

The New Deal Arrives, 1933–1935

The ideological differences between Herbert Hoover and Franklin Roosevelt were not vast. Both leaders wished to maintain the nation's economic institutions and social values, to save capitalism while easing its worst downturns. Both believed in a balanced government budget and extolled the values of hard work, cooperation, and sacrifice. But Roosevelt's personal charm, political savvy, and willingness to experiment made him far more effective and more popular than Hoover. Most Americans felt a kinship with their new president, calling him simply FDR. His New Deal would put people to work and restore hope for the nation's future.

Roosevelt and the First Hundred Days

A wealthy patrician, Roosevelt was an unlikely figure to inspire millions of ordinary Americans. But his close rapport with the American people was critical to

EXPLAIN CONSEQUENCES

What specific new roles did the American government take up as a result of the legislation passed during the first hundred days?

his political success. More than 450,000 letters poured into the White House in the week after his inauguration. The president's masterful use of the new medium of radio, especially his evening radio addresses to the American public known as **fireside chats**, made him an intimate presence in

people's lives. Thousands of citizens felt a personal relationship with FDR, saying, "He gave me a job" or "He saved my home" (*American Voices*, p. 742).

Citing the national economic emergency, Roosevelt further expanded the presidential powers that Theodore Roosevelt and Woodrow Wilson had increased previously. To draft legislation and policy, he relied heavily on financier Bernard Baruch and a "Brains Trust" of professors from Columbia, Harvard, and other leading universities. Roosevelt also turned to his talented cabinet, which included Harold L. Ickes, secretary of the interior; Frances Perkins at the Labor Department; Henry A. Wallace at Agriculture; and Henry Morgenthau Jr., secretary of the treasury. These intellectuals and administrators attracted hundreds of highly qualified recruits to Washington. Inspired by New Deal idealism, many of them would devote their lives to public service and the principles of social-welfare liberalism.

Roosevelt could have done little, however, without a sympathetic Congress. The 1932 election had put Democratic majorities into both the House and Senate, giving the new president the lawmaking authority he needed. The first months of FDR's administration produced a whirlwind of activity on Capitol Hill. In an extraordinary session, known as the **Hundred Days**, Congress enacted fifteen major bills that focused primarily on four problems: banking failures, agricultural overproduction, the business slump, and soaring unemployment. Derided by some as an "alphabet soup" because of their many abbreviations (CCC, WPA, AAA), the new policies and agencies were more than mere bureaucracies: they represented the emergence of a new American state.

Banking Reform The weak banking system had crippled the entire economy, curtailing consumer spending and business investment. Widespread bank failures had reduced the savings of nearly nine million families, and panicked account holders raced to withdraw their funds. On March 5, 1933, the day after his inauguration, FDR declared a national "bank holiday" — closing all the banks — and called Congress into special session. Four days later, Congress passed the Emergency Banking Act, which permitted banks to reopen. A Treasury Department inspection showed that most had sufficient cash reserves.

In his first Sunday night fireside chat, to an audience of sixty million, the president reassured citizens that their money was safe. When the banks reopened on March 13, calm prevailed and deposits exceeded withdrawals, restoring stability to the basic financial institutions. "Capitalism was saved in eight days," quipped Roosevelt's advisor Raymond Moley. Four thousand banks had collapsed in the months prior to Roosevelt's inauguration; only one closed their doors in all of 1934 (Table 19.1). The second banking law, the **Glass-Steagall Act**, restored public confidence by creating the Federal Deposit Insurance Corporation (FDIC), which insures deposits up to \$2,500 (and now insures the maximum of \$250,000). The act also prohibited banks from making risky, unsecured investments with the deposits of ordinary people. And in a profoundly important and symbolic gesture, Roosevelt removed the Treasury from the gold standard in June 1933. Since 1931, it had been raising rates, which had deepened the downturn. Saving the banks and abandoning the gold standard led to a mild and, it would turn out, brief recovery.

TABLE 23.1

American Banks and Bank Failures, 1920–1940

Year	Total Number of Banks	Total Assets (\$ billion)	Bank Failures
1920	30,909	53.1	168
1929	25,568	72.3	659
1931	22,242	70.1	2,294
1933	14,771	51.4	4,004
1934	15,913	55.9	61
1940	15,076	79.7	48

SOURCE: *Historical Statistics of the United States: Colonial Times to 1970* (Washington, DC: U.S. Government Printing Office, 1975), 1019, 1038–1039.

Agriculture and Manufacturing Roosevelt and the New Deal Congress next turned to agriculture and manufacturing. In those sectors, a seeming paradox was evident: the depression led to overproduction in agriculture and underproduction in manufacturing. Reversing both problematic trends was critical. The **Agricultural Adjustment Act** (AAA) began direct governmental regulation of the farm economy for the first time. To solve the problem of overproduction, which lowered prices, the AAA provided cash subsidies to farmers who cut production of seven major commodities: wheat, cotton, corn, hogs, rice, tobacco, and dairy products. Policymakers hoped that farm prices would rise as production fell.

By dumping cash in farmers' hands, the AAA briefly stabilized the farm economy. But the act's benefits were not evenly distributed. Subsidies went primarily to the owners of large and medium-sized farms, who often cut production by reducing the amount of land they rented to tenants and sharecroppers. In Mississippi, one plantation owner received \$26,000 from the federal government, while thousands of black sharecroppers living in the same county received only a few dollars in relief payments.

In manufacturing, the New Deal attacked declining production with the National Industrial Recovery Act. A new government agency, the **National Recovery Administration** (NRA), set up separate self-governing private associations in six hundred industries. Each industry — ranging from large corporations producing coal, cotton textiles, and steel to small businesses making pet food and costume jewelry — regulated itself by agreeing on prices and production quotas. Because large companies usually ran these associations, the NRA solidified their power at the expense of smaller enterprises and consumer interests.

The AAA and the NRA were designed to rescue the nation's productive industries and stabilize the economy. The measures had positive effects in some regions, but most historians agree that, overall, they did little to end the depression.

Unemployment Relief The Roosevelt administration next addressed the massive unemployment problem. By 1933, local governments and private charities had exhausted their resources and were looking to Washington for assistance. Although Roosevelt wanted to avoid a budget deficit, he asked Congress to provide relief for millions of unemployed Americans. In May, Congress established the Federal Emergency Relief Administration (FERA). Directed by Harry Hopkins, a hard-driving social worker from New York, the FERA provided federal funds for state relief programs.

Roosevelt and Hopkins had strong reservations about the “dole,” the nickname for government welfare payments. As Hopkins put it, “I don't think anybody can go year after year, month after month, accepting relief without affecting his character.” To support the traditional values of individualism, the New Deal put people to work. Early in 1933, Congress established the **Public Works Administration** (PWA), a construction program, and several months later, Roosevelt created the Civil Works Administration (CWA) and named Hopkins its head. Within thirty days, Hopkins had put 2.6 million men and women to work; at its peak in 1934, the CWA provided jobs for 4 million Americans repairing bridges, building highways, and constructing public buildings. A stopgap measure to get the country through the winter of 1933–1934, the CWA lapsed in the spring, when Republican opposition compelled New Dealers to abandon it. A longer-term program, the **Civilian Conservation Corps** (CCC), mobilized



Selling the NRA in Chinatown

To mobilize support for its program, the National Recovery Administration (NRA) distributed millions of posters to businesses and families, urging them to display its symbol, the Blue Eagle, in shops, factories, and homes. Here Constance King and Mae Chinn of the Chinese YMCA affix a poster (and a Chinese translation) to a shop in San Francisco that is complying with the NRA codes. © Bettmann/Corbis.

250,000 young men to do reforestation and conservation work. Over the course of the 1930s, the “CCC boys” built thousands of bridges, roads, trails, and other structures in state and national parks, bolstering the national infrastructure (Map 23.2).

