



SECTION 2

# The Second New Deal Takes Hold

## MAIN IDEA

The Second New Deal included new programs to extend federal aid and stimulate the nation's economy.

## WHY IT MATTERS NOW

Second New Deal programs continue to assist homebuyers, farmers, workers, and the elderly in the 2000s.

## Terms & Names

- Eleanor Roosevelt
- Works Progress Administration (WPA)
- National Youth Administration
- Wagner Act
- Social Security Act

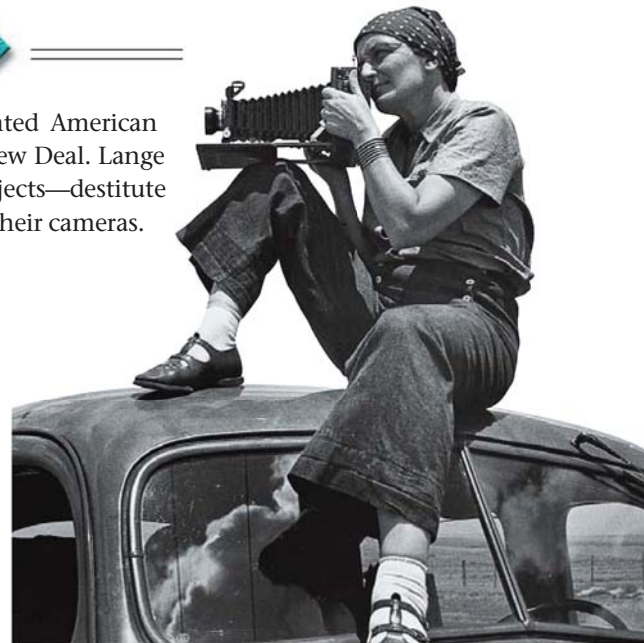
## One American's Story

Dorothea Lange was a photographer who documented American life during the Great Depression and the era of the New Deal. Lange spent considerable time getting to know her subjects—destitute migrant workers—before she and her assistant set up their cameras.

### A PERSONAL VOICE DOROTHEA LANGE

“So often it's just sticking around and remaining there, not swooping in and swooping out in a cloud of dust. . . . We found our way in . . . not too far away from the people we were working with. . . . The people who are garrulous and wear their heart on their sleeve and tell you everything, that's one kind of person. But the fellow who's hiding behind a tree and hoping you don't see him, is the fellow that you'd better find out why.”

—quoted in *Restless Spirit: The Life and Work of Dorothea Lange*



▲ Dorothea Lange taking photographs on the Texas plains in 1934.

Lange also believed that her distinct limp, the result of a childhood case of polio, worked to her advantage. Seeing that Lange, too, had suffered, people were kind to her and more at ease.

Much of Lange's work was funded by federal agencies, such as the Farm Security Administration, which was established to alleviate rural poverty. Her photographs of migrant workers helped draw attention to the desperate conditions in rural America and helped to underscore the need for direct relief.

## The Second Hundred Days

By 1935, the Roosevelt administration was seeking ways to build on the programs established during the Hundred Days. Although the economy had improved during FDR's first two years in office, the gains were not as great as he had expected. Unemployment remained high despite government work programs, and production still lagged behind the levels of the 1920s.



▲ Eleanor Roosevelt visits a children's hospital in 1937.

Nevertheless, the New Deal enjoyed widespread popularity, and President Roosevelt launched a second burst of activity, often called the Second New Deal or the Second Hundred Days. During this phase, the president called on Congress to provide more extensive relief for both farmers and workers.

The president was prodded in this direction by his wife, **Eleanor Roosevelt**, a social reformer who combined her deep humanitarian impulses with great political skills. Eleanor Roosevelt traveled the country, observing social conditions and reminding the president about the suffering of the nation's people. She also urged him to appoint women to government positions. **A**

**REELECTING FDR** The Second New Deal was under way by the time of the 1936 presidential election. The Republicans nominated Alfred Landon, the governor of Kansas, while the Democrats, of course, nominated President Roosevelt for a second term. The election resulted in an overwhelming victory for the Democrats, who won the presidency and large majorities in both houses. The election marked the first time that most

African Americans had voted Democratic rather than Republican, and the first time that labor unions gave united support to a presidential candidate. The 1936 election was a vote of confidence in FDR and the New Deal.

