arts, creating programs that put artists to work. It was a golden age for entertainment, and the movies, music, and works of literature produced during this era hold a unique place in American culture. **Section Focus Question:** How did the men and women of the depression find relief from their hardships in the popular culture?

Movies and Radio Captivate Americans

Entertainment became big business during the 1930s. Large radio networks, such as NBC and CBS, were broadcasting giants while a cluster of film companies—including MGM, Warner Brothers, Twentieth Century Fox, and Paramount—dominated the silver screen. By 1935, two in three homes owned a radio; by the end of the decade, about nine in ten did. In 1939, nearly two thirds of all Americans attended at least one movie a week. Stars in both industries made fortunes and attracted loyal followings. Glossy fan magazines tracked the stars’ personal and professional lives.

Enjoying Escapism Above all, when Americans went to the movies during the Great Depression, they did so as a means of escapism. They sought relief from their concerns through a good laugh, a good cry, a lyrical song, or by seeing good triumph over evil. *The Wizard of Oz*, one of the most memorable depression-era films, delivered all four. It promised weary audiences that their dreams really would come true.

The big movie studios churned out musicals, romantic comedies, and gangster films. Children marveled at the colorful animation of Walt Disney's *Snow White and the Seven Dwarfs*. For a good scare, teens and young adults flocked to *Frankenstein*. Adults watched dancers Fred Astaire and Ginger Rogers glide effortlessly across the ballroom floor in *Top Hat*. And millions wept as they watched the stormy love affair between Clark Gable and Vivien Leigh in the Civil War epic *Gone With the Wind*.

Providing Social Commentary In the early 1930s, many films reflected the public's distrust of big business and government. Gangster movies, such as *Public Enemy* starring James Cagney, were very popular. These films showed a declining faith in government and law enforcement, with characters turning to crime to survive the depression. But as the New Deal restored confidence, the government regained its glow, and movies began portraying government officials as heroes. In 1935, Cagney portrayed an FBI agent who captured the bad guys in *G-Men*.

Other films focused on the strength of average Americans. Director **Frank Capra** was a leader of this genre. The characters in his films were everyday people struggling with the hardships of the time. In Capra's *Mr. Smith Goes to Washington*, actor James Stewart plays a junior senator who fights against the greed and corruption he finds in the nation's capital. Depression-era audiences cheered Capra's films, which celebrate American idealism and the triumph of the common man over the forces of adversity.

Radio's Golden Age The success of the movie industry was matched by that of radio. The national radio networks broadcast popular shows starring comedians such as Bob Hope and Jack Benny. Americans avidly followed soap operas,

Radio Captures the Nation

Americans united in their love for the radio and its stars, including mainstays George Burns and Gracie Allen (below).



Vocabulary Builder

episode—(EHP uh sohhd) *n.* television or radio program that is one of a series of programs telling one story

variety shows, and humorists, such as Will Rogers. Dramatic shows were also popular. *The Lone Ranger* started its run in 1933 and ran for more than 20 years. The detective serial *The Shadow* began each thrilling **episode** with the haunting line, “Who knows what evil lurks in the hearts of men?”

In addition to providing entertainment, the family radio provided information. FDR used his fireside chats to explain and promote his New Deal programs. Newscasters delivered the daily news and political commentary.

On at least one occasion, radio listeners had a hard time recognizing the difference between news and entertainment. It happened on the night of October 30, 1938, when millions of Americans tuned in to a drama called *War of the World*, directed by Orson Welles. The Mercury Theatre broadcast was so realistic that many people believed that Martians were actually invading. Panic gripped areas of the country until announcers insisted that it was all make-believe.

