CHAPTER 26

Franklin Roosevelt and the New Deal, 1932-1941

Figure 26.1 President Roosevelt's Federal One Project allowed thousands of artists to create public art. This initiative was a response to the Great Depression as part of the Works Project Administration, and much of the public art in cities today date from this era. *New Deal* by Charles Wells can be found in the Clarkson S. Fisher Federal Building and U.S. Courthouse in Trenton, New Jersey. (credit: modification of work by Library of Congress)

Chapter Outline

Introduction

The election of President Franklin Delano Roosevelt signaled both immediate relief for the American public as well as a permanent shift in the role of the federal government in guiding the economy and providing direct assistance to the people, albeit through expensive programs that made extensive budget deficits commonplace. For many, the immediate relief was, at a minimum, psychological: Herbert Hoover was gone, and the situation could not grow worse under Roosevelt. But as his New Deal unfolded, Americans learned more about the fundamental changes their new president brought with him to the Oval Office. In the span of little more than one hundred days, the country witnessed a wave of legislation never seen before or since.

Roosevelt understood the need to "save the patient," to borrow a medical phrase he often employed, as well as to "cure the ill." This meant both creating jobs, through such programs as the Works Progress Administration, which provided employment to over eight million Americans (**Figure 26.1**), as well as reconfiguring the structure of the American economy. In pursuit of these two goals, Americans re-elected Roosevelt for three additional terms in the White House and became full partners in the reshaping of their country.

26.1 The Rise of Franklin Roosevelt

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

- Describe the events of the 1932 presidential election and identify the characteristics that made Franklin Roosevelt a desirable candidate
- Explain why Congress amended the U.S. Constitution to reduce the period of time between presidential elections and inaugurations

Franklin Roosevelt was part of the political establishment and the wealthy elite, but in the 1932 presidential campaign, he did not want to be perceived that way. Roosevelt felt that the country needed sweeping change, and he ran a campaign intended to convince the American people that he could deliver that change. It was not the specifics of his campaign promises that were different; in fact, he gave very few details and likely did not yet have a clear idea of how he would raise the country out of the Great Depression. But he campaigned tirelessly, talking to thousands of people, appearing at his party's national convention, and striving to show the public that he was a different breed of politician. As Hoover grew more morose and physically unwell in the face of the campaign, Roosevelt thrived. He was elected in a landslide by a country ready for the change he had promised.

THE ELECTION OF FRANKLIN ROOSEVELT

By the 1932 presidential election, Hoover's popularity was at an all-time low. Despite his efforts to address the hardships that many Americans faced, his ineffectual response to the Great Depression left Americans angry and ready for change. Franklin Roosevelt, though born to wealth and educated at the best schools, offered the change people sought. His experience in politics had previously included a seat in the New York State legislature, a vice-presidential nomination, and a stint as governor of New York. During the latter, he introduced many state-level reforms that later formed the basis of his New Deal as well as worked with several advisors who later formed the **Brains Trust** that advised his federal agenda.

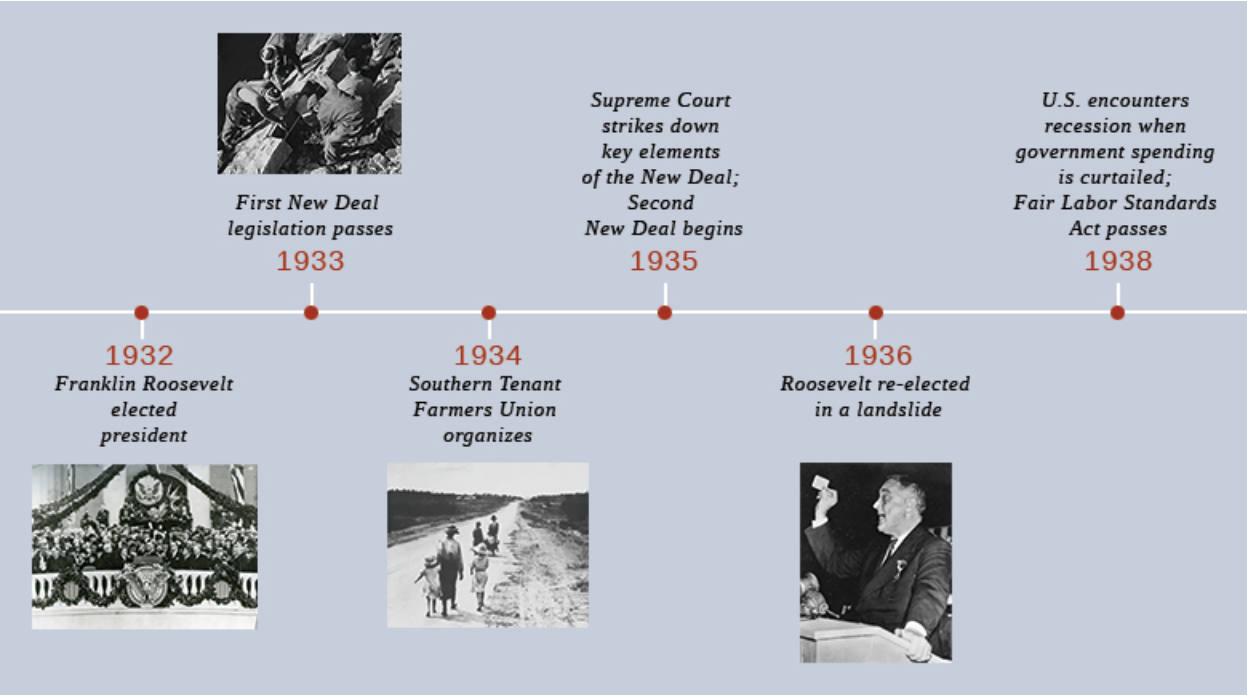

Figure 26.2

Roosevelt exuded confidence, which the American public desperately wished to see in their leader (**Figure 26.3**). And, despite his affluence, Americans felt that he could relate to their suffering due to his own physical hardships; he had been struck with polio a decade earlier and was essentially paralyzed from the waist down for the remainder of his life. Roosevelt understood that the public sympathized with his ailment; he likewise developed a genuine empathy for public suffering as a result of his illness. However, he never wanted to be photographed in his wheelchair or appear infirm in any way, for fear that the public's sympathy would transform into concern over his physical ability to discharge the duties of the Oval Office.

Figure 26.3 Franklin Roosevelt brought a new feeling of optimism and possibility to a country that was beaten down by hardship. His enthusiasm was in counterpoint to Herbert Hoover's discouraging last year in office.

Roosevelt also recognized the need to convey to the voting public that he was not simply another member of the political aristocracy. At a time when the country not only faced its most severe economic challenges to date, but Americans began to question some of the fundamental principles of capitalism and democracy, Roosevelt sought to show that he was different—that he could defy expectations—and through his actions could find creative solutions to address the nation's problems while restoring public confidence in fundamental American values. As a result, he not only was the first presidential candidate to appear in person at a national political convention to accept his party's nomination but also flew there through terrible weather from New York to Chicago in order to do so—a risky venture in what was still the early stages of flight as public transportation. At the Democratic National Convention in 1932, he coined the famous phrase: "I pledge myself to a new deal for the American people." The New Deal did not yet exist, but to the American people, any positive and optimistic response to the Great Depression was a welcome one.

Hoover assumed at first that Roosevelt would be easy to defeat, confident that he could never carry the eastern states and the business vote. He was sorely mistaken. Everywhere he went, Hoover was met with antagonism; anti-Hoover signs and protests were the norm. Hoover's public persona declined rapidly. Many news accounts reported that he seemed physically unwell, with an ashen face and shaking hands. Often, he seemed as though he would faint, and an aide constantly remained nearby with a chair in case he fell. In contrast, Roosevelt thrived on the campaign. He commented, "I have looked into the faces of thousands of Americans, and they have the frightened look of lost children."

The election results that November were never really in question: With three million more people voting than in 1928, Roosevelt won by a popular count of twenty-three million to fifteen million. He carried all but six states while winning over 57 percent of the popular vote. Whether they voted due to animosity towards Hoover for his relative inactivity, or out of hope for what Roosevelt would accomplish, the American public committed themselves to a new vision. Historians identify this election as the beginning of a new Democratic coalition, bringing together African Americans, other ethnic minorities, and organized labor as

a voting bloc upon whom the party would rely for many of its electoral victories over the next fifty years. Unlike some European nations where similar challenges caused democratic constitutions to crumble and give way to radical ideologies and authoritarian governments, the Roosevelt administration changed the nation's economic fortunes with reforms, preserved the constitution, and expanded rather than limited the reach of democratic principles into the market economy. As a result, radical alternatives, such as the Fascist movement or Communist Party, remained on the margins of the nation's political culture.