**MAIN IDEA**

**Summarizing**

**A** Why did Roosevelt launch the Second Hundred Days?

## Helping Farmers

In the mid-1930s, two of every five farms in the United States were mortgaged, and thousands of small farmers lost their farms. The novelist John Steinbeck described the experience of one tenant farmer and his family.

**A PERSONAL VOICE** JOHN STEINBECK

“Across the dooryard the tractor cut, and the hard, foot-beaten ground was seeded field, and the tractor cut through again; the uncut space was ten feet wide. And back he came. The iron guard bit into the house-corner, crumbled the wall, and wrenched the little house from its foundation so that it fell sideways, crushed like a bug. . . . The tractor cut a straight line on, and the air and the ground vibrated with its thunder. The tenant man stared after it, his rifle in his hand. His wife was beside him, and the quiet children behind. And all of them stared after the tractor.”

—*The Grapes of Wrath*



▲ A poster promotes the movie adaption of John Steinbeck's novel *The Grapes of Wrath*.

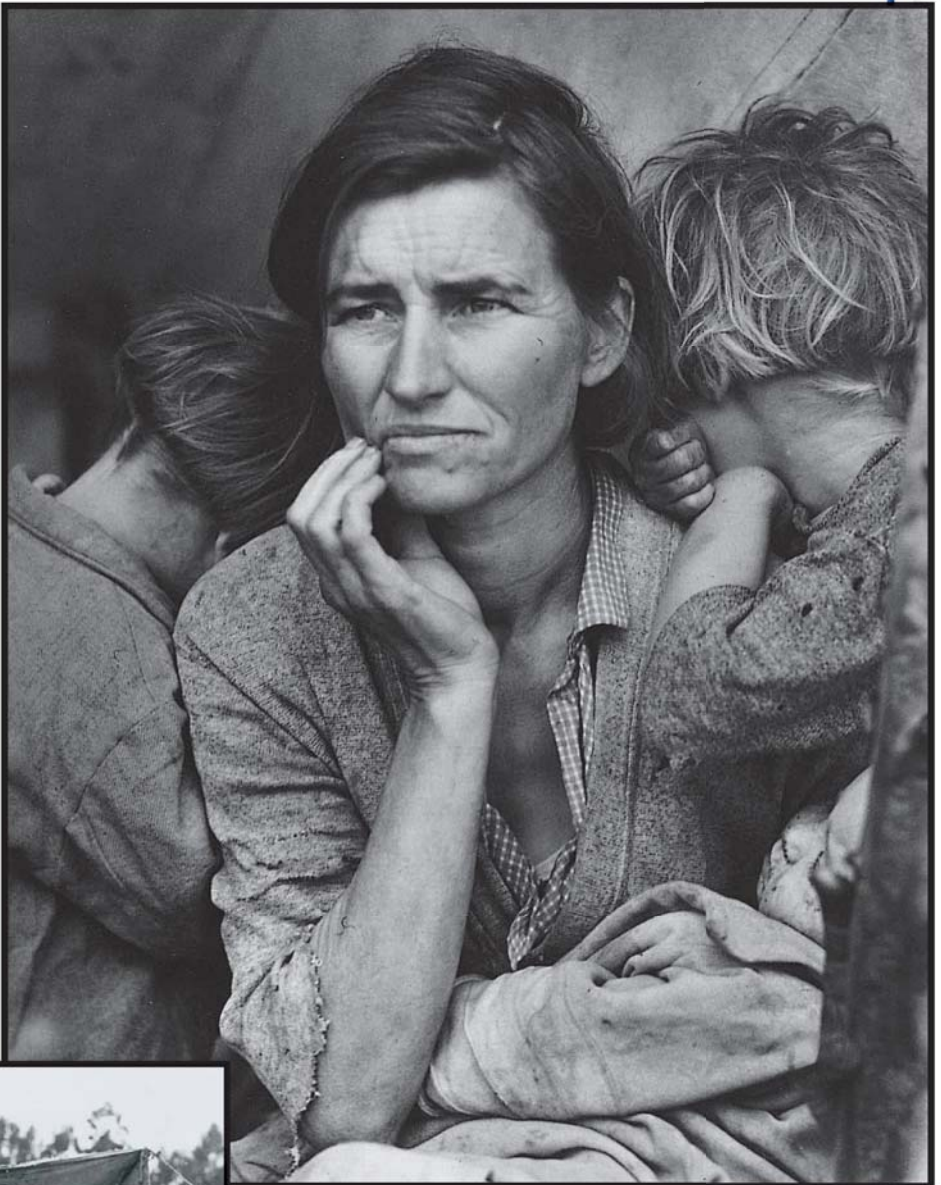
**FOCUSING ON FARMS** When the Supreme Court struck down the AAA early in 1936, Congress passed another law to replace it: the Soil Conservation and Domestic Allotment Act. This act paid farmers for cutting production of soil-depleting crops and rewarded farmers for practicing good soil conservation methods. Two years later, in 1938, Congress approved a second Agricultural Adjustment Act that brought back many features of the first AAA. The second AAA did not include a processing tax to pay for farm subsidies, a provision of the first AAA that the Supreme Court had declared unconstitutional.