Swinging to the Sounds of the Era Like films and radio shows, music provided a diversion from hard times. Whether listening to the radio at home or dancing in nightclubs, Americans enjoyed the popular music of the day. “Swing” music played by “big bands” topped the charts. Duke Ellington, Benny Goodman, Artie Shaw, Glenn Miller, and Jimmy and Tommy Dorsey were some of the top swing musicians, a term probably derived from Ellington’s tune “It Don’t Mean a Thing If It Ain’t Got That Swing.” *Your Hit Parade* and *Make Believe Ballroom*—the program that introduced disc jockeys—were just two of the radio shows that brought the latest tunes to listeners. The most popular vocalist of the era was Bing Crosby.

Latin music was very popular. The rhythms of the rumba and the samba had a special appeal for dancers, and Latin bands were prominently featured in films and on the radio. Folk and ethnic music also gained a following during the 1930s. Black singers focused on the harsh conditions faced by African Americans. Huddie Ledbetter, a folk singer known as Leadbelly, described experiences of African Americans with the songs “Cotton Fields” and “The Midnight Special.” Woody Guthrie wrote ballads about the Okies, farmers who fled Dust Bowl states and headed to California. Guthrie’s song “Dust Bowl Refugee” helped listeners understand the Okies’ plight.

✔ **Checkpoint** What were some of the most important popular cultural trends of the 1930s?

Funding the Arts

The Federal Art Project poster (below) promotes an exhibition of works by WPA artists. William Gropper’s mural, *Construction of a Dam*, was a tribute to the strength and dignity of labor inspired by the construction of two western dams.



The New Deal and the Arts

During the New Deal, the federal government provided funding for the arts for the first time in American history. Recognizing that many artists and writers faced dire circumstances, WPA administrator Harry Hopkins established a special branch of the WPA to provide artists with work. Programs such as the **Federal Art Project**, the Federal Writers' Project, and the Federal Theater Project offered a variety of job opportunities to artists.


In federally funded theaters, musicians and actors staged performances that were often free to the public. In a series of new state guidebooks, WPA writers recorded the history and folklore of the nation. Artists painted huge, dramatic **murals** on public buildings across the nation. These paintings celebrated the accomplishments of the workers who helped build the nation. Many of the murals can still be seen in public buildings today.

Photographers also benefited from federal arts programs. The Resettlement and Farm Security Administration (FSA) sought to document the plight of America's farmers. Roosevelt's top aide, Rexford Tugwell, told the head of the FSA, "Show the city people what it's like to live on the farm." Walker Evans and **Dorothea Lange** were among the FSA photographers who created powerful images of impoverished farmers and migrant workers, including Lange's famous photo "Migrant Mother."

Primary Source "When Dorothea took that picture that was the ultimate. She never surpassed it. . . . She has all the suffering of mankind in her but all the perseverance too. A restraint and a strange courage."

—Roy Stryker, FSA, on Dorothea Lange's "Migrant Mother"

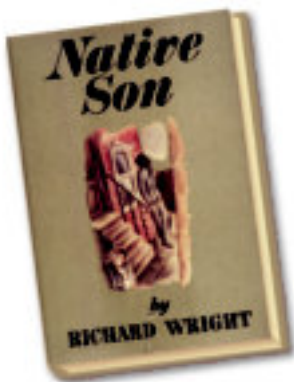
Some members of Congress attacked the Federal Art programs for promoting radical values. Congressman J. Parnell Thomas described the Federal Writers' and Theater projects as "a hotbed for Communists." Eleanor Roosevelt and others defended the Federal Art programs on the grounds that they did not "believe in censoring anything." Nonetheless, congressional support for the programs declined. Although the Federal Art programs ceased to exist in the early 1940s, they set a precedent for further federal funding of the arts and humanities in the 1960s.

 **Checkpoint** In what ways did the New Deal support American arts?

California

One of several WPA murals in San Francisco's Coit Tower, *California* was painted by Maxine Albro, an artist who painted many scenes of Mexican life after studying with noted Mexican muralist Diego Rivera.