THE INTERREGNUM

After the landslide election, the country—and Hoover—had to endure the **interregnum**, the difficult four months between the election and President Roosevelt's inauguration in March 1933. Congress did not pass a single significant piece of legislation during this period, although Hoover spent much of the time trying to get Roosevelt to commit publicly to a legislative agenda of Hoover's choosing. Roosevelt remained gracious but refused to begin his administration as the incumbent's advisor without any legal authority necessary to change policy. Unwilling to tie himself to Hoover's legacy of failed policies, Roosevelt kept quiet when Hoover supported the passage of a national sales tax. Meanwhile, the country suffered from Hoover's inability to further drive a legislative agenda through Congress. It was the worst winter since the beginning of the Great Depression, and the banking sector once again suffered another round of panics. While Roosevelt kept his distance from the final tremors of the Hoover administration, the country continued to suffer in wait. In part as a response to the challenges of this time, the U.S. Constitution was subsequently amended to reduce the period from election to inauguration to the now-commonplace two months.

Any ideas that Roosevelt held almost did not come to fruition, thanks to a would-be assassin's bullet. On February 15, 1933, after delivering a speech from his open car in Miami's Bayfront Park, local Italian bricklayer Giuseppe Zangara emerged from a crowd of well-wishers to fire six shots from his revolver. Although Roosevelt emerged from the assassination attempt unscathed, Zangara wounded five individuals that day, including Chicago Mayor Tony Cermak, who attended the speech in the hopes of resolving any long-standing differences with the president-elect. Roosevelt and his driver immediately rushed Cermak to the hospital where he died 19 days later. Roosevelt's calm and collected response to the event reassured many Americans of his ability to lead the nation through the challenges they faced. All that awaited was Roosevelt's inauguration before his ideas would unfold to the expectant public.

So what was Roosevelt's plan? Before he took office, it seems likely that he was not entirely sure. Certain elements were known: He believed in positive government action to solve the Depression; he believed in federal relief, public works, social security, and unemployment insurance; he wanted to restore public confidence in banks; he wanted stronger government regulation of the economy; and he wanted to directly help farmers. But how to take action on these beliefs was more in question. A month before his inauguration, he said to his advisors, "Let's concentrate upon one thing: Save the people and the nation, and if we have to change our minds twice every day to accomplish that end, we should do it."

Unlike Hoover, who professed an ideology of "American individualism," an adherence that rendered him largely incapable of widespread action, Roosevelt remained pragmatic and open-minded to possible solutions. To assist in formulating a variety of relief and recovery programs, Roosevelt turned to a group of men who had previously orchestrated his election campaign and victory. Collectively known as the "Brains Trust" (a phrase coined by a *New York Times* reporter to describe the multiple "brains" on Roosevelt's advisory team), the group most notably included Rexford Tugwell, Raymond Moley, and Adolph Berle. Moley, credited with bringing the group into existence, was a government professor who advocated for a new national tax policy to help the nation recover from its economic woes. Tugwell, who eventually focused his energy on the country's agricultural problems, saw an increased role for the federal government in setting wages and prices across the economy. Berle was a mediating influence, who often advised against a centrally controlled economy, but did see the role that the federal government could play in mediating the stark cycles of prosperity and depression that, if left unchecked, could result in the very situation in which the country presently found itself. Together, these men, along with others, advised

Roosevelt through the earliest days of the New Deal and helped to craft significant legislative programs for congressional review and approval.

INAUGURATION DAY: A NEW BEGINNING

March 4, 1933, dawned gray and rainy. Roosevelt rode in an open car along with outgoing president Hoover, facing the public, as he made his way to the U.S. Capitol. Hoover's mood was somber, still personally angry over his defeat in the general election the previous November; he refused to crack a smile at all during the ride among the crowd, despite Roosevelt's urging to the contrary. At the ceremony, Roosevelt rose with the aid of leg braces equipped under his specially tailored trousers and placed his hand on a Dutch family Bible as he took his solemn oath. At that very moment, the rain stopped and the sun began to shine directly on the platform, and those present would later claim that it was as though God himself was shining down on Roosevelt and the American people in that moment (**Figure 26.4**).

Figure 26.4 Roosevelt's inauguration was truly a day of new beginnings for the country. The sun breaking through the clouds as he was being sworn in became a metaphor for the hope that people felt at his presidency.

Bathed in the sunlight, Roosevelt delivered one of the most famous and oft-quoted inaugural addresses in history. He encouraged Americans to work with him to find solutions to the nation's problems and not to be paralyzed by fear into inaction. Borrowing a wartime analogy provided by Moley, who served as his speechwriter at the time, Roosevelt called upon all Americans to assemble and fight an essential battle against the forces of economic depression. He famously stated, "The only thing we have to fear is fear itself." Upon hearing his inaugural address, one observer in the crowd later commented, "Any man who can talk like that in times like these is worth every ounce of support a true American has." To borrow the popular song title of the day, "happy days were here again." Foregoing the traditional inaugural parties, the new president immediately returned to the White House to begin his work to save the nation.

Click and Explore

Visit the **American Presidency Project (http://openstaxcollege.org/l/fdraug)** to listen to Roosevelt's first inaugural speech and identify ways he conveyed optimism and a spirit of community to his listeners.

26.2 The First New Deal

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

- Identify the key pieces of legislation included in Roosevelt's "First New Deal"
- Assess the strengths, weaknesses, and general effectiveness of the First New Deal
- Explain Roosevelt's overall vision for addressing the structural problems in the U.S. economy

Much like a surgeon assessing the condition of an emergency room patient, Roosevelt began his administration with a broad, if not specific, strategy in mind: a combination of relief and recovery programs designed to first save the patient (in this case, the American people), and then to find a long-term cure (reform through federal regulation of the economy). What later became known as the "First New Deal" ushered in a wave of legislative activity seldom before seen in the history of the country. By the close of 1933, in an effort to stem the crisis, Congress had passed over fifteen significant pieces of legislation—many of the circulated bills allegedly still wet with ink from the printing presses as members voted upon them. Most bills could be grouped around issues of relief, recovery, and reform. At the outset of the First New Deal, specific goals included 1) bank reform; 2) job creation; 3) economic regulation; and 4) regional planning.

REFORM: THE BANKING CRISIS

When Roosevelt took office, he faced one of the worst moments in the country's banking history. States were in disarray. New York and Illinois had ordered the closure of their banks in the hopes of avoiding further "bank runs," which occurred when hundreds (if not thousands) of individuals ran to their banks to withdraw all of their savings. In all, over five thousand banks had been shuttered. Within forty-eight hours of his inauguration, Roosevelt proclaimed an official bank holiday and called Congress into a special session to address the crisis. The resulting Emergency Banking Act of 1933 was signed into law on March 9, 1933, a scant eight hours after Congress first saw it. The law officially took the country off the gold standard, a restrictive practice that, although conservative and traditionally viewed as safe, severely limited the circulation of paper money. Those who held gold were told to sell it to the U.S. Treasury for a discounted rate of a little over twenty dollars per ounce. Furthermore, dollar bills were no longer redeemable in gold. The law also gave the comptroller of currency the power to reorganize all national banks faced with insolvency, a level of federal oversight seldom seen prior to the Great Depression. Between March 11 and March 14, auditors from the Reconstruction Finance Corporation, the Treasury Department, and other federal agencies swept through the country, examining each bank. By March 15, 70 percent of the banks were declared solvent and allowed to reopen.

On March 12, the day before the banks were set to reopen, Roosevelt held his first "fireside chat" (**Figure**

26.5). In this initial radio address to the American people, he explained what the bank examiners had been doing over the previous week. He assured people that any bank open the next day had the federal government's stamp of approval. The combination of his reassuring manner and the promise that the government was addressing the problems worked wonders in changing the popular mindset. Just as the culture of panic had contributed to the country's downward spiral after the crash, so did this confidence-inducing move help to build it back up. Consumer confidence returned, and within weeks, close to $1 billion in cash and gold had been brought out from under mattresses and hidden bookshelves, and re-deposited in the nation's banks. The immediate crisis had been quelled, and the public was ready to believe in their new president.

Figure 26.5 Roosevelt's "fireside chats" provided an opportunity for him to speak directly to the American people, and the people were happy to listen. These radio addresses, commemorated at the Franklin D. Roosevelt Memorial in Washington, DC, with this bronze sculpture by George Segal, contributed to Roosevelt's tremendous popularity. (credit: Koshy Koshy)

DEFINING "AMERICAN"

The Power of Hearth and Home

Fireside chats—Roosevelt's weekly radio addresses—underscored Roosevelt's savvy in understanding how best to reach people. Using simple terms and a reassuring tone, he invoked a family patriarch sitting by the fire, explaining to those who trusted him how he was working to help them. It is worth noting how he explained complex financial concepts quite simply, but at the same time, complimented the American people on their "intelligent support." One of his fireside chats is provided below:

> I recognize that the many proclamations from State capitols and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week. . . .
>
> The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system. . . . After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work. It is your problem no less than it is mine. Together we cannot fail.
>
> —Franklin D. Roosevelt, March 12, 1933

A huge part of Roosevelt's success in turning around the country can be seen in his addresses like these: He built support and galvanized the public. Ironically, Roosevelt, the man who famously said we have nothing to fear but fear itself, had a significant fear: fire. Being paralyzed with polio, he was very afraid of being left near a fireplace. But he knew the power of the hearth and home, and drew on this mental image to help the public view him the way that he hoped to be seen.