**“MIGRANT MOTHER” (1936),  
DOROTHEA LANGE**

In February 1936, Dorothea Lange visited a camp in Nipomo, California, where some 2,500 destitute pea pickers lived in tents or, like this mother of seven children, in lean-tos. Lange talked briefly to the woman and then took five pictures, successively moving closer to her subjects and directing more emphasis on the mother. The last photo, “Migrant Mother” (at right), was published in the *San Francisco News* March 10, 1936.

“Migrant Mother” became one of the most recognizable symbols of the Depression and perhaps the strongest argument in support of New Deal relief programs. Roy Stryker, who hired Lange to document the harsh living conditions of the time, described the mother: “She has all the suffering of mankind in her, but all the perseverance too. A restraint and a strange courage.”



◀ Lange reflected upon her assignment. “I saw and approached the hungry and desperate mother, as if drawn by a magnet. . . . She said that they had been living on frozen vegetables from the surrounding fields, and birds that the children killed. She had just sold the tires from her car to buy food.”

**SKILLBUILDER Interpreting Visual Sources**

1. What might the woman be thinking about? Why do you think so?
2. Why do you think “Migrant Mother” was effective in persuading people to support FDR’s relief programs?

SEE SKILLBUILDER HANDBOOK, PAGE R23.

The Second New Deal also attempted to help sharecroppers, migrant workers, and many other poor farmers. The Resettlement Administration, created by executive order in 1935, provided monetary loans to small farmers to buy land. In 1937, the agency was replaced by the Farm Security Administration (FSA), which loaned more than \$1 billion to help tenant farmers become landholders and established camps for migrant farm workers, who had traditionally lived in squalid housing.

The FSA hired photographers such as Dorothea Lange, Ben Shahn, Walker Evans, Arthur Rothstein, and Carl Mydans to take many pictures of rural towns and farms and their inhabitants. The agency used their photographs to create a pictorial record of the difficult situation in rural America.

## Roosevelt Extends Relief

As part of the Second New Deal, the Roosevelt administration and Congress set up a series of programs to help youths, professionals, and other workers. One of the largest was the **Works Progress Administration (WPA)**, headed by Harry Hopkins, the former chief of the Federal Emergency Relief Administration.

The WPA set out to create as many jobs as possible as quickly as possible. Between 1935 and 1943, it spent \$11 billion to give jobs to more than 8 million workers, most of them unskilled. These workers built 850 airports throughout the country, constructed or repaired 651,000 miles of roads and streets, and put up more than 125,000 public buildings. Women workers in sewing groups made 300 million garments for the needy. Although criticized by some as a make-work project, the WPA produced public works of lasting value to the nation and gave working people a sense of hope and purpose. As one man recalled, "It was really great. You worked, you got a paycheck and you had some dignity. Even when a man raked leaves, he got paid, he had some dignity."

In addition, the WPA employed many professionals who wrote guides to cities, collected historical slave narratives, painted murals on the walls of schools

This photograph ▶  
by Margaret  
Bourke-White  
shows people  
waiting for food in  
a Kentucky bread  
line in 1937.





**MAIN IDEA****Evaluating**

**B** Do you think work programs like the WPA were a valid use of federal money? Why or why not?

and other public buildings, and performed in theater troupes around the country. At the urging of Eleanor Roosevelt, the WPA made special efforts to help women, minorities, and young people. **B**

Another program, the **National Youth Administration (NYA)**, was created specifically to provide education, jobs, counseling, and recreation for young people. The NYA provided student aid to high school, college, and graduate students. In exchange, students worked in part-time positions at their schools. One participant later described her experience.