The Literature of the Depression

The literature of the 1920s, from authors such as F. Scott Fitzgerald and Ernest Hemingway, sometimes overshadowed the literature of the 1930s. Still, the depression era produced some memorable works.


During the depression, many writers drifted to the left and crafted novels featuring working-class heroes. They believed that the American economic system no longer worked and they blamed this failure on political and business leaders. Many artists of the 1930s saw “ordinary Americans” as the best hope for a better day.

The most famous novel of the 1930s was **John Steinbeck’s** *The Grapes of Wrath*. Steinbeck follows the fictional Joad family from their home in Oklahoma, which has been ravaged by Dust Bowl conditions, to California, where they hope to build a better life. But instead of the Promised Land, the Joads encounter exploitation, disease, hunger, and political corruption.

African American writers captured the special plight of blacks, facing both the depression and continuing prejudice. Richard Wright’s *Native Son* explored racial prejudice in a northern urban setting. Wright was an outspoken critic of racial discrimination.

In New York, some important playwrights had their first successes during the New Deal period. **Lillian Hellman**, a New Orleans native, wrote several plays featuring strong roles for women. Hellman’s plays *The Children’s Hour*, *The Little Foxes*, and *Watch on the Rhine* are also notable for their socially conscious subject matter. Clifford Odets was another dramatist who achieved prominence in the 1930s. His plays *Waiting for Lefty* and *Awake and Sing!* chronicle the struggles of the working class during the Great Depression.

On a lighter note, many Americans devoured comic strips and comic books during the 1930s. Among the most popular comic strips were *Flash Gordon*, a science-fiction saga; *Dick Tracy*, a detective story; and *Superman*, the first great “superhero” comic. The success of *Superman*, which began in 1938, quickly led to a radio show and later to a popular television series and several feature films. *Superman* reassured Americans that ordinary citizens, like mild-mannered Clark Kent, could overcome evil.

 **Checkpoint** Describe the most notable works of literature of the 1930s.

Native Son

Richard Wright’s novel about the psychological pressures that lead a young black man to commit murder sold more than 200,000 copies in one month. During the 1930s, the author worked as a writer and editor for the Federal Writers’ Project in Chicago.

SECTION

4 Assessment

Progress Monitoring Online

For: Self-test with vocabulary practice
Web Code: nea-0907

Comprehension

1. Terms and People For each item below, write a sentence explaining how it affected the people of the era.

- *The Wizard of Oz*
- Frank Capra
- *War of the Worlds*
- Federal Art Project

2. NoteTaking Reading Skill:

Identify Main Ideas and Details

Use your table to answer the Section Focus Question: How did the men and women of the depression find relief from their hardships in the popular culture?

Writing About History

3. Quick Write: Make Generalizations

Compare *The Wizard of Oz* and *War of the Worlds*. Write a few sentences describing how both were escapist fare that helped people forget their troubles.

Critical Thinking

4. Make Generalizations What values did the movies and other popular entertainment of the depression reinforce for Americans?

5. Identify Effects How did federal support of the arts benefit both artists and the public?

6. Identify Point of View How did the work of New Deal era artists and writers contribute to our appreciation today of the New Deal?

The Golden Age of Hollywood

The 1930s were a Golden Age for Hollywood—and for moviegoers. Depression-era audiences watched the latest Hollywood spectacles in beautiful theaters that were a far cry from today’s multiplexes. Advancements in color and sound added even more realism to movies that depicted lives of glamour and adventure unknown to most Americans. But it was the outstanding quality of the movies that made the 1930s Hollywood’s Golden Age.



- ▲ **King Kong (1933)**
King Kong was the thrilling adventure tale of a giant ape and the woman he loved. The film’s innovative special effects helped make it a huge box-office hit.



- ◀ **Gone With the Wind (1939)**
Clark Gable was Rhett Butler, and Vivien Leigh was Scarlett O’Hara in the Civil War saga adapted from Margaret Mitchell’s Pulitzer Prize–winning novel.