Click and Explore

Listen to one of Roosevelt's **fireside chat (http://www.americanrhetoric.com/speeches/fdrfirstfiresidechat.html)** speeches. What kind of feeling does his language and demeanor evoke?

In June 1933, Roosevelt replaced the Emergency Banking Act with the more permanent Glass-Steagall Banking Act. This law prohibited commercial banks from engaging in investment banking, therefore stopping the practice of banks speculating in the stock market with deposits. This law also created the Federal Deposit Insurance Corporation, or FDIC, which insured personal bank deposits up to $2,500. Other measures designed to boost confidence in the overall economy beyond the banking system included passage of the Economy Act, which fulfilled Roosevelt's campaign pledge to reduce government spending by reducing salaries, including his own and those of the Congress. He also signed into law the Securities Act, which required full disclosure to the federal government from all corporations and investment banks

that wanted to market stocks and bonds. Roosevelt also sought new revenue through the Beer Tax. As the Twenty-First Amendment, which would repeal the Eighteenth Amendment establishing Prohibition, moved towards ratification, this law authorized the manufacture of 3.2 percent beer and levied a tax on it.

THE FIRST HUNDRED DAYS

In his first hundred days in office, the new president pushed forward an unprecedented number of new bills, all geared towards stabilizing the economy, providing relief to individuals, creating jobs, and helping businesses. A sympathetic Democrat-controlled Congress helped propel his agenda forward.

Relief: Employment for the Masses

Even as he worked to rebuild the economy, Roosevelt recognized that the unemployed millions required jobs more quickly than the economy could provide. In a push to create new jobs, Roosevelt signed the Wagner-Peyser Act, creating the United States Employment Service, which promised states matching funds if they created local employment opportunities. He also authorized $500 million in direct grants through the Federal Emergency Relief Act (FERA). This money went directly to states to infuse relief agencies with the much-needed resources to help the nearly fifteen million unemployed. These two bills illustrate Roosevelt's dual purposes of providing short-term emergency help and building employment opportunities that would strengthen the economy in the long term.

Roosevelt was aware of the need for immediate help, but he mostly wanted to create more jobs. FERA overseer Harry Hopkins, who later was in charge of the Civil Works Administration (CWA), shared this sentiment. With Hopkins at its helm, the CWA, founded in early 1933, went on to put millions of men and women to work. At its peak, there were some four million Americans repairing bridges, building roads and airports, and undertaking other public projects. Another work program was the **Civilian Conservation Corps** Relief Act (CCC). The CCC provided government jobs for young men aged fourteen to twenty-four who came from relief families. They would earn thirty dollars per month planting trees, fighting forest fires, and refurbishing historic sites and parks, building an infrastructure that families would continue to enjoy for generations to come. Within the first two months, the CCC employed its first 250,000 men and eventually established about twenty-five hundred camps (**Figure 26.6**).

Figure 26.6 The CCC put hundreds of thousands of men to work on environmental projects around the country. Some call it the beginning of the modern environmentalist movement in the United States.

The various programs that made up the First New Deal are listed in the table below (**Table 26.1**).

Table 26.1 Key Programs from the First New Deal

New Deal Legislation	Years Enacted	Brief Description
Agricultural Adjustment Administration	1933–1935	Farm program designed to raise process by curtailing production
Civil Works Administration	1933–1934	Temporary job relief program
Civilian Conservation Corps	1933–1942	Employed young men to work in rural areas
Farm Credit Administration	1933-today	Low interest mortgages for farm owners
Federal Deposit Insurance Corporation	1933–today	Insure private bank deposits
Federal Emergency Relief Act	1933	Direct monetary relief to poor unemployed Americans
Glass-Steagall Act	1933	Regulate investment banking
Homeowners Loan Corporation	1933–1951	Government mortgages that allowed people to keep their homes
Indian Reorganization Act	1933	Abandoned federal policy of assimilation
National Recovery Administration	1933–1935	Industries agree to codes of fair practice to set price, wage, production levels
Public Works Administration	1933–1938	Large public works projects
Resettlement Administration	1933–1935	Resettles poor tenant farmers
Securities Act of 1933	1933–today	Created SEC; regulates stock transactions
Tennessee Valley Authority	1933–today	Regional development program; brought electrification to the valley

The final element of Roosevelt's efforts to provide relief to those in desperate straits was the Home Owners' Refinancing Act. Created by the Home Owners' Loan Corporation (HOLC), the program rescued homeowners from foreclosure by refinancing their mortgages. Not only did this save the homes of countless homeowners, but it also saved many of the small banks who owned the original mortgages by relieving them of the refinancing responsibility. Later New Deal legislation created the Federal Housing Authority, which eventually standardized the thirty-year mortgage and promoted the housing boom of the post-World War II era. A similar program, created through the Emergency Farm Mortgage Act and Farm Credit Act, provided the same service for farm mortgages.

Click and Explore

In this **American Experience (http://www.pbs.org/wgbh/americanexperience/features/author-interview-neil-maher/)** interview, Neil Maher, author of *Nature's New Deal: The Civilian Conservation Corps and Roots of the Modern Environmental Movement*, provides a comprehensive look into what the CCC offered the country—and the president—on issues as diverse as economics, race, and recreation.

Rescuing Farms and Factories

While much of the legislation of the first hundred days focused on immediate relief and job creation through federal programs, Roosevelt was committed to addressing the underlying problems inherent in the American economy. In his efforts to do so, he created two of the most significant pieces of New Deal legislation: the Agricultural Adjustment Act (AAA) and the National Industry Recovery Act (NIRA).

Farms around the country were suffering, but from different causes. In the Great Plains, drought conditions meant that little was growing at all, while in the South, bumper crops and low prices meant that farmers could not sell their goods at prices that could sustain them. The AAA offered some direct relief: Farmers received $4.5 million through relief payments. But the larger part of the program paid southern farmers to reduce their production: Wheat, cotton, corn, hogs, tobacco, rice, and milk farmers were all eligible. Passed into law on May 12, 1933, it was designed to boost prices to a level that would alleviate rural poverty and restore profitability to American agriculture. These price increases would be achieved by encouraging farmers to limit production in order to increase demand while receiving cash payments in return. Corn producers would receive thirty cents per bushel for corn they did not grow. Hog farmers would get five dollars per head for hogs not raised. The program would be financed by a tax on processing plants, passed on to consumers in the form of higher prices.

This was a bold attempt to help farmers address the systemic problems of overproduction and lower commodity prices. Despite previous efforts to regulate farming through subsidies, never before had the federal government intervened on this scale; the notion of paying farmers *not* to produce crops was unheard of. One significant problem, however, was that, in some cases, there was already an excess of crops, in particular, cotton and hogs, which clogged the marketplace. A bumper crop in 1933, combined with the slow implementation of the AAA, led the government to order the plowing under of ten million acres of cotton, and the butchering of six million baby pigs and 200,000 sows. Although it worked to some degree—the price of cotton increased from six to twelve cents per pound—this move was deeply problematic. Critics saw it as the ultimate example of corrupt capitalism: a government destroying food, while its citizens were starving, in order to drive up prices.

Another problem plaguing this relief effort was the disparity between large commercial farms, which received the largest payments and set the quotas, and the small family farms that felt no relief. Large farms often cut production by laying off sharecroppers or evicting tenant farmers, making the program even worse for them than for small farm owners. Their frustration led to the creation of the Southern Tenant Farmers Union (STFU), an interracial organization that sought to gain government relief for these most disenfranchised of farmers. The STFU organized, protested, and won its members some wage increases through the mid-1930s, but the overall plight of these workers remained dismal. As a result, many of them followed the thousands of Dust Bowl refugees to California (**Figure 26.7**).

Figure 26.7 Sharecroppers and tenant farmers suffered enormously during the Great Depression. The STFU was created to help alleviate this suffering, but many farmers ending up taking to the road, along with other Dust Bowl refugees, on their way to California.

AMERICANA

Labor Songs and the Southern Tenant Farmers Union

> And if the growers get in the way, we're gonna roll right over them
> We're gonna roll right over them, we're gonna roll right over them
> And if the growers get in the way, we're gonna roll right over them
> We're gonna roll this union on
> —John Handcox, "Roll the Union On"

"Mean Things Happening in This Land," "Roll the Union On," and "Strike in Arkansas" are just a few of the folk songs written by John Handcox. A union organizer and STFU member, Handcox became the voice of the worker's struggle, writing dozens of songs that have continued to be sung by labor activists and folk singers over the years. Handcox joined the STFU in 1935, and used his songs to rally others, stating, "I found out singing was more inspiring than talking . . . to get the attention of the people."