Housing Crisis Millions of Americans also faced the devastating prospect of losing their homes. The economic expansion of the 1920s had produced the largest inflationary housing bubble in American history to that point, a scenario in which home prices rose wildly, fueled by excessive borrowing. In the early 1930s, as

home prices collapsed and banks closed, home owners were dragged down with them. More than half a million Americans lost their homes between 1930 and 1932, and in cities such as Cleveland and Indianapolis, half of all home mortgage holders faced possible foreclosure. In response, Congress created the Home Owners Loan Corporation (HOLC) to refinance home mortgages. In just two years, the HOLC helped more than a million Americans retain their homes. The Federal Housing Act of 1934 would extend this program under a new agency, the **Federal Housing Administration (FHA)**. Together, the HOLC, the FHA



MAP 23.2

Civilian Conservation Corps Camps

The Civilian Conservation Corps (CCC) gave hope to unemployed young men during the Great Depression. The first camp opened in Big Meadows, Virginia, in July 1933; and by the end of the decade CCC camps had appeared across the length of the country, located in rural, mountainous, and forested regions alike. Young men constructed bridges and roads, built hiking trails, erected public campgrounds, and performed other improvements. By the early 1940s, the CCC had planted three billion trees, among its many other contributions to the national infrastructure.

and the subsequent Housing Act of 1937 permanently changed the mortgage system and set the foundation for the broad expansion of home ownership in the post–World War II decades (Chapter 25).

When an exhausted Congress recessed in June 1933, at the end of the Hundred Days, it had enacted Roosevelt's agenda: banking reform, recovery programs for agriculture and industry, public works, and unemployment relief. Few presidents had won the passage of so many measures in so short a time. The new federal agencies were far from perfect and had their critics on both the radical left and the conservative right. But the vigorous actions taken by Roosevelt and Congress had halted the downward economic spiral of the Hoover years, stabilized the financial sector, and sent a message of hope from the nation's political leaders. For all that,

however, the New Deal did not break the grip of the depression.

The New Deal Under Attack

As New Dealers waited anxiously for the economy to revive, Roosevelt turned his attention to the reform of Wall Street, where reckless speculation and overleveraged buying of stocks had helped trigger the financial panic of 1929. In 1934, Congress established the **Securities and Exchange Commission (SEC)** to regulate the stock market. The commission had broad powers to determine how stocks and bonds were sold to the public, to set rules for margin (credit) transactions, and to prevent stock sales by those with inside information about corporate plans. The Banking Act of 1935

authorized the president to appoint a new Board of Governors of the Federal Reserve System, placing control of interest rates and other money-market policies in a federal agency rather than in the hands of private bankers.

Critics on the Right Such measures exposed the New Deal to attack from economic conservatives — also known as the political right. A man of wealth, Roosevelt saw himself as the savior of American capitalism, declaring simply, “To preserve we had to reform.” Many bankers and business executives disagreed. To them, FDR became “That Man,” a traitor to his class. In 1934, Republican business leaders joined with conservative Democrats in the **Liberty League** to fight what they called the “reckless spending” and “socialist” reforms of the New Deal. Herbert Hoover condemned the NRA as a “state-controlled or state-directed social or economic system.” That, declared the former president, was “tyranny, not liberalism.”

COMPARE AND CONTRAST

How did critics on the right and left represent different kinds of challenges to Roosevelt and the New Deal?

The **National Association of Manufacturers (NAM)** was even more important than the Liberty League in opposing the New Deal, as the NAM’s influence stretched far into the post–World War II decades. Sparked by a new generation of business leaders who

believed that a publicity campaign was needed to “serve the purposes of business salvation,” the NAM produced radio programs, motion pictures, billboards, and direct mail in the late 1930s. In response to what many conservatives perceived as Roosevelt’s antibusiness policies, the NAM promoted free enterprise and unfettered capitalism. After World War II, the NAM emerged as a staunch critic of liberalism and forged alliances with influential conservative politicians such as Barry Goldwater and Ronald Reagan.

For its part, the Supreme Court repudiated several cornerstones of the early New Deal. In May 1935, in *Schechter v. United States*, the Court unanimously ruled the National Industrial Recovery Act unconstitutional because it delegated Congress’s lawmaking power to the executive branch and extended federal authority to intrastate (in contrast to interstate) commerce. Roosevelt protested but watched helplessly as the Court struck down more New Deal legislation: the Agricultural Adjustment Act, the Railroad Retirement Act, and a debt-relief law known as the Frazier-Lemke Act.

Critics on the Populist Left If business leaders and the Supreme Court thought that the New Deal had gone too far, other Americans believed it had not gone far enough. Among these were public figures who, in the tradition of American populism, sought to place government on the side of ordinary citizens against



Father Coughlin

One of the foremost critics of the New Deal was the “Radio Priest,” Father Charles E. Coughlin. Coughlin believed that Roosevelt and the Democratic Party had not gone far enough in their efforts to ensure the social welfare of all citizens. For instance, he and his organization, the National Union for Social Justice, urged Roosevelt to nationalize the banks. Coughlin, whose radio audience reached 30 million at the height of his popularity, was one of the most recognizable religious leaders in the country. Unfortunately, his remarks in the early 1930s were often laced with anti-Semitism (anti-Jewish sentiment).

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corporations and the wealthy. Francis Townsend, a doctor from Long Beach, California, spoke for the nation's elderly, most of whom had no pensions and feared poverty. In 1933, Townsend proposed the Old Age Revolving Pension Plan, which would give \$200 a month (about \$3,300 today) to citizens over the age of sixty. To receive payments, the elderly would have to retire and open their positions to younger workers. Townsend Clubs sprang up across the country in support of the **Townsend Plan**, mobilizing mass support for old-age pensions.

The most direct political threat to Roosevelt came from Louisiana senator Huey Long. As the Democratic governor of Louisiana from 1928 to 1932, the flamboyant Long had achieved stunning popularity. He increased taxes on corporations, lowered the utility bills of consumers, and built new highways, hospitals, and schools. To push through these measures, Long seized almost dictatorial control of the state government. Now a U.S. senator, Long broke with the New Deal in 1934 and, like Townsend, established a national movement. According to his Share Our Wealth Society, inequalities in the distribution of wealth prohibited millions of ordinary families from buying goods, which kept factories humming. Long's society advocated a tax of 100 percent on all income over \$1 million and on all inheritances over \$5 million. He hoped that this populist program would carry him into the White House.

That prospect encouraged conservatives, who hoped that a split between New Dealers and populist reformers might return the Republican Party, and its ideology of limited government and free enterprise, to political power. In fact, Roosevelt feared that Townsend and Long, along with the popular "radio priest," Father Charles Coughlin, might join forces to form a third party. He had to respond or risk the political unity of the country's liberal forces (Map 23.3).

The Second New Deal and the Redefining of Liberalism, 1935–1938

As attacks on the New Deal increased, Roosevelt and his advisors moved politically to the left. Historians have labeled this shift in policy the Second New Deal. Roosevelt now openly criticized the "money classes," proudly stating, "We have earned the hatred of entrenched greed." He also decisively countered the rising popularity of Townsend, Coughlin, and Long by

adopting parts of their programs. The administration's Revenue Act of 1935 proposed a substantial tax increase on corporate profits and higher income and estate taxes on the wealthy. When conservatives attacked this legislation as an attempt to "soak the rich," Congress moderated its taxation rates. But FDR was satisfied. He had met the Share Our Wealth Society's proposal with a tax plan of his own.