**A PERSONAL VOICE HELEN FARMER**

“I lugged . . . drafts and reams of paper home, night after night. . . . Sometimes I typed almost all night and had to deliver it to school the next morning. . . . This was a good program. It got necessary work done. It gave teenagers a chance to work for pay. Mine bought me clothes and shoes, school supplies, some movies and mad money. Candy bars, and big pickles out of a barrel. It gave my mother relief from my necessary demands for money.”

—quoted in *The Great Depression*

For graduates unable to find jobs, or youth who had dropped out of school, the NYA provided part-time jobs, such as working on highways, parks, and the grounds of public buildings.



▲ The NYA helped young people, such as this dental assistant (third from left), receive training and job opportunities.

## Improving Labor and Other Reforms

In a speech to Congress in January 1935, the president declared, “When a man is convalescing from an illness, wisdom dictates not only cure of the symptoms but also removal of their cause.” During the Second New Deal, Roosevelt, with the help of Congress, brought about important reforms in the areas of labor relations and economic security for retired workers. (See the chart on page 500.)

**IMPROVING LABOR CONDITIONS** In 1935, the Supreme Court declared the NIRA unconstitutional, citing that the federal government had violated legislative authority reserved for individual states. One of the first reforms of the Second New Deal was passage of the National Labor Relations Act. More commonly called the **Wagner Act**, after its sponsor, Senator Robert F. Wagner of New York, the act reestablished the NIRA provision of collective bargaining. The federal government again protected the right of workers to join unions and engage in collective bargaining with employers.

The Wagner Act also prohibited unfair labor practices such as threatening workers, firing union members, and interfering with union organizing. The act set up the National Labor Relations Board (NLRB) to hear testimony about unfair practices and to hold elections to find out if workers wanted union representation. **C**

In 1938, Congress passed the Fair Labor Standards Act, which set maximum hours at 44 hours per week, decreasing to 40 hours after two years. It also set minimum wages at 25 cents an hour, increasing to 40 cents an hour by 1945. In addition, the act set rules for the employment of workers under 16 and banned hazardous work for those under 18.

**MAIN IDEA****Analyzing Issues**

**C** Why was the Wagner Act significant?

## New Deal Programs

### EMPLOYMENT PROJECTS

- 1933 Civilian Conservation Corps (CCC)
- 1933 Federal Emergency Relief Administration (FERA)
- 1933 Public Works Administration (PWA)
- 1933 Civil Works Administration (CWA)
- 1935 Works Progress Administration (WPA)
  
- 1935 National Youth Administration (NYA)

### PURPOSE

Provided jobs for single males on conservation projects.

Helped states to provide aid for the unemployed.

Created jobs on government projects.

Provided work in federal jobs.

Quickly created as many jobs as possible—from construction jobs to positions in symphony orchestras.

Provided job training for unemployed young people and part-time jobs for needy students.



### BUSINESS ASSISTANCE AND REFORM

- 1933 Emergency Banking Relief Act (EBRA)
- 1933 Federal Deposit Insurance Corporation (FDIC)
- 1933 National Recovery Administration (NRA)
- 1934 Securities and Exchange Commission (SEC)
- 1935 Banking Act of 1935
  
- 1938 Food, Drug and Cosmetic Act (FDC)

Banks were inspected by Treasury Department and those stable could reopen.

Protected bank deposits up to \$5,000. (Today, accounts are protected up to \$100,000.)

Established codes of fair competition.

Supervised the stock market and eliminated dishonest practices.

Created seven-member board to regulate the nation's money supply and the interest rates on loans.

Required manufacturers to list ingredients in foods, drugs, and cosmetic products.



### FARM RELIEF AND RURAL DEVELOPMENT

- 1933 Agricultural Adjustment Administration (AAA)
- 1933 Tennessee Valley Authority (TVA)
  
- 1935 Rural Electrification Administration (REA)

Aided farmers and regulated crop production.

Developed the resources of the Tennessee Valley.

Provided affordable electricity for isolated rural areas.



### HOUSING

- 1933 Home Owners Loan Corporation (HOLC)
  
- 1934 Federal Housing Administration (FHA)
  
- 1937 United States Housing Authority (USHA)

Loaned money at low interest to homeowners who could not meet mortgage payments.