Racially integrated and with active women members, the STFU was ahead of its time. Although criticized by other union leaders for its relationship with the Communist Party in creating the "Popular Front" for labor activism in 1934, the STFU succeeded in organizing strikes and bringing national attention to the issues that tenant farmers faced. While the programs Roosevelt put in place did not do enough to help these farmers, the STFU—and Handcox's music—remains a relevant part of the country's labor movement.

The AAA did succeed on some fronts. By the spring of 1934, farmers had formed over four thousand local committees, with more than three million farmers agreeing to participate. They signed individual contracts agreeing to take land out of production in return for government payments, and checks began to arrive by the end of 1934. For some farmers, especially those with large farms, the program spelled relief.

While Roosevelt hoped the AAA would help farms and farmers, he also sought aid for the beleaguered manufacturing sector. The Emergency Railroad Transportation Act created a national railroad office to encourage cooperation among different railroad companies, hoping to shore up an industry essential to the stability of the manufacturing sector, but one that had been devastated by mismanagement. More importantly, the NIRA suspended antitrust laws and allowed businesses and industries to work together in order to establish codes of fair competition, including issues of price setting and minimum wages. New Deal officials believed that allowing these collaborations would help industries stabilize prices and

production levels in the face of competitive overproduction and declining profits; however, at the same time, many felt it important to protect workers from potentially unfair agreements.

A new government agency, the National Recovery Administration (NRA), was central to this plan, and mandated that businesses accept a code that included minimum wages and maximum work hours. In order to protect workers from potentially unfair agreements among factory owners, every industry had its own "code of fair practice" that included workers' rights to organize and use collective bargaining to ensure that wages rose with prices (**Figure 26.8**). Headed by General Hugh S. Johnson, the NRA worked to create over five hundred different codes for different industries. The administration of such a complex plan naturally created its own problems. While codes for key industries such as automotive and steel made sense, Johnson pushed to create similar codes for dog food manufacturers, those who made shoulder pads for women's clothing, and even burlesque shows (regulating the number of strippers in any one show).

(a) (b)

Figure 26.8 Consumers were encouraged to buy from companies displaying the Blue Eagle (a), the logo signifying compliance with the new NRA regulations. With talons gripping a gear, representing industry, and lightning bolts, representing power, the eagle (b) was intended to be a symbol of economic recovery.

The NIRA also created the Public Works Administration (PWA). The PWA set aside $3.3 billion to build public projects such as highways, federal buildings, and military bases. Although this program suffered from political squabbles over appropriations for projects in various congressional districts, as well as significant underfunding of public housing projects, it ultimately offered some of the most lasting benefits of the NIRA. Secretary of the Interior Harold Ickes ran the program, which completed over thirty-four thousand projects, including the Golden Gate Bridge in San Francisco and the Queens-Midtown Tunnel in New York. Between 1933 and 1939, the PWA accounted for the construction of over one-third of all new hospitals and 70 percent of all new public schools in the country.

Another challenge faced by the NRA was that the provision granting workers the right to organize appeared to others as a mandate to do so. In previously unorganized industries, such as oil and gas, rubber, and service occupations, workers now sought groups that would assist in their organization, bolstered by the encouragement they now felt from the government. The Communist Party took advantage of the opportunity to assist in the hope of creating widespread protests against the American industrial structure. The number of strikes nationwide doubled between 1932 and 1934, with over 1.5 million workers going on strike in 1934 alone, often in protests that culminated in bloodshed. A strike at the Auto-Lite plant in Toledo, Ohio, that summer resulted in ten thousand workers from other factories joining in sympathy with their fellow workers to attack potential strike-breakers with stones and bricks. Simultaneously in

Minneapolis, a teamsters strike resulted in frequent, bloody confrontations between workers and police, leading the governor to contemplate declaring martial law before the companies agreed to negotiate better wages and conditions for the workers. Finally, a San Francisco strike among 14,000 longshoremen closed the city's waterfront and eventually led to a city-wide general strike of over 130,000 workers, essentially paralyzing the city. Clashes between workers, and police and National Guardsmen left many strikers bloodied, and at least two dead.

Although Roosevelt's relief efforts provided jobs to many and benefitted communities with the construction of several essential building projects, the violence that erupted amid clashes between organized labor and factories backed by police and the authorities exposed a fundamental flaw in the president's approach. Immediate relief did not address long-existing, inherent class inequities that left workers exposed to poor working conditions, low wages, long hours, and little protection. For many workers, life on the job was not much better than life as an unemployed American. Employment programs may have put men back to work and provided much needed relief, but the fundamental flaws in the system required additional attention—attention that Roosevelt was unable to pay in the early days of the New Deal. Critics were plentiful, and the president would be forced to address them in the years ahead.

Regional Planning

Regionally, Roosevelt's work was most famously seen in the **Tennessee Valley Authority** (TVA) (**Figure 26.9**), a federal agency tasked with the job of planning and developing the area through flood control, reforestation, and hydroelectric power. Employing several thousand Americans on a project that Roosevelt envisioned as a template for future regional redevelopment, the TVA revitalized a river valley that landowners had badly over-farmed, leaving behind eroded soil that lacked essential nutrients for future farming. Under the direction of David Lilienthal, beginning in 1933, the TVA workers erected a series of dams to harness the Tennessee River in the creation of much-needed hydroelectric power. The arrival of both electric lighting and machinery to the region eased the lives of the people who lived there, as well as encouraged industrial growth. The TVA also included an educational component, teaching farmers important lessons about crop rotation, soil replenishment, fertilizing, and reforestation.

Figure 26.9 The TVA helped a struggling part of the country through the creation of jobs, and flood control and reforestation programs. The Wilson Dam, shown here, is one of nine TVA dams on the Tennessee River. (credit: United States Geological Survey)

The TVA was not without its critics, however, most notably among the fifteen thousand families who were displaced due to the massive construction projects. Although eventually the project benefited farmers with the introduction of new farming and fertilizing techniques, as well as the added benefit of electric power, many local citizens were initially mistrustful of the TVA and the federal government's agenda. Likewise, as with several other New Deal programs, women did not directly benefit from these employment

opportunities, as they were explicitly excluded for the benefit of men who most Americans still considered the family's primary breadwinner. However, with the arrival of electricity came new industrial ventures, including several textile mills up and down the valley, several of which offered employment to women. Throughout his presidency, Roosevelt frequently pointed to the TVA as one of the glowing accomplishments of the New Deal and its ability to bring together the machinery of the federal government along with private interests to revitalize a regional economy. Just months before his death in 1945, he continued to speak of the possibility of creating other regional authorities throughout the country.

ASSESSING THE FIRST NEW DEAL

While many were pleased with the president's bold plans, there were numerous critics of the New Deal, discussed in the following section. The New Deal was far from perfect, but Roosevelt's quickly implemented policies reversed the economy's long slide. It put new capital into ailing banks. It rescued homeowners and farmers from foreclosure and helped people keep their homes. It offered some direct relief to the unemployed poor. It gave new incentives to farmers and industry alike, and put people back to work in an effort to both create jobs and boost consumer spending. The total number of working Americans rose from twenty-four to twenty-seven million between 1933 and 1935, in contrast to the seven-million-worker decline during the Hoover administration. Perhaps most importantly, the First New Deal changed the pervasive pessimism that had held the country in its grip since the end of 1929. For the first time in years, people had hope.

It was the hard work of Roosevelt's advisors—the "Brains Trust" of scholars and thinkers from leading universities—as well as Congress and the American public who helped the New Deal succeed as well as it did. Ironically, it was the American people's volunteer spirit, so extolled by Hoover, that Roosevelt was able to harness. The first hundred days of his administration was not a master plan that Roosevelt dreamed up and executed on his own. In fact, it was not a master plan at all, but rather a series of, at times, disjointed efforts made from different assumptions. But after taking office and analyzing the crisis, Roosevelt and his advisors did feel that they had a larger sense of what had caused the Great Depression and thus attempted a variety of solutions to fix it. They believed that it was caused by abuses on the part of a small group of bankers and businessmen, aided by Republican policies that built wealth for a few at the expense of many. The answer, they felt, was to root out these abuses through banking reform, as well as adjust production and consumption of both farm and industrial goods. This adjustment would come about by increasing the purchasing power of everyday people, as well as through regulatory policies like the NRA and AAA. While it may seem counterintuitive to raise crop prices and set prices on industrial goods, Roosevelt's advisors sought to halt the deflationary spiral and economic uncertainty that had prevented businesses from committing to investments and consumers from parting with their money.

26.3 The Second New Deal

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

- Identify key pieces of legislation from the Second New Deal
- Assess the entire New Deal, especially in terms of its impact on women, African Americans, and Native Americans

Roosevelt won his second term in a landslide, but that did not mean he was immune to criticism. His critics came from both the left and the right, with conservatives deeply concerned over his expansion of government spending and power, and liberals angered that he had not done more to help those still struggling. Adding to Roosevelt's challenges, the Supreme Court struck down several key elements of the First New Deal, angering Roosevelt and spurring him to try and stack the courts in his second term.