The Welfare State Comes into Being

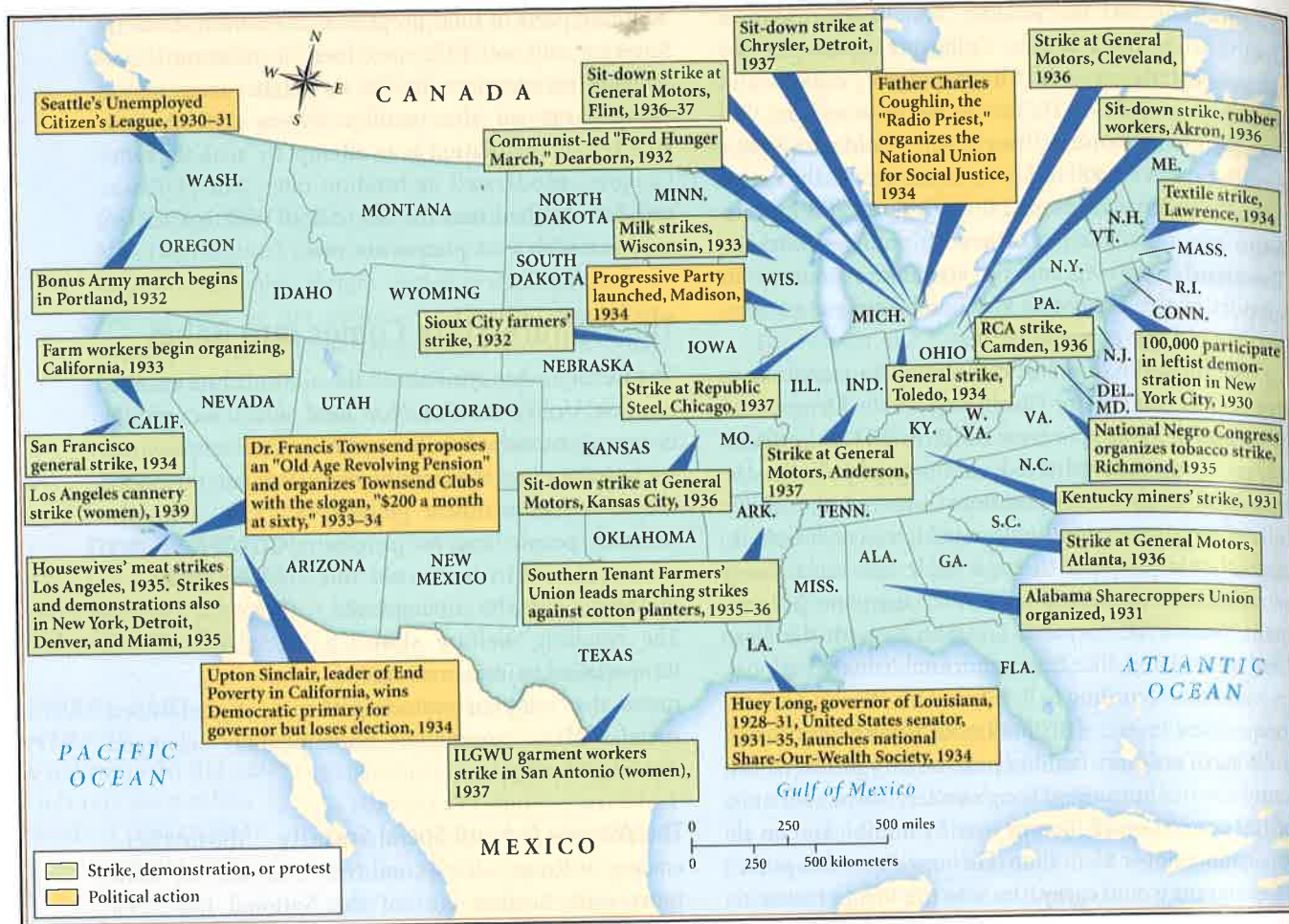
The Revenue Act symbolized the administration's new outlook. Unlike the First New Deal, which focused on economic recovery, the Second New Deal emphasized social justice and the creation of a safety net: the use of the federal government to assist working people and to provide economic security for the old, the disabled, and the unemployed. The resulting **welfare state**—a term applied to industrial democracies that adopted various government-guaranteed social-welfare programs—fundamentally changed American society.

The Wagner Act and Social Security The first beneficiary of Roosevelt's Second New Deal was the labor movement. Section 7(a) of the National Industrial Recovery Act (NIRA) had given workers the right to organize unions, producing a dramatic growth in rank-and-file militancy and leading to a strike wave in 1934. When the Supreme Court voided the NIRA in 1935, labor unions called for new legislation that would allow workers to organize and bargain collectively with employers. Named for its sponsor, Senator Robert F. Wagner of New York, the **Wagner Act** (1935) upheld the right of industrial workers to join unions. The act outlawed many practices that employers had used to suppress unions, such as firing workers for organizing activities. It also established the National Labor Relations Board (NLRB), a federal agency with the authority to protect workers from employer coercion and to guarantee collective bargaining.

A second initiative, the **Social Security Act** of 1935, had an equally widespread impact. Other industrialized societies, such as Germany and Britain, had created national old-age pension systems at the turn of the century, but American reformers had failed to secure a similar program in the United States. The Townsend and Long movements now pressed Roosevelt to act, giving political muscle to pension proponents within the administration. Children's welfare advocates,

COMPARE AND CONTRAST

How did the Second New Deal differ from the first?



MAP 23.3
Popular Protest in the Great Depression, 1933–1939

The depression forced Americans to look closely at their society, and many of them did not like what they saw. Some citizens expressed their discontent through popular movements, and this map suggests the geography of discontent. The industrial Midwest witnessed union movements, strikes, and Radio Priest Charles Coughlin's demands for social reform. Simultaneously, farmers' movements—tenants in the South, smallholders in the agricultural Midwest—engaged in strikes and dumping campaigns and rallied behind the ideas of progressives in Wisconsin and Huey Long in the South. Protests took diverse forms in California, which was home to strikes by farmworkers, women, and—in San Francisco—all wageworkers. The West was also the seedbed of two important reform proposals: Upton Sinclair's End Poverty in California (EPIC) movement and Francis Townsend's Old Age Revolving Pension clubs.

concerned about the fate of fatherless families, also pressured the president. The resulting Social Security Act had three main provisions: old-age pensions for workers; a joint federal-state system of compensation for unemployed workers; and a program of payments to widowed mothers and the blind, deaf, and disabled. Roosevelt, however, limited the reach of the legislation. Knowing that compulsory pension and unemployment legislation alone would be controversial, he dropped a provision for national health insurance, fearing it would doom the entire bill.

The Social Security Act was a milestone in the creation of an American welfare state. Never before had the federal government assumed such responsibility for the well-being of so many citizens. Social Security, as old-age pensions were known, became one of the most popular government programs in American history. On the other hand, the assistance program for widows and children known as Aid to Dependent Children (ADC) became one of its most controversial measures. ADC covered only 700,000 youngsters in 1939; by 1994, its successor, Aid to

United Auto Workers Strike

Trade unions were among the most active and vocal organizations of the 1930s. Organized labor led a number of major strikes between 1934 and 1936 in various industries. None was more important to the future of trade unions than the sit-down strikes at major automobile plants, including General Motors and Chevrolet in Flint, Michigan, in 1936 and 1937. These strikes, in which workers stopped the assembly lines but refused to leave the factories, compelled GM to recognize the United Auto Workers (UAW), which became one of the strongest trade unions in American history. © Bettmann/Corbis.



Families with Dependent Children (AFDC), enrolled 14.1 million Americans. A minor program during the New Deal, AFDC grew enormously in the 1960s and remained an often maligned cornerstone of the welfare state until it was eliminated under President Clinton in 1996.

New Deal Liberalism The Second New Deal created what historians call New Deal liberalism. **Classical liberalism** held individual liberty to be the foundation of a democratic society, and the word *liberal* had traditionally denoted support for free-market policies and weak government. Roosevelt and his advisors, along with intellectuals such as British economist John Maynard Keynes, disagreed. They countered that, to preserve individual liberty, government must assist the needy and guarantee the basic welfare of citizens. This liberal welfare state was opposed by inheritors of the nineteenth-century ideology of *laissez-faire* capitalism, who gradually became known as conservatives. These two visions of liberty and government—with liberals on one side and conservatives on the other—would shape American politics for the next half century.

