

Name: _____

PrepUS History

Date: _____

Unit 6 – Changing America The Second New Deal

Directions: Read and annotate the ENTIRE reading.

The Second New Deal

President Roosevelt was tremendously popular during his first two years in office, but opposition to his policies grew. New Deal programs had created more than 2 million new jobs. More than 10 million workers remained unemployed, however, and the nation's total income was about half of what it had been in 1929.

Criticism From Right and Left

Roosevelt faced hostility from both the political right and the left. The right wing had long believed that the New Deal regulated business too tightly. Opponents thought that it gave the federal government too much power over the states. By late 1934, the right wing increased its opposition as Roosevelt started deficit spending, abandoning a balanced budget and borrowing money to pay for his programs. Many business leaders became alarmed at the growing deficit.

Some on the left, however, believed that the New Deal had not gone far enough. They wanted even more economic intervention to shift wealth from the rich to middle-income and poor Americans. One outspoken critic was Huey Long. As governor of Louisiana, Long had championed the poor. He improved schools, colleges, and hospitals, and built roads and bridges. These benefits made him popular, and he built a powerful but corrupt political machine. In 1930 Long was elected to the U.S. Senate. In 1934 he established the Share Our Wealth Society to “pull down these huge piles of gold until there shall be a real job, not a little old sow-belly, black-eyed pea job but a real spending money, beef-steak and gravy. . . Ford in the garage . . . red, white, and blue job for every man.” Long planned to run for president in 1936.

Roosevelt also faced a challenge from Catholic priest and popular radio host Father Charles Coughlin. Once an ardent New Deal supporter, the Detroit resident had grown impatient with its moderate reforms. He called for inflating the currency and nationalizing the banking system. In 1934 he organized the National Union for Social Justice, which some Democrats feared would become a new political party.

A third challenge came from California physician Francis Townsend. He proposed that the federal government pay citizens over age 60 a pension of 200 a month. Recipients would have to retire and spend the entire check each month. Townsend believed that the plan would increase spending and free up jobs for the unemployed. His proposal attracted millions of supporters, especially older Americans, who mobilized as a political force for the first time. Together, the three men had supporters around the country. Roosevelt faced the possibility of a coalition that would prevent his reelection.

The WPA

In 1935 Roosevelt launched a series of programs, now known as the Second New Deal, to generate greater economic recovery. Among these new programs was the Works Progress Administration (WPA), the New

Deal's largest public works program. Between 1935 and 1941, the WPA employed 8.5 million workers and spent \$11 billion to construct about 650,000 miles of roadways, 125,000 public buildings, 853 airports, more than 124,000 bridges, and more than 8,000 parks. One WPA program, called Federal Number One, financed artists, musicians, theater people, and writers. Artists created murals and sculptures for public buildings; musicians set up orchestras and smaller musical groups; playwrights, actors, and directors wrote and staged plays; and writers recorded the stories of those who had once been enslaved and others whose voices had not often been heard.

The Supreme Court's Role

In May 1935, in *Schechter Poultry Corporation v. United States*, the Supreme Court struck down the authority of the National Recovery Administration. The Schechter brothers had been convicted of violating the NRA's poultry code. The Court ruled that the Constitution did not allow Congress to delegate its legislative powers to the executive branch, and therefore the NRA's codes were unconstitutional. Roosevelt worried that the ruling suggested the Supreme Court could strike down the rest of the New Deal.

Roosevelt knew he needed a new series of programs to keep voters' support. He called congressional leaders to a White House conference and thundered that Congress could not go home until it passed his new bills. That summer, Congress passed Roosevelt's programs.

Reforms for Workers and Senior Citizens

When the Supreme Court struck down the NRA, it also invalidated the section of the NIRA that gave workers the right to organize. Democrats knew that the working-class vote was key to winning reelection in 1936. They also believed that unions could help end the Depression because high union wages would give workers more money to spend, thereby boosting the economy. Opponents disagreed, arguing that high wages forced companies to charge higher prices and hire fewer people. Despite these concerns, Congress pushed ahead with new labor legislation.

The Wagner Act

In July 1935, Congress passed the National Labor Relations Act, also called the Wagner Act. This act guaranteed workers the right to unionize and bargain collectively. It also established the National Labor Relations Board (NLRB), which organized factory elections by secret ballot to determine whether workers wanted a union. The NLRB could also investigate employers' actions and stop unfair practices. The Wagner Act also set up a process called binding arbitration, whereby dissatisfied union members took their complaints to a neutral party who would listen to both sides and decide on the issues.

The Wagner Act led to a burst of labor activity. In 1935 John L. Lewis, leader of the United Mine Workers, helped form the Committee for Industrial Organization (CIO), which set out to organize unions that included all workers, skilled and unskilled, in a particular industry. First, it focused on the automobile and steel industries, two of the largest industries in which workers were not yet unionized. Organizers used new tactics

to get employers to recognize the unions. For example, during sit-down strikes, employees stopped work inside the factory and refused to leave. This technique prevented management from sending in replacement workers. It was a common CIO tactic for several years.

In late December 1936, the United Auto Workers (UAW), a CIO union, began a sit-down strike at General Motor's plant in Flint, Michigan. Family, friends, and others passed food and other provisions to them through windows. Violence broke out when police launched a tear gas assault on strikers, wounding 13, but the strike held. On February 11, 1937, General Motors recognized the UAW as its employees' sole bargaining agent. The UAW became one of the most powerful unions in the United States.

U.S. Steel, the nation's largest steel producer and a long-standing opponent of unionizing, decided it did not want to repeat GM's experience. In March 1937, the company recognized the CIO's steelworkers union. Smaller steel producers did not follow suit and suffered bitter strikes. By 1941, however, the steelworkers union had won contracts throughout the industry.

In the late 1930s, employees in other industries worked hard to gain union recognition from their employers. Union membership tripled from roughly 3 million in 1933 to about 9 million in 1939. In 1938 the CIO changed its name to the Congress of Industrial Organizations and became a federation of industrial unions.

Social Security

After passing the Wagner Act, Congress began work on one of the United States' most important pieces of legislation. This was the Social Security Act, which provided some financial security for older Americans, unemployed workers, and others. Roosevelt and his advisers viewed the bill primarily as an insurance measure. Workers earned the right to receive benefits because they paid special taxes to the federal government, just as they paid premiums in buying a life insurance policy. The legislation also provided modest welfare payments to others in need, including people with disabilities and poor mothers with dependent children.

What Roosevelt did not anticipate was that Congress would later borrow from the Social Security fund to pay for other programs without raising payroll taxes.

The core of Social Security was the monthly retirement benefit, which people collected when they stopped working at age 65. Unemployment insurance supplied a temporary income to workers who had lost their jobs. Although Social Security helped many people, at first it left out many of the neediest Americans, such as farm and domestic workers. About 65 percent of all African American workers in the 1930s fell into these two categories. Nevertheless, Social Security established the principle that the federal government should be responsible for those who, through no fault of their own, were unable to work.

Now answer each of the following questions in COMPLETE SENTENCES using information from the text but writing the answer IN YOUR OWN WORDS.

1. Why did President Roosevelt decide to introduce new legislation to fight the Depression?

2. What happens when the federal government starts a policy of deficit spending?

3. What was one unique feature of sit-down strikes?

4. How did the Wagner Act and the Social Security Act affect Americans?