Still, he entered his new term with the unequivocal support of the voting public, and he wasted no time beginning the second phase of his economic plan. While the First New Deal focused largely on stemming the immediate suffering of the American people, the Second New Deal put in place legislation that changed America's social safety net for good.

CHALLENGES FROM CRITICS ON ALL SIDES

While many people supported Roosevelt, especially in the first few years of his presidency, the New Deal did receive significant criticism, both from conservatives who felt that it was a radical agenda to ruin the country's model of free enterprise, and from liberals who felt that it did not provide enough help to those who needed it most (**Figure 26.10**).

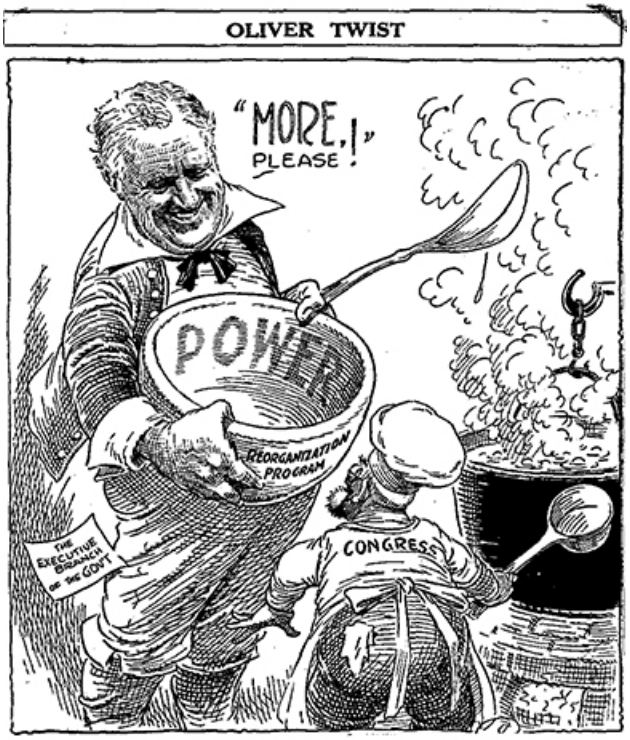

Figure 26.10 Roosevelt used previously unheard of levels of government power in his attempt to push the country out of the Great Depression, as artist Joseph Parrish depicts here in this 1937 *Chicago Tribune* cartoon. While critics on the left felt that he had not done enough, critics on the right felt that his use of power was frighteningly close to fascism and socialism.

Industrialists and wealthy Americans led the conservative criticism against the president. Whether attacking his character or simply stating that he was moving away from American values toward fascism and socialism, they sought to undermine his power and popularity. Most notably, the American Liberty League—comprised largely of conservative Democrats who lamented the excesses of several of Roosevelt's New Deal programs—labeled the AAA as fascist and proclaimed later New Deal programs to be key threats to the very nature of democracy. Additional criticism came from the National Association of Manufacturers, which urged businessmen to outright ignore portions of the NRA that promoted collective bargaining, as well as subsequent labor protection legislation. In 1935, the U.S. Supreme Court dealt the most crushing blow to Roosevelt's vision, striking down several key pieces of the New Deal as unconstitutional. They found that both the AAA and the NIRA overreached federal authority. The negation of some of his most ambitious economic recovery efforts frustrated Roosevelt greatly, but he was powerless to stop it at this juncture.

Meanwhile, others felt that Roosevelt had not done enough. Dr. Francis E. Townsend of California was one

who felt that Roosevelt had failed to adequately address the country's tremendous problems. Townsend, who was a retired dentist, proposed an expansive pension plan for the elderly. The Townsend Plan, as it was known, gained a great deal of popularity: It recommended paying every citizen over sixty who retired from work the sum of $200 per month, provided they spend it in thirty days. Another figure who gained national attention was Father Charles Coughlin. He was a "radio priest" from Michigan who, although he initially supported the New Deal, subsequently argued that Roosevelt stopped far too short in his defense of labor, monetary reform, and the nationalization of key industries. The president's plan, he proclaimed, was inadequate. He created the National Union for Social Justice and used his weekly radio show to gain followers.

A more direct political threat to Roosevelt came from muckraker Upton Sinclair, who pursued the California governorship in 1934 through a campaign based upon criticism of the New Deal's shortcomings. In his "End Poverty in California" program, Sinclair called for a progressive income tax, a pension program for the elderly, and state seizure of factories and farms where property taxes remained unpaid. The state would then offer jobs to the unemployed to work those farms and factories in a cooperative mode. Although Sinclair lost the election to his Republican opponent, he did draw local and national attention to several of his ideas.

The biggest threat to the president, however, came from corrupt but beloved Louisiana senator Huey "Kingfish" Long (**Figure 26.11**). His disapproval of Roosevelt came in part from his own ambitions for higher office; Long stated that the president was not doing enough to help people and proposed his own Share Our Wealth program. Under this plan, Long recommended the liquidation of all large personal fortunes in order to fund direct payments to less fortunate Americans. He foresaw giving $5,000 to every family, $2,500 to every worker, as well as a series of elderly pensions and education funds. Despite his questionable math, which numerous economists quickly pointed out rendered his program unworkable, by 1935, Long had a significant following of over four million people. If he had not been assassinated by the son-in-law of a local political rival, he may well have been a contender against Roosevelt for the 1936 presidential nomination.

Figure 26.11 Huey P. Long was a charismatic populist and governor of Louisiana from 1928 to 1932. In 1932, he became a member of the U.S. Senate and would have been a serious rival for Roosevelt in the 1936 presidential election if his life had not been cut short by an assassin's bullet.

ANSWERING THE CHALLENGE

Roosevelt recognized that some of the criticisms of the New Deal were valid. Although he was still reeling from the Supreme Court's invalidation of key statutes, he decided to face his re-election bid in 1936 by unveiling another wave of legislation that he dubbed the Second New Deal. In the first week of June 1935, Roosevelt called congressional leaders into the White House and gave them a list of "must-pass"

legislation that he wanted before they adjourned for the summer. Whereas the policies of the first hundred days may have shored up public confidence and stopped the most drastic of the problems, the second hundred days changed the face of America for the next sixty years.

The Banking Act of 1935 was the most far-reaching revision of banking laws since the creation of the Federal Reserve System in 1914. Previously, regional reserve banks, particularly the New York Reserve Bank—controlled by the powerful Morgan and Rockefeller families—had dominated policy-making at the Federal Reserve. Under the new system, there would be a seven-member board of governors to oversee regional banks. They would have control over reserve requirements, discount rates, board member selection, and more. Not surprisingly, this new board kept initial interest rates quite low, allowing the federal government to borrow billions of dollars of additional cash to fund major relief and recovery programs.

In 1935, Congress also passed the Emergency Relief Appropriation Act, which authorized the single largest expenditure at that time in the country's history: $4.8 billion. Almost one-third of those funds were invested in a new relief agency, the **Works Progress Administration** (WPA). Harry Hopkins, formerly head of the CWA, took on the WPA and ran it until 1943. In that time, the program provided employment relief to over eight million Americans, or approximately 20 percent of the country's workforce. The WPA funded the construction of more than 2,500 hospitals, 5,900 schools, 570,000 miles of road, and more. The WPA also created the Federal One Project, which employed approximately forty thousand artists in theater, art, music, and writing. They produced state murals, guidebooks, concerts, and drama performances all around the country (**Figure 26.12**). Additionally, the project funded the collection of oral histories, including those of former slaves, which provided a valuable addition to the nation's understanding of slave life. Finally, the WPA also included the National Youth Administration (NYA), which provided work-study jobs to over 500,000 college students and four million high school students.

Figure 26.12 Painted by artists funded by the Federal One Project, this section of *Ohio*, a mural located in the Bellevue, Ohio post office, illustrates a busy industrial scene. Artists painted the communities where they lived, thus creating visions of farms, factories, urban life, harvest celebrations, and more that still reflect the life and work of that era. (credit: Works Progress Administration)

Click and Explore

Browse the *Born in Slavery* collection (http://openstaxcollege.org/l/slavery) to examine personal accounts of former slaves, recorded between 1936 and 1938, as part of the Federal Writers' Project of the WPA.

With the implementation of the Second New Deal, Roosevelt also created the country's present-day social safety net. The **Social Security** Act established programs intended to help the most vulnerable: the elderly, the unemployed, the disabled, and the young. It included a pension fund for all retired people—except domestic workers and farmers, which therefore left many women and African Americans beyond the scope of its benefits—over the age of sixty-five, to be paid through a payroll tax on both employee and employer. Related to this act, Congress also passed a law on unemployment insurance, to be funded by a tax on employers, and programs for unwed mothers, as well as for those who were blind, deaf, or disabled. It is worth noting that some elements of these reforms were pulled from Roosevelt detractors Coughlin and Townsend; the popularity of their movements gave the president more leverage to push forward this type of legislation.