From Reform to Stalemate

Roosevelt's first term had seen an extraordinary expansion of the federal state. The great burst of government action between 1933 and 1935 was unequalled in the nation's history (though Congress and President Lyndon Johnson nearly matched it in 1965–1966; see Chapter 28). Roosevelt's second term, however, was characterized by a series of political entanglements and economic bad news that stifled further reform.

The 1936 Election FDR was never enthusiastic about public relief programs. But with the election of 1936 on the horizon and 10 million Americans still out of work, he won funding for the **Works Progress Administration (WPA)**. Under the energetic direction of Harry Hopkins, the WPA employed 8.5 million Americans between 1935, when it was established, and 1943. The agency's workers constructed or repaired 651,087 miles of road, 124,087 bridges, 125,110 public buildings, 8,192 parks, and 853 airports. But although the WPA was an extravagant operation by 1930s standards, it reached only about one-third of the nation's unemployed.

As the 1936 election approached, new voters joined the Democratic Party. Many had personally benefitted from New Deal programs such as the WPA or knew people who had (Table 23.2). One was Jack Reagan, a down-on-his-luck shoe salesman (and the father of future president Ronald Reagan), who took a job as a federal relief administrator in Dixon, Illinois, and became a strong supporter of the New Deal. In

TABLE 23.2

Major New Deal Legislation

Agriculture	
1933	Agricultural Adjustment Act (AAA) Resettlement Administration (RA)
1935	Rural Electrification Administration
1937	Farm Security Administration (FSA)
1938	Agricultural Adjustment Act of 1938
Finance and Industry	
1933	Emergency Banking Act Glass-Steagall Act (created the FDIC) National Industrial Recovery Act (NIRA)
1934	Securities and Exchange Commission (SEC)
1935	Banking Act of 1935 Revenue Act (wealth tax)
Conservation and the Environment	
1933	Tennessee Valley Authority (TVA) Civilian Conservation Corps (CCC) Soil Conservation and Domestic Allotment Act
Labor and Social Welfare	
1933	Section 7(a) of NIRA
1935	National Labor Relations Act (Wagner Act) National Labor Relations Board (NLRB) Social Security Act
1937	National Housing Act
1938	Fair Labor Standards Act (FLSA)
Relief and Reconstruction	
1933	Federal Emergency Relief Administration (FERA) Civil Works Administration (CWA) Public Works Administration (PWA)
1935	Works Progress Administration (WPA) National Youth Administration (NYA)

addition to voters such as Reagan, Roosevelt could count on a powerful coalition of organized labor, mid-western farmers, white ethnic groups, northern African Americans, and middle-class families concerned about unemployment and old-age security. He also commanded the support of intellectuals and progressive Republicans. With difficulty, the Democrats held on to the votes of their white southern constituency as well.

Republicans recognized that the New Deal was too popular to oppose directly, so they chose as their candidate the progressive governor of Kansas, Alfred M. Landon. Landon accepted the legitimacy of many New Deal programs but criticized their inefficiency and expense. He also pointed to authoritarian regimes in Italy and Germany and hinted that FDR harbored similar dictatorial ambitions. These charges fell on deaf ears. Roosevelt's victory in 1936 was one of the most lopsided in American history. The assassination of Huey Long by a Louisiana political rival in September 1935 had eliminated the threat of a serious third-party challenge. Roosevelt received 60 percent of the popular vote and carried every state except Maine and Vermont. Organized labor, in particular, mobilized on behalf of FDR, donating money, canvassing door to door, and registering hundreds of thousands of new voters. The *New Republic*, a liberal publication, boasted that "it was the greatest revolution in our political history."

"I see one-third of a nation ill-housed, ill-clad, ill-nourished," the president declared in his second inaugural address in January 1937. But any hopes that FDR had for expanding the liberal welfare state were quickly dashed. Within a year, staunch opposition to Roosevelt's initiatives arose in Congress, and a sharp recession undermined confidence in his economic leadership.

Court Battle and Economic Recession Roosevelt's first setback in 1937 came when he surprised the nation by asking for fundamental changes to the Supreme Court. In 1935, the Court had struck down a series of New Deal measures by the narrow margin of 5 to 4. With the Wagner Act, the Tennessee Valley Authority, and Social Security all slated to come before the Court, the future of the New Deal rested in the hands of a few elderly, conservative-minded judges. To diminish their influence, the president proposed adding a new justice to the Court for every member over the age of seventy, a scheme that would have brought six new judges to the bench at the time the legislation was proposed. Roosevelt's opponents protested that he was trying to "pack" the Court. After a bitter, months-long debate, Congress rejected this blatant attempt to alter the judiciary to the president's advantage.

If Roosevelt lost the battle, he went on to win the war. Swayed in part by the president's overwhelming electoral victory in the 1936 election, the Court upheld the Wagner and Social Security Acts. Moreover, a series of timely resignations allowed Roosevelt to reshape the Supreme Court after all. His new appointees—who included the liberal-leaning and generally pro-New Deal Hugo Black, Felix Frankfurter, and William O. Douglas—viewed the Constitution as a “living document” that had to be interpreted in the light of present conditions.

The so-called **Roosevelt recession** of 1937–1938 dealt another blow to the president. From 1933 to 1937, gross domestic product had grown at a yearly rate of about 10 percent, bringing industrial output back to 1929 levels. Unemployment had declined from 25 percent to 14 percent. “The emergency has passed,” declared Senator James F. Byrnes of South Carolina. Acting on this assumption, Roosevelt slashed the federal budget. Following the president's lead, Congress cut the WPA's funding in half, causing layoffs of about 1.5 million workers, and the Federal Reserve, fearing inflation, raised interest rates. These measures halted recovery. The stock market responded by dropping sharply, and unemployment jumped to 19 percent. Quickly reversing course, Roosevelt began once again to spend his way out of the recession by boosting funding for the WPA and resuming public works projects.

Although improvised, this spending program accorded with the theories of John Maynard Keynes, a visionary British economist. Keynes transformed economic thinking in capitalist societies in the 1920s by arguing that government intervention could smooth out the highs and lows of the business cycle through deficit spending and the manipulation of interest rates, which determined the money supply. This view was sharply criticized by Republicans and conservative Democrats in the 1930s, who disliked government intervention in the economy. But **Keynesian economics** gradually won wider acceptance as World War II defense spending finally ended the Great Depression.

A reformer rather than a revolutionary, Roosevelt had preserved capitalism and liberal individualism—even as he transformed them in significant ways. At the same time, conservatives had reclaimed a measure of power in Congress, and those who believed the New Deal had created an intrusive federal bureaucracy kept reform in check after 1937. Throughout Roosevelt's second term, a conservative coalition of southern Democrats, rural Republicans, and industrial interests in both parties worked to block or impede social legislation. By 1939, the era of change was over.

The New Deal's Impact on Society

Whatever its limits, the New Deal had a tremendous impact. Its ideology of social-welfare liberalism fundamentally altered Americans' relationship to their government and provided assistance to a wide range of ordinary people: the unemployed, the elderly, workers, and the poor. In doing so, New Dealers created a sizable federal bureaucracy: the number of civilian federal employees increased by 80 percent between 1929 and 1940, reaching a total of 1 million. The expenditures—and deficits—of the federal government grew at an even faster rate. In 1930, the Hoover administration spent \$3.1 billion and had a surplus of almost \$1 billion; in 1939, New Dealers expended \$9.4 billion and ran a deficit of nearly \$3 billion (still small by later standards). But the New Deal represented more than figures on a balance sheet. Across the country, the new era in government inspired democratic visions among ordinary citizens (*Thinking Like a Historian*, p. 752).

A People's Democracy

In 1939, writer John La Touche and musician Earl Robinson produced “Ballad for Americans.” A patriotic song, it called for uniting “everybody who's nobody . . . Irish, Negro, Jewish, Italian, French, and English, Spanish, Russian, Chinese, Polish, Scotch, Hungarian, Litvak, Swedish, Finnish, Canadian, Greek, and Turk, and Czech and double Czech American.” The song captured the democratic aspirations that the New Deal had awakened. Millions of ordinary people believed that the nation could, and should, become more egalitarian. Influenced by the liberal spirit of the New Deal, Americans from all walks of life seized the opportunity to push for change in the nation's social and political institutions.