- ▲ **Swing Time (1936)**
Fred Astaire and Ginger Rogers became one of the silver screen’s legendary teams as they danced their way through a series of popular musicals.

- ▼ **Dead End (1937)**
A gritty social drama about life in a Manhattan slum, *Dead End* starred Humphrey Bogart and introduced the Dead End Kids.



Thinking Critically

1. **Make Inferences** Why would people who were struggling just to get by enjoy films portraying extravagant upper-class lifestyles?
2. **Connect to Today** Do you think Hollywood movies give an accurate picture of contemporary American life? Explain.

Quick Study Guide

Progress Monitoring *Online*

For: Self-test with vocabulary practice
Web Code: nea-0908

■ New Deal Legislation

New Deal Program	Effects
Federal Deposit Insurance Corporation (FDIC), 1933	Guaranteed bank deposits up to \$5,000 to ease banking crisis
National Recovery Administration (NRA), 1933	Established codes to regulate wages and prices, stimulate consumer activity, and promote fair competition
Securities and Exchange Commission (SEC), 1934	Regulated the stock market and restored investor confidence
Civilian Conservation Corps (CCC), 1933	Provided jobs for millions of young, single men on conservation projects
Public Works Administration (PWA), 1933	Sponsored large-scale government construction projects to create new jobs and improve the nation's infrastructure
Agricultural Adjustment Act (AAA), 1933	Paid subsidies to lower production on farms and raise crop prices
Tennessee Valley Authority (TVA), 1933	Built dams and hydroelectric plants in the Tennessee River valley to control flooding, generate power, and attract industry to the South
Home Owners' Loan Corporation (HOLC), 1933	Provided low-interest loans to homeowners who were unable to make mortgage payments

■ Effects of the New Deal

Immediate Effects
<ul style="list-style-type: none"> Banking system is stabilized. Federal payments help farmers. Work-relief programs provide jobs. Social Security provides safety net. New Deal helps to unify the nation.
↓ ↓ ↓
Long-term Effects
<ul style="list-style-type: none"> Power of the presidency increases. Government takes active role in economy. New Deal coalition is powerful political force. Wagner Act protects workers and raises standard of living. Minorities and women gain positions in government.

■ Opposition to the New Deal

On the Left	On the Right
<ul style="list-style-type: none"> New Deal does not do enough to end the depression. FDR's only concern is saving banks and big business. New Deal does not address redistribution of wealth. New Deal does not help the elderly. 	<ul style="list-style-type: none"> New Deal makes government too powerful. Increased government role in economy equals socialism. New Deal destroys free enterprise and individual freedom. New Deal creates huge national debt.

✓ Quick Study Timeline

1932
More than 5,000 banks close



1933
FDR begins New Deal

1934
Dust Bowl worsens

1935
Social Security Act passed



In America

Presidential Terms Herbert Hoover 1929–1933

Franklin D. Roosevelt 1933–1945

1932

1935

Around the World

1932
Aldous Huxley's *Brave New World* is published

1933
Nazis begin burning of books

1935
Italy invades Ethiopia

American Issues

Connector

By connecting prior knowledge with what you have learned in this chapter, you can gradually build your understanding of enduring questions that still affect America today. Answer the questions below. Then, use your American Issues Connector study guide (or go online: www.PHSchool.com **Web Code:** neh-8203).

Issues You Learned About

- **Government's Role in the Economy** Political leaders disagree on how much control the government should have over the national economy.
 1. Do you agree with the statement that many Americans probably thought that Herbert Hoover should have let his administration take a greater role in the economy? Explain.
 2. Following the tradition of *laissez faire*, how did the federal government respond to the downturn of the economy under Hoover? How did it respond under Roosevelt?
- **American Indian Policy** The U.S. government has followed different policies toward Native Americans.
 3. What did the Indian Removal Act demand? What action did some Indian tribes, that did not want to follow the Indian Removal Act, take?
 4. What was the Dawes Act? Did it achieve its goals?
 5. How did John Collier bring changes to American Indian life and culture?