To the benefit of industrial workers, Roosevelt signed into law the Wagner Act, also known as the National Labor Relations Act. The protections previously afforded to workers under the NIRA were inadvertently lost when the Supreme Court struck down the original law due to larger regulatory concerns, leaving workers vulnerable. Roosevelt sought to salvage this important piece of labor legislation, doing so with the Wagner Act. The act created the National Labor Relations Board (NLRB) to once again protect American workers' right to unionize and bargain collectively, as well as to provide a federal vehicle for labor grievances to be heard. Although roundly criticized by the Republican Party and factory owners, the Wagner Act withstood several challenges and eventually received constitutional sanction by the U.S. Supreme Court in 1937. The law received the strong support of John L. Lewis and the Congress of Industrial Organizations who had long sought government protection of industrial unionism, from the time they split from the American Federation of Labor in 1935 over disputes on whether to organize workers along craft or industrial lines. Following passage of the law, Lewis began a widespread publicity campaign urging industrial workers to join "the president's union." The relationship was mutually beneficial to Roosevelt, who subsequently received the endorsement of Lewis's United Mine Workers union in the 1936 presidential election, along with a sizeable $500,000 campaign contribution. The Wagner Act permanently established government-secured workers' rights and protections from their employers, and it marked the beginning of labor's political support for the Democratic Party.

The various programs that made up the Second New Deal are listed in the table below (**Table 26.2**).

Table 26.2 Key Programs from the Second New Deal

New Deal Legislation	Years Enacted	Brief Description
Fair Labor Standards Act	1938–today	Established minimum wage and forty-hour workweek
Farm Security Administration	1935–today	Provides poor farmers with education and economic support programs

Table 26.2 Key Programs from the Second New Deal

New Deal Legislation	Years Enacted	Brief Description
Federal Crop Insurance Corporation	1938–today	Insures crops and livestock against loss of revenue
National Labor Relations Act	1935–today	Recognized right of workers to unionize & collectively bargain
National Youth Administration	1935–1939 (part of WPA)	Part-time employment for college and high school students
Rural Electrification Administration	1935–today	Provides public utilities to rural areas
Social Security Act	1935–today	Aid to retirees, unemployed, disabled
Surplus Commodities Program	1936–today	Provides food to the poor (still exists in Food Stamps program)
Works Progress Administration	1935–1943	Jobs program (including artists and youth)

THE FINAL PIECES

Roosevelt entered the 1936 presidential election on a wave of popularity, and he beat Republican opponent Alf Landon by a nearly unanimous Electoral College vote of 523 to 8. Believing it to be his moment of strongest public support, Roosevelt chose to exact a measure of revenge against the U.S. Supreme Court for challenging his programs and to pressure them against challenging his more recent Second New Deal provisions. To this end, Roosevelt created the informally named "**Supreme Court Packing Plan**" and tried to pack the court in his favor by expanding the number of justices and adding new ones who supported his views. His plan was to add one justice for every current justice over the age of seventy who refused to step down. This would have allowed him to add six more justices, expanding the bench from nine to fifteen. Opposition was quick and thorough from both the Supreme Court and Congress, as well as from his own party. The subsequent retirement of Justice Van Devanter from the court, as well as the sudden death of Senator Joe T. Robinson, who championed Roosevelt's plan before the Senate, all but signaled Roosevelt's defeat. However, although he never received the support to make these changes, Roosevelt appeared to succeed in politically intimidating the current justices into supporting his newer programs, and they upheld both the Wagner Act and the Social Security Act. Never again during his presidency would the Supreme Court strike down any significant elements of his New Deal.

Roosevelt was not as successful in addressing the nation's growing deficit. When he entered the presidency in 1933, Roosevelt did so with traditionally held fiscal beliefs, including the importance of a balanced budget in order to maintain public confidence in federal government operations. However, the severe economic conditions of the depression quickly convinced the president of the importance of government spending to create jobs and relief for the American people. As he commented to a crowd in Pittsburgh in 1936, "To balance our budget in 1933 or 1934 or 1935 would have been a crime against the American people. To do so . . . we should have had to set our face against human suffering with callous indifference. When Americans suffered, we refused to pass by on the other side. Humanity came first." However, after his successful re-election, Roosevelt anticipated that the economy would recover enough by late 1936 that he could curtail spending by 1937. This reduction in spending, he hoped, would curb the deficit. As the early months of 1937 unfolded, Roosevelt's hopes seemed supported by the most recent

economic snapshot of the country. Production, wages, and profits had all returned to pre-1929 levels, while unemployment was at its lowest rate in the decade, down from 25 percent to 14 percent. But no sooner did Roosevelt cut spending when a recession hit. Two million Americans were newly out of work as unemployment quickly rose by 5 percent and industrial production declined by a third. Breadlines began to build again, while banks prepared to close.

Historians continue to debate the causes of this recession within a depression. Some believe the fear of increased taxes forced factory owners to curtail planned expansion; others blame the Federal Reserve for tightening the nation's money supply. Roosevelt, however, blamed the downturn on his decision to significantly curtail federal government spending in job relief programs such as the WPA. Several of his closest advisors, including Harry Hopkins, Henry Wallace, and others, urged him to adopt the new economic theory espoused by British economic John Maynard Keynes, who argued that deficit spending was necessary in advanced capitalist economies in order to maintain employment and stimulate consumer spending. Convinced of the necessity of such an approach, Roosevelt asked Congress in the spring of 1938 for additional emergency relief spending. Congress immediately authorized $33 billion for PWA and WPA work projects. Although World War II would provide the final impetus for lasting economic recovery, Roosevelt's willingness to adapt in 1938 avoided another disaster.

Roosevelt signed the last substantial piece of New Deal legislation in the summer of 1938. The Fair Labor Standards Act established a federal minimum wage—at the time, forty cents per hour—a maximum workweek of forty hours (with an opportunity for four additional hours of work at overtime wages), and prohibited child labor for those under age sixteen. Roosevelt was unaware that the war would soon dominate his legacy, but this proved to be his last major piece of economic legislation in a presidency that changed the fabric of the country forever.

IN THE FINAL ANALYSIS

The legacy of the New Deal is in part seen in the vast increase in national power: The federal government accepted responsibility for the nation's economic stability and prosperity. In retrospect, the majority of historians and economists judge it to have been a tremendous success. The New Deal not only established minimum standards for wages, working conditions, and overall welfare, it also allowed millions of Americans to hold onto their homes, farms, and savings. It laid the groundwork for an agenda of expanded federal government influence over the economy that continued through President Harry Truman's "Fair Deal" in the 1950s and President Lyndon Johnson's call for a "Great Society" in the 1960s. The New Deal state that embraced its responsibility for the citizens' welfare and proved willing to use its power and resources to spread the nation's prosperity lasted well into the 1980s, and many of its tenets persist today. Many would also agree that the postwar economic stability of the 1950s found its roots in the stabilizing influences introduced by social security, the job stability that union contracts provided, and federal housing mortgage programs introduced in the New Deal. The environment of the American West in particular, benefited from New Deal projects such as the Soil Conservation program.

Still, Roosevelt's programs also had their critics. Following the conservative rise initiated by presidential candidate Barry Goldwater in 1964, and most often associated with the Ronald Reagan era of the 1980s, critics of the welfare state pointed to Roosevelt's presidency as the start of a slippery slope towards entitlement and the destruction of the individualist spirit upon which the United States had presumably developed in the nineteenth and early twentieth centuries. Although the growth of the GDP between 1934 and 1940 approached an average of 7.5 percent—higher than in any other peacetime period in U.S. history, critics of the New Deal point out that unemployment still hovered around 15 percent in 1940. While the New Deal resulted in some environmental improvements, it also inaugurated a number of massive infrastructural projects, such as the Grand Coulee Dam on the Columbia River, that came with grave environmental consequences. And other shortcomings of the New Deal were obvious and deliberate at the time.

African Americans under the New Deal

Critics point out that not all Americans benefited from the New Deal. African Americans in particular were left out, with overt discrimination in hiring practices within the federal job programs, such as the CCC, CWA, and WPA. The NRA was oftentimes criticized as the "Negro Run Around" or "Negroes Ruined Again" program. As well, the AAA left tenant farmers and sharecroppers, many of whom were black, with no support. Even Social Security originally excluded domestic workers, a primary source of employment for African American women. Facing such criticism early in his administration, Roosevelt undertook some efforts to ensure a measure of equality in hiring practices for the relief agencies, and opportunities began to present themselves by 1935. The WPA eventually employed 350,000 African Americans annually, accounting for nearly 15 percent of its workforce. By the close of the CCC in 1938, this program had employed over 300,000 African Americans, increasing the black percentage of its workforce from 3 percent at the outset to nearly 11 percent at its close. Likewise, in 1934, the PWA began to require that all government projects under its purview hire African Americans using a quota that reflected their percentage of the local population being served. Additionally, among several important WPA projects, the Federal One Project included a literacy program that eventually reached over one million African American children, helping them learn how to read and write.