Organized Labor Demoralized and shrinking during the 1920s, labor unions increased their numbers and clout during the New Deal, thanks to the Wagner Act. “The era of privilege and predatory individuals is over,” labor leader John L. Lewis declared. By the end of the decade, the number of unionized workers had tripled to 23 percent of the nonagricultural workforce. A new union movement, led by the Congress of Industrial Organizations (CIO), promoted “industrial unionism”—organizing all the workers in an industry, from skilled machinists to unskilled janitors, into a single union. The American Federation of Labor (AFL),

representing the other major group of unions, favored organizing workers on a craft-by-craft basis. Both federations dramatically increased their membership in the second half of the 1930s.

Labor's new vitality translated into political action and a long-lasting alliance with the Democratic Party. The CIO helped fund Democratic campaigns in 1936, and its political action committee became a major Democratic contributor during the 1940s. These successes were real but limited. The labor movement did not become the dominant force in the United States that it was in Europe, and unions never enrolled a majority of American wageworkers. Antiunion employer groups such as the National Association of Manufacturers and the Chamber of Commerce remained powerful forces in American business life. After a decade of gains, organized labor remained an important, but secondary, force in American industry.

Women and the New Deal Because policymakers saw the depression primarily as a crisis of male breadwinners, the New Deal did not directly challenge gender inequities. New Deal measures generally enhanced women's welfare, but few addressed their specific needs and concerns. However, the Roosevelt administration did welcome women into the higher ranks of government. Frances Perkins, the first woman named to a cabinet post, served as secretary of labor throughout Roosevelt's presidency. While relatively few, female appointees often worked to open up other opportunities in government for talented women.

The most prominent woman in American politics was the president's wife, Eleanor Roosevelt. In the 1920s, she had worked to expand positions for women in political parties, labor unions, and education. A tireless advocate for women's rights, during her years in the White House Mrs. Roosevelt emerged as an independent public figure and the most influential First Lady in the nation's history. Descending into coal mines to view working conditions, meeting with African Americans seeking antilynching laws, and talking to people on breadlines, she became the conscience of the New Deal, pushing her husband to do more for the disadvantaged. "I sometimes acted as a spur," Mrs. Roosevelt later reflected, "even though the spurring was not always wanted or welcome."

Without the intervention of Eleanor Roosevelt, Frances Perkins, and other prominent women, New Deal policymakers would have largely ignored the

COMPARE AND CONTRAST

What aspects of the New Deal inspired ordinary Americans? What stymied their ambitions?



Roosevelts Visit Camp Tara

Franklin Roosevelt was a wealthy patrician, but one of his great political skills was the ability to connect with ordinary Americans. His wife, Eleanor, shared a similar gift, perhaps to an even greater degree. In an era when staged photographs had become an important part of a politician's image-making, Roosevelt made certain to appear frequently in settings in which he mingled with the public. Here, he and Eleanor visit a vocational training camp for jobless women in 1934; FDR is seated on the far left while Eleanor greets two women standing beside the car. AP/Wide World Photos.

needs of women. A fourth of the National Recovery Act's employment rules set a lower minimum wage for women than for men performing the same jobs, and only 7 percent of the workers hired by the Civil Works Administration were female. The Civilian Conservation Corps excluded women entirely. Women fared better under the Works Progress Administration; at its peak, 405,000 women were on the payroll. Most Americans agreed with such policies. When Gallup pollsters in 1936 asked people whether wives should work outside the home when their husbands had jobs, 82 percent said no. Such sentiment reflected a persistent belief in women's secondary status in American economic life.

African Americans Under the New Deal Across the nation, but especially in the South, African Americans held the lowest-paying jobs and faced harsh social and political discrimination. Though FDR did not fundamentally change this fact, he was the most popular president among African Americans since Abraham Lincoln. African Americans held 18 percent of WPA jobs, although they constituted 10 percent of the population. The Resettlement Administration established in 1935 to help small farmers and tenants buy land, actively protected the rights of black tenants

farmers. Black involvement in the New Deal, however, could not undo centuries of racial subordination, nor could it change the overwhelming power of southern whites in the Democratic Party.

Nevertheless, black Americans received significant benefits from New Deal relief programs and believed that the White House cared about their plight, which caused a momentous shift in their political allegiance. Since the Civil War, black voters had staunchly supported the Republican Party, the party of Abraham Lincoln, known as the Great Emancipator. Even in the depression year of 1932, they overwhelmingly supported Republican candidates. But in 1936, as part of the tidal wave of national support for FDR, northern African Americans gave Roosevelt 71 percent of their votes and have remained solidly Democratic ever since.

African Americans supported the New Deal partly because the Roosevelt administration appointed a number of black people to federal office, and an informal “black cabinet” of prominent African American intellectuals advised New Deal agencies. Among the most important appointees was Mary McLeod Bethune. Born in 1875 in South Carolina to former slaves, Bethune founded Bethune-Cookman College and served during the 1920s as president of the National Association of Colored Women. She joined the New Deal in 1935, confiding to a friend that she “believed in the democratic and humane program” of FDR. Americans, Bethune observed, had to become “accustomed to seeing Negroes in high places.” Bethune had access to the White House and pushed continually for New Deal programs to help African Americans.

But the New Deal was limited in its approach to race. Roosevelt did not go further in support of black rights, because of both his own racial blinders and his need for the votes of the white southern Democrats in Congress—including powerful southern senators, many of whom held influential committee posts in Congress. Most New Deal programs reflected prevailing racial attitudes. Roosevelt and other New Dealers had to trim their proposals of measures that would substantially benefit African Americans. Civilian Conservation Corps camps segregated blacks, and most NRA rules did not protect black workers from discrimination. Both Social Security and the Wagner Act explicitly excluded the domestic and agricultural jobs held by most African Americans in the 1930s. Roosevelt also refused to support legislation making lynching a federal crime, which was one of the most pressing demands of African Americans in the 1930s. Between 1882 and 1930, more than 2,500 African Americans were lynched by white mobs in the southern

states, which means that statistically, one man, woman, or child was murdered every week for fifty years. But despite pleas from black leaders, and from Mrs. Roosevelt herself, FDR feared that southern white Democrats would block his other reforms in retaliation for such legislation.

If lynching embodied southern lawlessness, southern law was not much better. In an infamous 1931 case in Scottsboro, Alabama, nine young black men were accused of rape by two white women hitching a ride on a freight train. The women’s stories contained many inconsistencies, but within weeks a white jury had convicted all nine defendants; eight received the death sentence. After the U.S. Supreme Court overturned the sentences because the defendants had been denied adequate legal counsel, five of the men were again convicted and sentenced to long prison terms. Across the country, the Scottsboro Boys, as they were known, inspired solidarity within African American communities. Among whites, the Communist Party took the lead in publicizing the case—and was one of the only white organizations to do so—helping to support the Scottsboro Defense Committee, which raised money for legal efforts on the defendants’ behalf.

In southern agriculture, where many sharecroppers were black while landowners and government administrators were white, the Agricultural Adjustment Act hurt rather than helped the poorest African Americans. White landowners collected government subsidy checks but refused to distribute payments to their sharecroppers. Such practices forced 200,000 black families off the land. Some black farmers tried to protect themselves by joining the Southern Tenant Farmers Union (STFU), a biracial organization founded in 1934. “The same chain that holds you holds my people, too,” an elderly black farmer reminded his white neighbors. But landowners had such economic power and such support from local sheriffs that the STFU could do little.