- **Federal Power and States' Rights** At times, the national government may seem to go beyond its constitutional rights.
 6. According to the Constitution, what powers does the national government have over trade? What powers does each state government have?
 7. In response to the Supreme Court ruling in *Schechter Poultry v. United States*, one newspaper proclaimed this headline: "ROOSEVELT'S TWO YEARS' WORK KILLED IN TWENTY MINUTES." What did the headline mean?

Connect to Your World

Activity

Interaction With the Environment The Bureau of Reclamation, founded in 1902, has constructed dams, power plants, and canals in the western states, including the Hoover Dam and the Grand Coulee Dam. However, the job does not end with the completion of water systems. Conduct research to find out about the bureau's work today. Create a fact sheet about the Bureau of Reclamation, explaining its key roles in water management, presenting important statistics and describing its current programs and activities.

1936
UAW stages sit-down strike



1939
Gone With the Wind breaks box-office records



1940
FDR reelected to third term

History Interactive
For: Interactive timeline
Web Code: neh-0910

1938

1936
Spanish Civil War begins

1937
Pablo Picasso paints *Guernica*

1939
Radio broadcasts WWII events

1941

1941
Japanese attack Pearl Harbor

Chapter Assessment

Terms and People

1. What was the **CCC**? How did it help individual Americans as well as the country?
2. Define **pump priming**. Give an example of pump priming in the second New Deal.
3. Define **collective bargaining** and **sit-down strikes**. How effective did workers find these methods?
4. Who was **Mary McLeod Bethune**? How did she feel about the New Deal?
5. What were the Federal Theater Project, the Federal Writers' Project, and the **Federal Art Project**? When and why did they come to an end?

Focus Questions

The focus question for this chapter is **How did the New Deal respond to the ravages of the depression and change the role of the federal government?** Build an answer to this big question by answering the focus questions for Sections 1 through 4 and the Critical Thinking questions that follow.

Section 1

6. How did the New Deal attempt to address the problems of the depression?

Section 2

7. What major issues did the second New Deal address?

Section 3

8. How did the New Deal change the social, economic, and political landscape of the United States for future generations?

Section 4

9. How did the men and women of the depression find relief from their hardships in the popular culture?

Writing About History

Synthesize Information In this chapter there are different images of President Roosevelt. One photograph might present FDR as weak, while another shows him as strong and confident. A cartoon might praise or criticize him. Write a few paragraphs in which you compare several different viewpoints on FDR, and then draw your own conclusion about him.

Prewriting

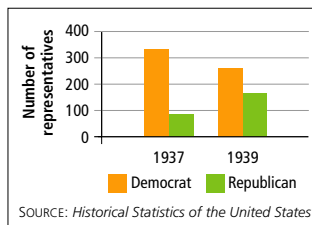
- Find four different images of Roosevelt that you will compare and contrast.
- Identify the main idea or viewpoint that is conveyed by each photograph or cartoon.

Drafting

- For each image, write a brief paragraph describing the main idea of the image.

Critical Thinking

10. **Analyze Information** The first New Deal had three goals: relief, recovery, and reform. Choose one of the laws or programs created by the first New Deal and explain how the program met one, two, or all of these goals.
11. **Compare Points of View** Why did both the right and the left protest the New Deal?
12. **Summarize** What impact did New Deal programs and legislation have on the lives of industrial workers?
13. **Analyze Graphs** Study the graph below.



What political shift does this graph show? What caused this change?

14. **Draw Inferences** Why did New Deal work programs place a greater emphasis on employing men than women?
15. **Determine Relevance** What does the creation of a welfare state say about the changing priorities of the United States? Does this principle still hold today? Give examples to support your answer.
16. **Identify Point of View** Why might filmmakers have chosen to produce movies that drew on America's historical past?
17. **Evaluate Credibility of Sources** Do you think the work of depression-era writers can be read for historical value? Explain.