On the issue of race relations themselves, Roosevelt has a mixed legacy. Within his White House, Roosevelt had a number of African American appointees, although most were in minor positions. Unofficially, Roosevelt relied upon advice from the Federal Council on Negro Affairs, also known as his "Black Cabinet." This group included a young Harvard economist, Dr. Robert Weaver, who subsequently became the nation's first black cabinet secretary in 1966, as President Lyndon Johnson's Secretary of Housing and Urban Development. Aubrey Williams, the director of the NYA, hired more black administrators than any other federal agency, and appointed them to oversee projects throughout the country. One key figure in the NYA was Mary McLeod Bethune (**Figure 26.13**), a prominent African American educator tapped by Roosevelt to act as the director of the NYA's Division of Negro Affairs. Bethune had been a spokesperson and an educator for years; with this role, she became one of the president's foremost African American advisors. During his presidency, Roosevelt became the first to appoint a black federal judge, as well as the first commander-in-chief to promote an African American to brigadier general. Most notably, he became the first president to publicly speak against lynching as a "vile form of collective murder."

Figure 26.13 This photo of Eleanor Roosevelt and Mary McLeod Bethune (second from left) was taken at the opening of Midway Hall, a federal building to house female African American government workers. Bethune was sometimes criticized for working with those in power, but her willingness to build alliances contributed to success in raising money and support for her causes.

MY STORY

Mary McLeod Bethune on Racial Justice

> Democracy is for me, and for twelve million black Americans, a goal towards which our nation is marching. It is a dream and an ideal in whose ultimate realization we have a deep and abiding faith. For me, it is based on Christianity, in which we confidently entrust our destiny as a people. Under God's guidance in this great democracy, we are rising out of the darkness of slavery into the light of freedom. Here my race has been afforded [the] opportunity to advance from a people 80 percent illiterate to a people 80 percent literate; from abject poverty to the ownership and operation of a million farms and 750,000 homes; from total disfranchisement to participation in government; from the status of chattels to recognized contributors to the American culture.

When Mary McLeod Bethune spoke these words, she spoke on behalf of a race of American citizens for whom the Great Depression was much more than economic hardship. For African Americans, the Depression once again exposed the racism and inequality that gripped the nation economically, socially, and politically. Her work as a member of President Franklin Roosevelt's unofficial "Black Cabinet" as well as the Director of the Division of Negro Affairs for the NYA, presented her an opportunity to advance African American causes on all fronts—but especially in the area of black literacy. As part of the larger WPA, she also influenced employment programs in the arts and public work sectors, and routinely had the president's ear on matters related to racial justice.

Click and Explore

Listen to this **audio clip (http://openstaxcollege.org/l/bethune)** of Eleanor Roosevelt interviewing Mary McLeod Bethune. By listening to her talking to Bethune and offering up her support, it becomes clear how compelling the immensely popular first lady was when speaking about programs of close personal interest to her. How do you think this would have been received by Roosevelt's supporters?

However, despite these efforts, Roosevelt also understood the precariousness of his political position. In order to maintain a coalition of Democrats to support his larger relief and recovery efforts, Roosevelt could not afford to alienate Southern Democrats who might easily bolt should he openly advocate for civil rights. While he spoke about the importance of anti-lynching legislation, he never formally pushed Congress to propose such a law. He did publicly support the abolition of the poll tax, which Congress eventually accomplished in 1941. Likewise, although agency directors adopted changes to ensure job opportunities for African Americans at the federal level, at the local level, few advancements were made, and African Americans remained at the back of the employment lines. Despite such failures, however, Roosevelt deserves credit for acknowledging the importance of race relations and civil rights. At the federal level, more than any of his predecessors since the Civil War, Roosevelt remained aware of the role that the federal government can play in initiating important discussions about civil rights, as well as encouraging the development of a new cadre of civil rights leaders.

Although unable to bring about sweeping civil rights reforms for African Americans in the early stages of his administration, Roosevelt was able to work with Congress to significantly improve the lives of Indians. In 1934, he signed into law the Indian Reorganization Act (sometimes referred to as the "Indian New Deal"). This law formally abandoned the assimilationist policies set forth in the Dawes Severalty Act of

1887. Rather than forcing Indians to adapt to American culture, the new program encouraged them to develop forms of local self-government, as well as to preserve their artifacts and heritage. John Collier, the Commissioner on Indian Bureau Affairs from 1933 to 1945, championed this legislation and saw it as an opportunity to correct past injustices that land allotment and assimilation had wrought upon Indians. Although the re-establishment of communal tribal lands would prove to be difficult, Collier used this law to convince federal officials to return nearly two million acres of government-held land to various tribes in order to move the process along. Although subsequent legislation later circumscribed the degree to which tribes were allowed to self-govern on reservations, Collier's work is still viewed as a significant step in improving race relations with Indians and preserving their heritage.

Women and the New Deal

For women, Roosevelt's policies and practices had a similarly mixed effect. Wage discrimination in federal jobs programs was rampant, and relief policies encouraged women to remain home and leave jobs open for men. This belief was well in line with the gender norms of the day. Several federal relief programs specifically forbade husbands and wives' both drawing jobs or relief from the same agency. The WPA became the first specific New Deal agency to openly hire women—specifically widows, single women, and the wives of disabled husbands. While they did not take part in construction projects, these women did undertake sewing projects to provide blankets and clothing to hospitals and relief agencies. Likewise, several women took part in the various Federal One art projects. Despite the obvious gender limitations, many women strongly supported Roosevelt's New Deal, as much for its direct relief handouts for women as for its employment opportunities for men. One such woman was Mary (Molly) Dewson. A longtime activist in the women's suffrage movement, Dewson worked for women's rights and ultimately rose to be the Director of the Women's Division of the Democratic Party. Dewson and Mary McLeod Bethune, the national champion of African American education and literacy who rose to the level of Director of the Division of Negro Affairs for the NYA, understood the limitations of the New Deal, but also the opportunities for advancement it presented during very trying times. Rather than lamenting what Roosevelt could not or would not do, they felt, and perhaps rightly so, that Roosevelt would do more than most to help women and African Americans achieve a piece of the new America he was building.

Among the few, but notable, women who directly impacted Roosevelt's policies was Frances Perkins, who as Secretary of Labor was the first female member of any presidential cabinet, and First Lady Eleanor Roosevelt, who was a strong and public advocate for social causes. Perkins, one of only two original Cabinet members to stay with Roosevelt for his entire presidency, was directly involved in the administration of the CCC, PWA, NRA, and the Social Security Act. Among several important measures, she took greatest pleasure in championing minimum wage statutes as well as the penultimate piece of New Deal legislation, the Fair Labor Standards Act. Roosevelt came to trust Perkins' advice with few questions or concerns, and steadfastly supported her work through the end of his life (Figure 26_03_Perkins).

(a)

(b)

Figure 26.14 After leaving her post as head of the Women's Division of the Democratic Party, Molly Dewson (a) later accepted an appointment to the Social Security Board, working with fellow board members Arthur J. Altmeyer and George E. Bigge, shown here in 1937. Another influential advisor to President Franklin Roosevelt was Frances Perkins (b), who, as U.S. Secretary of Labor, graced the cover of *Time* magazine on August 14, 1933.

DEFINING "AMERICAN"

Molly Dewson and Women Democrats

In her effort to get President Roosevelt re-elected in 1936, Dewson commented, "We don't make the old-fashioned plea to the women that our nominee is charming, and all that. We appeal to the intelligence of the country's women. Ours were economic issues and we found the women ready to listen."

As head of the Women's Division of the Democratic National Committee (DNC) in 1932, Molly Dewson proved to be an influential supporter of President Franklin Roosevelt and one of his key advisors regarding issues pertaining to women's rights. Agreeing with First Lady Eleanor Roosevelt that "Women must learn to play the games as men do," Dewson worked diligently in her position with the DNC to ensure that women could serve as delegates and alternates to the national conventions. Her approach, and her realization that women were intelligent enough to make rational choices, greatly appealed to Roosevelt. Her methods were perhaps not too different from his own, as he spoke to the public through his fireside chats. Dewson's impressive organizational skills on behalf of the party earned her the nickname "the little general" from President Roosevelt.

However, Eleanor Roosevelt, more so than any other individual, came to represent the strongest influence upon the president; and she used her unique position to champion several causes for women, African Americans, and the rural poor (**Figure 26.15**). She married Franklin Roosevelt, who was her fifth cousin, in 1905 and subsequently had six children, one of whom died at only seven months old. A strong supporter of her husband's political ambitions, Eleanor campaigned by his side through the failed vice-presidential bid in 1920 and on his behalf after he was diagnosed with polio in 1921. When she discovered letters of her husband's affair with her social secretary, Lucy Mercer, the marriage became less one of romance and more one of a political partnership that would continue—strained at times—until the president's death in 1945.