A generation of African American leaders came of age inspired by the New Deal’s democratic promise. But it remained just a promise. From the outset, New Dealers wrestled with potentially fatal racial politics. Franklin Roosevelt and the Democratic Party depended heavily on white voters in the South, who were determined to maintain racial segregation and white supremacy. But many Democrats in the North and West—centers of New Deal liberalism—would come to oppose racial discrimination. This meant, ironically, that the nation’s most liberal political forces and some of its most conservative political forces existed side by side in the same political party. Another thirty years



Scottsboro Defendants

The 1931 trial in Scottsboro, Alabama, of nine black youths accused of raping two white women became a symbol of the injustices African Americans faced in the South's legal system. Denied access to an attorney, the defendants were found guilty after a three-day trial, and eight were sentenced to death. When the U.S. Supreme Court overturned their convictions in 1932, the International Labor Defense Organization hired noted criminal attorney Samuel Leibowitz to argue the case. Leibowitz eventually won the acquittal of four defendants and jail sentences for the rest. This 1933 photograph, taken in a Decatur jail, shows Leibowitz conferring with Haywood Patterson, in front of the other eight defendants. Brown Brothers.

would pass before black Americans would gain an opportunity to reform U.S. racial laws and practices.

Indian Policy New Deal reformers seized the opportunity to implement their vision for the future of Native Americans, with mixed results. Indian peoples had long been one of the nation's most disadvantaged and powerless groups. In 1934, the average individual Indian income was only \$48 per year, and the Native American unemployment rate was three times the national average. The plight of Native Americans won the attention of the progressive commissioner of the Bureau of Indian Affairs (BIA), John Collier, an intellectual and critic of past BIA practices. Collier understood what Native Americans had long known: that the government's decades-long policy of forced assimilation, prohibition of Indian religions, and confiscation of Indian lands had left most tribes poor, isolated, and without basic self-determination.

Collier helped to write and push through Congress the **Indian Reorganization Act** of 1934, sometimes

called the Indian New Deal. On the positive side, the law reversed the Dawes Act of 1887 (Chapter 16) by promoting Indian self-government through formal constitutions and democratically elected tribal councils. A majority of Indian peoples—some 181 tribes—accepted the reorganization policy, but 77 declined to participate, primarily because they preferred the traditional way of making decisions by consensus rather than by majority vote. Through the new law, Indians won a greater degree of religious freedom, and tribal governments regained their status as semisovereign dependent nations. When the latter policy was upheld by the courts, Indian people gained a measure of leverage that would have major implications for native rights in the second half of the twentieth century.

Like so many other federal Indian policies, however, the "Indian New Deal" was a mixed blessing. For some peoples, the act imposed a model of self-government that proved incompatible with tribal traditions and languages. The Papagos of southern Arizona, for instance, had no words for *budget* or



Indian New Deal

Commissioner of Indian Affairs John Collier poses with chiefs of the Blackfoot Indian tribe in 1934. Collier helped reform the way the U.S. federal government treated Native Americans. As part of what many called the Indian New Deal, Collier lobbied Congress to pass the Indian Reorganization Act. The act gave Indian tribes greater control over their own affairs and ended many of the most atrocious federal practices, such as forcing Indian children into white-run boarding schools and dividing up and selling reservation land. The legislation's long-term results were mixed, but it signaled the beginning of greater autonomy for Indian tribes across the country. © Bettmann/Corbis.

representative, and they made no linguistic distinctions among *law*, *rule*, *charter*, and *constitution*. In another case, the nation's largest tribe, the Navajos, rejected the BIA's new policy, largely because the government was simultaneously reducing Navajo livestock to protect the Boulder Dam project. In theory, the new policy gave Indians a much greater degree of self-determination. In practice, however, although some tribes did benefit, the BIA and Congress continued to interfere in internal Indian affairs and retained financial control over reservation governments.

Struggles in the West By the 1920s, agriculture in California had become a big business—intensive, diversified, and export-oriented. Large-scale corporate-owned farms produced specialty crops—lettuce, tomatoes, peaches, grapes, and cotton—whose staggered harvests allowed the use of transient laborers. Thousands of workers, immigrants from Mexico and Asia and white migrants from the midwestern states,

trooped from farm to farm and from crop to crop during the long picking season. Some migrants settled in the rapidly growing cities along the West Coast, especially the sprawling metropolis of Los Angeles. Under both Hoover and FDR, the federal government promoted the “repatriation” of Mexican citizens—their deportation to Mexico. Between 1929 and 1937, approximately half a million people of Mexican descent were deported. But historians estimate that more than 60 percent of these were legal U.S. citizens, making the government's actions constitutionally questionable.

Despite the deportations, many Mexican Americans benefitted from the New Deal and generally held Roosevelt and the Democratic Party in high regard. People of Mexican descent, like other Americans, took jobs with the WPA and the CCC, or received relief in the worst years of the depression. The National Youth Administration (NYA), which employed young people from families on relief and sponsored a variety of school programs, was especially important in



Mexican American Farm Workers

Among the most hard-pressed workers during the Great Depression were those who labored in the nation's agricultural field, orchards, and processing plants. Agriculture was a big-time corporate business by the 1930s, and in California and other parts of the Southwest it employed hundreds of thousands of poor Mexican Americans and Mexican immigrants. Seizing on the spirit of social protest sweeping the country in the early 1930s, many of these workers went on strike for better wages and working conditions. Here, women from Mexican American communities are heading to the cotton fields near Corcoran, California, to urge workers to join a major strike of cotton pickers. Though the workers in Corcoran won some wage improvements in this 1933 strike, the fierce battle between employers and workers in American agriculture was far from over and continues to this day. Library of Congress.

southwestern cities. In California, the Mexican American Movement (MAM), a youth-focused organization, received assistance from liberal New Dealers. New Deal programs did not fundamentally improve the migrant farm labor system under which so many people of Mexican descent labored, but Mexicans joined the New Deal coalition in large numbers because of the Democrats' commitment to ordinary Americans. "Franklin D. Roosevelt's name was the spark that started thousands of Spanish-speaking persons to the polls," noted one Los Angeles activist.

Men and women of Asian descent—mostly from China, Japan, and the Philippines—formed a small minority of the American population but were a significant presence in some western cities. Immigrants from Japan and China had long faced discrimination. A 1913 California law prohibited them from owning land. Japanese farmers, who specialized in fruit and vegetable crops, circumvented this restriction by putting land titles in the names of their American-born children. As the depression cut farm prices and racial

discrimination excluded young Japanese Americans from nonfarm jobs, about 20 percent of the immigrants returned to Japan.

Chinese Americans were less prosperous than their Japanese counterparts. Only 3 percent of Chinese Americans worked in professional and technical positions, and discrimination barred them from many industrial jobs. In San Francisco, the majority of Chinese worked in small businesses: restaurants, laundries, and firms that imported textiles and ceramics. During the depression, they turned for assistance to Chinese social organizations such as *huiguan* (district associations) and to the city government; in 1931, about one-sixth of San Francisco's Chinese population was receiving public aid. But few Chinese benefited from the New Deal. Until the repeal of the Exclusion Act in 1943, Chinese immigrants were classified "aliens ineligible for citizenship" and therefore were excluded from most federal programs.

Because Filipino immigrants came from a U.S. territory, they were not affected by the ban on Asi-

immigration enacted in 1924. During the 1920s, their numbers swelled to about 50,000, many of whom worked as laborers on large corporate-owned farms. As the depression cut wages, Filipino immigration slowed to a trickle, and it was virtually cut off by the Tydings-McDuffie Act of 1934. The act granted independence to the Philippines (which since 1898 had been an American colony), classified all Filipinos in the United States as aliens, and restricted immigration from the Philippines to fifty people per year.

Reshaping the Environment

Attention to natural resources was a dominant theme of the New Deal, and the shaping of the landscape was among its most visible legacies. Franklin Roosevelt and Interior Secretary Harold Ickes saw themselves as conservationists in the tradition of FDR's cousin, Theodore Roosevelt. In an era before environmentalism, FDR practiced what he called the “gospel of conservation.” The president cared primarily about making the land—and other natural resources, such as trees and water—better serve human needs. National policy stressed scientific land management and ecological balance. Preserving wildlife and wilderness was of secondary importance. Under Roosevelt, the federal government both responded to environmental crises and

reshaped the use of natural resources, especially water, in the United States.