- Then, write a paragraph in which you point out how the portrayals of FDR are similar and different.
- Finally, write a concluding paragraph in which you draw your own conclusions and make some generalizations about the nature of FDR.

Revising

- Use the guidelines on page SH11 of the Writing Handbook to revise your essay.



Document-Based Assessment

The Tennessee Valley Authority

Was the Tennessee Valley Authority (TVA) a federal program that would bring jobs and electricity to rural towns in the region? Or was it an expensive, poorly planned federal program that taxpayers would have to shoulder and that would also cause many environmental problems? Use your knowledge of the TVA and Documents A, B, C, and D to answer questions 1 through 4.

Document A

"... The continued idleness of a great national investment in the Tennessee Valley leads me to ask Congress for legislation necessary to enlist this project in the service of the people. It is clear that the Muscle Shoals development is but a small part of the potential public usefulness of the entire Tennessee River. Such use, if envisioned in its entirety, transcends mere power development; it enters the wide fields of flood control, soil erosion, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of industry."
—President Franklin D. Roosevelt, April 10, 1933

Document B



Document C

"... The TVA has therefore appeared to be on the side of the angels in the controversy between it and the utilities. But the conservation program of the TVA is only a masquerade. It has no functional connection with the power program of the Authority, and the amount spent on it is only an insignificant portion of the Authority's total expenditures. Other departments of government, both state and national, are charged with the duty of caring for soil erosion and are doing such work effectively without the building of dams and power facilities. ... The American people are paying more than half a billion dollars for eleven dams, chiefly designed to supply power to one area. But this power is to be supplied to this area at less than cost. ... [The] TVA will operate annually at a deficit, and these deficits must ... be paid for out of the pockets of the taxpayers."

—From "Political Power" by Wendell L. Willkie from *Atlantic Monthly* 160 (August 1937) pp. 211–214

Document D

"One of TVA's original missions was to manage the region's natural resources, but the agency has long invoked the ire of environmentalists. TVA ... was the leading promoter of destructive coal strip-mining. ... TVA still remains the nation's worst violator of the Clean Air Act. The agency, in fact, is the largest emitter among eastern utilities of nitrogen oxide (NO_x), which causes smog. It is the third largest emitter of sulfur dioxide (SO₂) and carbon dioxide (CO₂), which has been identified as the leading cause of global warming. TVA's nuclear program has been so plagued with safety and economic problems that consumer activist Ralph Nader in 1998 declared: 'The TVA ... has the most expensive set of nuclear reactors, has a debt of \$29 billion, has the poorest safety record with TVA reactors spending more time on the Nuclear Regulatory Commission's watch list than any other utility.'"

—"Restructure TVA: Why the Tennessee Valley Authority Must Be Reformed" by Richard Munson (September 17, 2001)

- Which document is a secondary source that criticizes the environmental impact of the Tennessee Valley Authority?
A Document A
B Document B
C Document C
D Document D
- According to Documents B and C, why were taxpayers concerned about the Tennessee Valley Authority?
A It provided cheap electricity only to people in Tennessee.
B Taxpayers demanded an investigation because it operated at a deficit.
C Taxpayers in Tennessee wanted the government to promise better flood control.
D It did not build enough dams to provide adequate electricity.
- In Document A, what message is President Roosevelt trying to convey to Congress?
A He wanted Congress to view the TVA as a way to control the region's environmental problems.
B He wanted Congress to build the TVA only to provide electricity.
C He wanted Congress to provide money to the region's farmers.
D He wanted Congress to plan many additional watershed projects throughout the country.
- Writing Task** Who was right about the impact of the Tennessee Valley Authority: President Roosevelt or his critics? Use your knowledge of the chapter and evidence from the primary sources above to support your opinion.