Figure 26.15 Eleanor Roosevelt travelled the country to promote New Deal programs. Here she visits a WPA nursery school in Des Moines, Iowa, on June 8, 1936. (credit: FDR Presidential Library & Museum)

Historians agree that the first lady used her presence in the White House, in addition to the leverage of her failed marriage and knowledge of her husband's infidelities, to her advantage. She promoted several causes that the president himself would have had difficulty championing at the time. From newspaper and magazine articles she authored, to a busy travel schedule that saw her regularly cross the country, the first lady sought to remind Americans that their plight was foremost on the minds of all working in the White House. Eleanor was so active in her public appearances that, by 1940, she began holding regular press conferences to answer reporters' questions. Among her first substantial projects was the creation of Arthurdale—a resettlement community for displaced coal miners in West Virginia. Although the planned community became less of an administration priority as the years progressed (eventually folding in 1940), for seven years, Eleanor remained committed to its success as a model of assistance for the rural poor.

Exposed to issues of racial segregation in the Arthurdale experiment, Eleanor subsequently supported many civil rights causes through the remainder of the Roosevelt presidency. When it further became clear that racial discrimination was rampant in the administration of virtually all New Deal job programs—especially in the southern states—she continued to pressure her husband for remedies. In 1934, she openly lobbied for passage of the federal anti-lynching bill that the president privately supported but could not politically endorse. Despite the subsequent failure of the Senate to pass such legislation, Eleanor succeeded in arranging a meeting between her husband and then-NAACP president Walter White to discuss anti-lynching and other pertinent calls for civil rights legislation.

White was only one of Eleanor's African American guests to the White House. Breaking with precedent, and much to the disdain of many White House officials, the first lady routinely invited prominent African Americans to dine with her and the president. Most notably, when the Daughters of the American Revolution (DAR) refused to permit internationally renowned black opera contralto Marian Anderson to sing in Constitution Hall, Eleanor resigned her membership in the DAR and arranged for Anderson to sing at a public concert on the steps of the Lincoln Memorial, followed by her appearance at a state dinner at the White House in honor of the king and queen of England. With regard to race relations in particular, Eleanor Roosevelt was able to accomplish what her husband—for delicate political reasons—could not: become the administration's face for civil rights.

Key Terms

Brains Trust an unofficial advisory cabinet to President Franklin Roosevelt, originally gathered while he was governor of New York, to present possible solutions to the nations' problems; among its prominent members were Rexford Tugwell, Raymond Moley, and Adolph Berle

Civilian Conservation Corps a public program for unemployed young men from relief families who were put to work on conservation and land management projects around the country

interregnum the period between the election and the inauguration of a new president; when economic conditions worsened significantly during the four-month lag between Roosevelt's win and his move into the Oval Office, Congress amended the Constitution to limit this period to two months

Social Security a series of programs designed to help the population's most vulnerable—the unemployed, those over age sixty-five, unwed mothers, and the disabled—through various pension, insurance, and aid programs

Supreme Court Packing Plan Roosevelt's plan, after being reelected, to pack the Supreme Court with an additional six justices, one for every justice over seventy who refused to step down

Tennessee Valley Authority a federal agency tasked with the job of planning and developing the area through flood control, reforestation, and hydroelectric power projects

Works Progress Administration a program run by Harry Hopkins that provided jobs for over eight million Americans from its inception to its closure in 1943

Summary

26.1 The Rise of Franklin Roosevelt

Franklin Roosevelt was a wealthy, well-educated, and popular politician whose history of polio made him a more sympathetic figure to the public. He did not share any specifics of his plan to bring the country out of the Great Depression, but his attitude of optimism and possibility contrasted strongly with Hoover's defeated misery. The 1932 election was never really in question, and Roosevelt won in a landslide. During the four-month interregnum, however, Americans continued to endure President Hoover's failed policies, which led the winter of 1932–1933 to be the worst of the Depression, with unemployment rising to record levels.

When Roosevelt took office in March 1933, he infused the country with a sense of optimism. He still did not have a formal plan but rather invited the American people to join him in the spirit of experimentation. Roosevelt did bring certain beliefs to office: the belief in an active government that would take direct action on federal relief, public works, social services, and direct aid to farmers. But as much as his policies, Roosevelt's own personality and engaging manner helped the country feel that they were going to get back on track.

26.2 The First New Deal

After assuming the presidency, Roosevelt lost no time in taking bold steps to fight back against the poverty and unemployment plaguing the country. He immediately created a bank holiday and used the time to bring before Congress legislation known as the Emergency Banking Act, which allowed federal agencies to examine all banks before they reopened, thus restoring consumer confidence. He then went on, in his historic first hundred days, to sign numerous other significant pieces of legislation that were geared

towards creating jobs, shoring up industry and agriculture, and providing relief to individuals through both refinancing options and direct handouts. Not all of his programs were effective, and many generated significant criticism. Overall, however, these programs helped to stabilize the economy, restore confidence, and change the pessimistic mindset that had overrun the country.

26.3 The Second New Deal

Despite his popularity, Roosevelt had significant critics at the end of the First New Deal. Some on the right felt that he had moved the country in a dangerous direction towards socialism and fascism, whereas others on the left felt that he had not gone far enough to help the still-struggling American people. Reeling after the Supreme Court struck down two key pieces of New Deal legislation, the AAA and NIRA, Roosevelt pushed Congress to pass a new wave of bills to provide jobs, banking reforms, and a social safety net. The laws that emerged—the Banking Act, the Emergency Relief Appropriation Act, and the Social Security Act—still define our country today.

Roosevelt won his second term in a landslide and continued to push for legislation that would help the economy. The jobs programs employed over eight million people and, while systematic discrimination hurt both women and African American workers, these programs were still successful in getting people back to work. The last major piece of New Deal legislation that Roosevelt passed was the Fair Labor Standards Act, which set a minimum wage, established a maximum-hour workweek, and forbade child labor. This law, as well as Social Security, still provides much of the social safety net in the United States today.

While critics and historians continue to debate whether the New Deal ushered in a permanent change to the political culture of the country, from one of individualism to the creation of a welfare state, none deny the fact that Roosevelt's presidency expanded the role of the federal government in all people's lives, generally for the better. Even if the most conservative of presidential successors would question this commitment, the notion of some level of government involvement in economic regulation and social welfare had largely been settled by 1941. Future debates would be about the extent and degree of that involvement.

Review Questions

1. Which of the following best describes Roosevelt's attempts to push his political agenda in the last months of Hoover's presidency?

A. Roosevelt spoke publicly on the issue of direct relief.
B. Roosevelt met privately with Hoover to convince him to institute certain policy shifts before his presidency ended.
C. Roosevelt awaited his inauguration before introducing any plans.
D. Roosevelt met secretly with members of Congress to attempt to win their favor.

2. Which of the following policies did Roosevelt *not* include among his early ideas for a New Deal?

A. public works
B. government regulation of the economy
C. elimination of the gold standard
D. aid to farmers

3. What was the purpose of Roosevelt's "Brains Trust?"

4. Which of the following was *not* a policy undertaken by the NIRA?

A. agreement among industries to set prices
B. agreement among industries to reinvest profits into their firms
C. agreement among industries to set production levels
D. recognition of the right of workers to form unions

5. What type of help did the CWA provide?

A. direct relief
B. farm refinancing
C. bank reform
D. employment opportunities

6. In what ways did the New Deal both provide direct relief and create new jobs? Which programs served each of these goals?

7. How did the NRA seek to protect workers? What difficulties did this agency face?

8. Which of the following statements accurately describes Mary McLeod Bethune?

A. She was a prominent supporter of the Townsend Plan.
B. She was a key figure in the NYA.
C. She was Eleanor Roosevelt's personal secretary.
D. She was a labor organizer.

9. The Social Security Act borrowed some ideas from which of the following?

A. the Townsend Plan
B. the Division of Negro Affairs
C. the Education Trust
D. the NIRA

10. What was the first New Deal agency to hire women openly?

A. the NRA
B. the WPA
C. the AAA
D. the TVA

11. What were the major goals and accomplishments of the Indian New Deal?

Critical Thinking Questions

12. To what extent was Franklin Roosevelt's overwhelming victory in the 1932 presidential election a reflection of his own ideas for change? To what extent did it represent public discontent with Herbert Hoover's lack of answers?

13. Whom did the New Deal help the least? What hardships did these individuals continue to suffer? Why were Roosevelt's programs unsuccessful in the alleviation of their adversities?

14. Was Franklin Roosevelt successful at combatting the Great Depression? How did the New Deal affect future generations of Americans?

15. What were the key differences between the First New Deal and the Second New Deal? On the whole, what did each New Deal set out to accomplish?

16. What challenges did Roosevelt face in his work on behalf of African Americans? What impact did the New Deal have ultimately on race relations?