The Dust Bowl Among the most hard-pressed citizens during the depression were farmers fleeing the “dust bowl” of the Great Plains. Between 1930 and 1941, a severe drought afflicted the semiarid states of Oklahoma, Texas, New Mexico, Colorado, Arkansas, and Kansas. Farmers in these areas had stripped the land of its native vegetation, which destroyed the delicate ecology of the plains. To grow wheat and other crops, they had pushed agriculture beyond the natural limits of the soil, making their land vulnerable, in times of drought, to wind erosion of the topsoil (Map 23.4). When the winds came, huge clouds of thick dust rolled over the land, turning the day into night. This ecological disaster prompted a mass exodus. At least 350,000 “Okies” (so called whether or not they were from Oklahoma) loaded their belongings into cars and trucks and headed to California. John Steinbeck's novel *The Grapes of Wrath* (1939) immortalized them, and New Deal photographer Dorothea Lange's haunting images of California migrant camps made them the public face of the depression's human toll.

IDENTIFY CAUSES

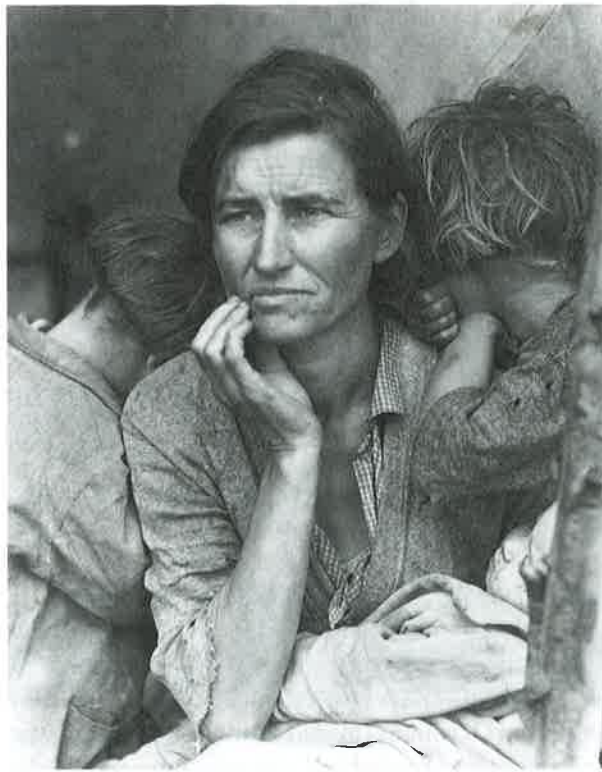
Why did the natural environment receive so much attention under New Deal programs, and with what result?

MAP 23.4

The Dust Bowl and Federal Building Projects in the West, 1930–1941

A U.S. Weather Bureau scientist called the drought of the 1930s “the worst in the climatological history of the country.” Conditions were especially severe in the southern plains, where farming on marginal land threatened the environment even before the drought struck. As farm families migrated west on U.S. Route 66, the federal government began a series of massive building projects that provided flood control, irrigation, electric power, and transportation facilities to residents of the states of the Far West.





The Human Face of the Great Depression

Migrant Mother by Dorothea Lange is one of the most famous documentary photographs of the 1930s. On assignment for the Resettlement Administration, Lange spent only ten minutes in a pea-pickers' camp in Nipomo, California. There she captured this image (though not the name) of the woman whose despair and resignation she so powerfully recorded. In the 1970s the woman was identified as Florence Thompson, a native Cherokee from Oklahoma, who disagreed with Lange's recollections of the circumstances of the taking of the photograph. Thompson and her family had left Nipomo, however, by the time the publication of this image sparked a large relief effort directed at the camp's migrant workers. Library of Congress.

Roosevelt and Ickes believed that poor land practices made for poor people. Under their direction, government agencies tackled the dust bowl's human causes. Agents from the newly created Soil Conservation Service, for instance, taught farmers to prevent soil erosion by tilling hillsides along the contours of the land. They also encouraged (and sometimes paid) farmers to take certain commercial crops out of production and plant soil-preserving grasses instead. One of the U.S. Forest Service's most widely publicized programs was the Shelterbelts, the planting of 220 million trees running north along the 99th meridian from Abilene, Texas, to the Canadian border. Planted as a windbreak, the trees also prevented soil erosion. A variety of government agencies, from the CCC to the

U.S. Department of Agriculture, lent their expertise to establishing sound farming practices in the plains.

Tennessee Valley Authority The most extensive New Deal environmental undertaking was the **Tennessee Valley Authority (TVA)**, which Roosevelt saw as the first step in modernizing the South. Funded by Congress in 1933, the TVA integrated flood control, reforestation, electricity generation, and agricultural and industrial development. The dams and their hydroelectric plants provided cheap electric power for homes and factories as well as ample recreational opportunities for the valley's residents. The massive project won praise around the world (Map 23.5).

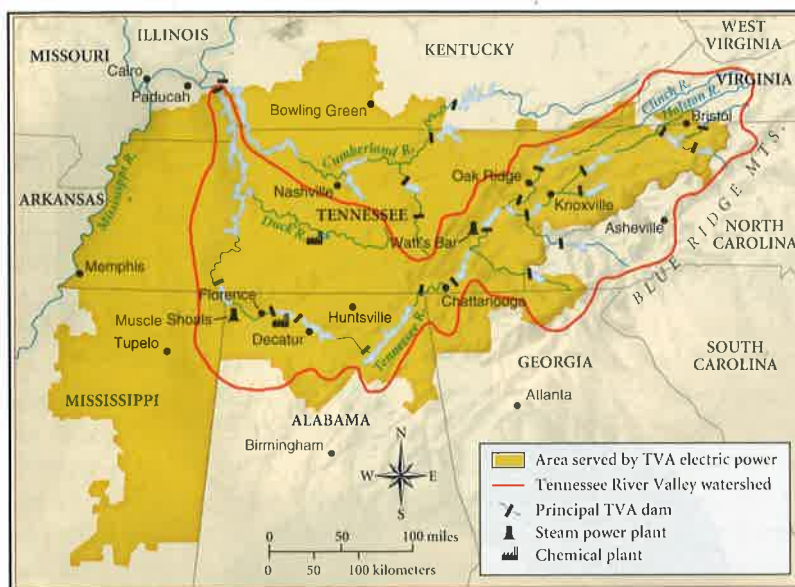
The TVA was an integral part of the Roosevelt administration's effort to keep farmers on the land by enhancing the quality of rural life. The **Rural Electrification Administration (REA)**, established in 1935, was also central to that goal. Fewer than one-tenth of the nation's 6.8 million farms had electricity. The REA addressed this problem by promoting nonprofit farm cooperatives that offered loans to farmers to install power lines. By 1940, 40 percent of the nation's farms had electricity; a decade later, 90 percent did. Electricity brought relief from the drudgery and isolation of farm life. Electric irons, vacuum cleaners, and washing machines eased women's burdens, and radios brightened the lives of the entire family. Along with the automobile and the movies, electricity broke down the barriers between urban and rural life.

Grand Coulee As the nation's least populated but fastest-growing region, the West benefitted enormously from the New Deal's attention to the environment. With the largest number of state and federal parks in the country, the West gained countless trails, bridges, cabins, and other recreational facilities, laying the groundwork for the post-World War II expansion of western tourism. On the Colorado River, Boulder Dam (later renamed Hoover Dam) was completed in 1935 with Public Works Administration funds; the dam generated power for the region's growing cities such as Las Vegas, Los Angeles, and Phoenix.

The largest project in the West, however, took shape in an obscure corner of Washington State, where the PWA and the Bureau of Reclamation built the Grand Coulee Dam on the Columbia River. When it was completed in 1941, Grand Coulee was the largest electricity-producing structure in the world, and its 150-mile lake provided irrigation for the state's major crops: apples, cherries, pears, potatoes, and wheat. Inspired by the dam and the modernizing spirit of the

MAP 23.5**The Tennessee Valley Authority, 1933–1952**

The Tennessee Valley Authority was one of the New Deal's most far-reaching environmental projects. Between 1933 and 1952, the TVA built twenty dams and improved five others, taming the flood-prone Tennessee River and its main tributaries. The cheap hydroelectric power generated by the dams brought electricity to industries as well as hundreds of thousands of area residents, and artificial lakes provided extensive recreational facilities. Widely praised at the time, the TVA came under attack in the 1970s for its practice of strip mining and the pollution caused by its power plants and chemical factories.



New Deal, folk singer Woody Guthrie wrote a song about the Columbia. “Your power is turning our darkness to dawn,” he sang, “so roll on, Columbia, roll on!”

New Deal projects that enhanced people’s enjoyment of the natural environment can be seen today throughout the country. CCC and WPA workers built the famous Blue Ridge Parkway, which connects the Shenandoah National Park in Virginia with the Great Smoky Mountains National Park in North Carolina. In the West, government workers built the San Francisco Zoo, Berkeley’s Tilden Park, and the canals of San Antonio. The Civilian Conservation Corps helped to complete the East Coast’s Appalachian Trail and the West Coast’s Pacific Crest Trail through the Sierra Nevada. In state parks across the country, cabins, shelters, picnic areas, lodges, and observation towers stand as monuments to the New Deal ethos of recreation coexisting with nature.

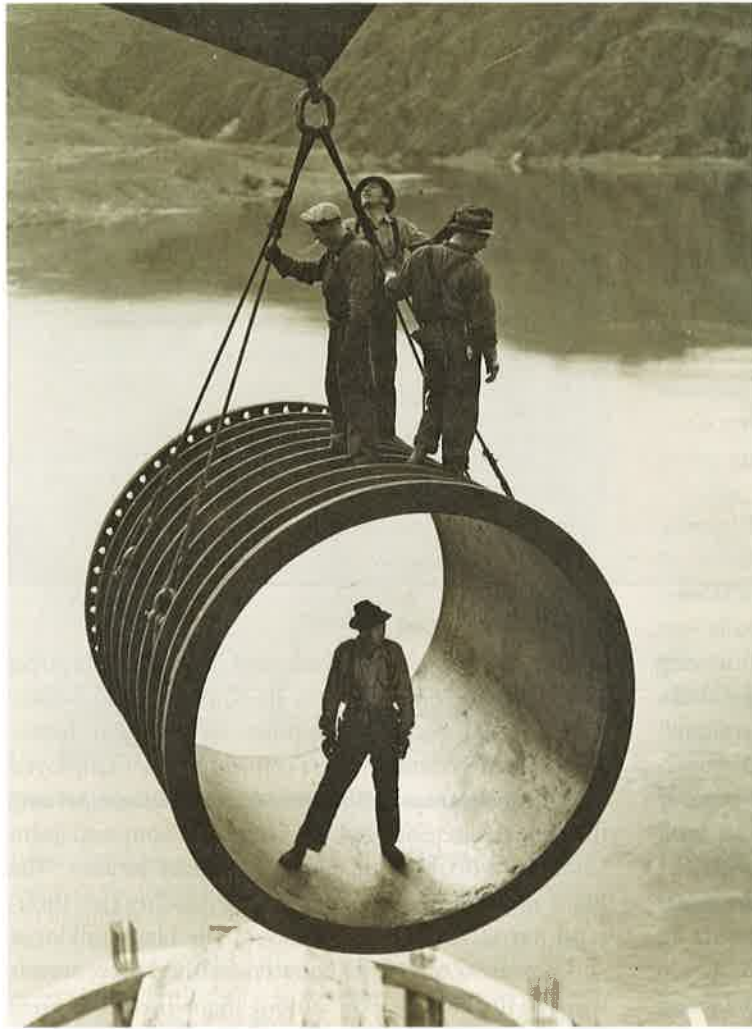
The New Deal and the Arts

In response to the Great Depression, many American writers and artists redefined their relationship to society. Never had there been a decade, critic Malcolm Cowley suggested in 1939, “when literary events followed so closely on the flying coat-tails of social events.” New Deal administrators encouraged artists to create projects that would be of interest to the entire community, not just the cultured elite. Encouraged by the popular New Deal slogan “Art for the millions,” artists painted murals in hundreds of public buildings. The WPA’s Federal Art Project gave work to many young artists who would become the twentieth century’s

leading painters, muralists, and sculptors. Jackson Pollock, Alice Neel, Willem de Kooning, and Louise Nevelson all received support. The Federal Music Project and Federal Writers’ Project (FWP) employed 15,000 musicians and 5,000 writers, respectively. Among the latter were Saul Bellow, Ralph Ellison, and John Cheever, who became great American writers. The FWP also collected oral histories, including two thousand narratives by former slaves. The black folklorist and novelist Zora Neale Hurston finished three novels while in the Florida FWP, among them *Their Eyes Were Watching God* (1937). Richard Wright won the 1938 *Story* magazine prize for the best tale by a WPA writer and went on to complete *Native Son* (1940), a searing novel about white racism. Similarly, the Federal Theatre Project (FTP) nurtured such talented directors, actors, and playwrights as Orson Welles, John Huston, and Arthur Miller.

The Legacies of the New Deal

The New Deal addressed the Great Depression by restoring hope and promising security. FDR and Congress created a powerful social-welfare state that took unprecedented responsibility for the well-being of American citizens. During the 1930s, millions of people began to pay taxes directly to the Social Security Administration, and more than one-third of the population received direct government assistance from federal programs, including old-age pensions, unemployment compensation, farm loans, relief work, and mortgage guarantees. New legislation regulated the stock market, reformed the Federal Reserve System,



Grand Coulee Dam

This extraordinary photo from a *Life* magazine essay shows workers hitching a ride on a 13-ton conduit as it is lowered into place on the Grand Coulee Dam in Washington State. Dozens of dams were constructed across the country under the auspices of various New Deal programs, but none were more majestic than two in the West: Boulder Dam (renamed Hoover Dam in 1947) and Grand Coulee. Built to harness the awesome power of the Columbia River as it rushed to the Pacific, Grand Coulee would ultimately provide electric power to Seattle, Portland, and other West Coast cities and new irrigation waters for Washington's apple and cherry orchards, among many other crops. Library of Congress.

and subjected business corporations to federal regulation. The New Deal's pattern of government involvement in social life would persist for the rest of the twentieth century. In the 1960s, Lyndon Johnson and the "Great Society" Congress dramatically expanded social-welfare programs, most of which remained intact in the wake of the "Reagan Revolution" of the 1980s.

Like all other major social transformations, the New Deal was criticized both by those who thought it did too much and by those who believed it did too little. Conservatives, who prioritized limited government and individual freedom, pointed out that the New Deal state intruded deeply into the personal and financial lives of citizens and the affairs of business. Conversely, advocates of social-welfare liberalism complained that the New Deal's safety net had too many holes: no national health-care system, welfare programs that excluded domestic workers and farm laborers, and state governments that often

limited the benefits distributed under New Deal programs.

Whatever the merits of its critics, the New Deal unquestionably transformed the American political landscape. From 1896 to 1932, the Republican Party had commanded the votes of a majority of Americans. That changed as Franklin Roosevelt's magnetic personality and innovative programs brought millions of voters into the Democratic fold. Democratic recruits included first- and second-generation immigrants from southern and central Europe — Italians, Poles, Slovaks, and Jews — as well as African American migrants to northern cities. Organized labor aligned itself with a Democratic administration that had recognized unions as a legitimate force in modern industrial life. The elderly and the unemployed, assisted by the Social Security Act, likewise supported FDR. This New Deal coalition of ethnic groups, city dwellers, organized labor, African Americans, and a cross section of the middle class formed the nucleus of the northern Democratic Party and supported additional liberal reforms in the decades to come.

EXPLAIN CONSEQUENCES

What was the New Deal's long-term legacy?