Insured loans for building and repairing homes.

Provided federal loans for low-cost public housing.

### LABOR RELATIONS

- 1935 National Labor Relations Board (Wagner Act)
  
- 1938 Fair Labor Standards Act

Defined unfair labor practices and established the National Labor Relations Board (NLRB) to settle disputes between employers and employees.

Established a minimum hourly wage and a maximum number of hours in the workweek for the entire country.

Set rules for the employment of workers under 16 and banned hazardous factory work for those under 18.

### RETIREMENT

- 1935 Social Security Administration

Provided a pension for retired workers and their spouses and aided people with disabilities.

**THE SOCIAL SECURITY ACT** One of the most important achievements of the New Deal was creating the Social Security system. The **Social Security Act**, passed in 1935, was created by a committee chaired by Secretary of Labor Frances Perkins. The act had three major parts:

- *Old-age insurance for retirees 65 or older and their spouses.* The insurance was a supplemental retirement plan. Half of the funds came from the worker and half from the employer. Although some groups were excluded from the system, it helped to make retirement comfortable for millions of people.
- *Unemployment compensation system.* The unemployment system was funded by a federal tax on employers. It was administered at the state level. The initial payments ranged from \$15 to \$18 per week.
- *Aid to families with dependent children and the disabled.* The aid was paid for by federal funds made available to the states.

**MAIN IDEA**

**Drawing Conclusions**

**D** Whom did Social Security help?

Although the Social Security Act was not a total pension system or a complete welfare system, it did provide substantial benefits to millions of Americans. **D**

**EXPANDING AND REGULATING UTILITIES** The Second New Deal also included laws to promote rural electrification and to regulate public utilities. In 1935, only 12.6 percent of American farms had electricity. Roosevelt established under executive order the Rural Electrification Administration (REA), which financed and worked with electrical cooperatives to bring electricity to isolated areas. By 1945, 48 percent of America’s farms and rural homes had electricity. That figure rose to 90 percent by 1949.

The Public Utility Holding Company Act of 1935 took aim at financial corruption in the public utility industry. It outlawed the ownership of utilities by multiple holding companies—a practice known as the pyramiding of holding companies. Lobbyists for the holding companies fought the law fiercely, and it proved extremely difficult to enforce.

As the New Deal struggled to help farmers and other workers overcome the Great Depression, it assisted many different groups in the nation, including women, African Americans, and Native Americans.

**SECTION 2**

**ASSESSMENT**

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- Eleanor Roosevelt
- Works Progress Administration (WPA)
- National Youth Administration
- Wagner Act
- Social Security Act

**MAIN IDEA**

**2. TAKING NOTES**

Create a chart similar to the one below to show how groups such as farmers, the unemployed, youth, and retirees were helped by Second New Deal programs.

Second New Deal	
Group	How Helped

Which group do you think benefited the most from the Second New Deal? Explain.

**CRITICAL THINKING**

**3. EVALUATING DECISIONS**

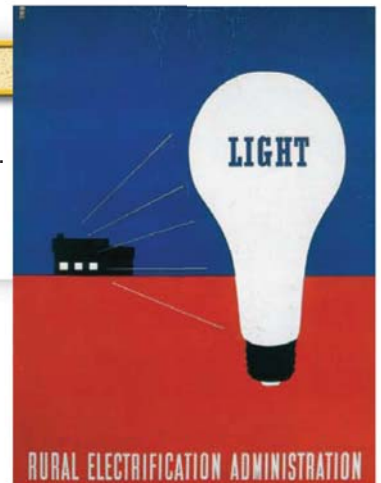
Why might the Social Security Act be considered the most important achievement of the New Deal?

**Think About:**

- the types of relief needed in the 1930s
- alternatives to government assistance to the elderly, the unemployed, and the disabled
- the scope of the act

**4. INTERPRETING VISUAL SOURCES**

Many WPA posters were created to promote New Deal programs—in this case the Rural Electrification Administration. How does this poster’s simplistic design convey the program’s goal?







## NLRB v. JONES AND LAUGHLIN STEEL CORP. (1937)

**ORIGINS OF THE CASE** In 1936, the Jones and Laughlin Steel Corporation was charged with intimidating union organizers and firing several union members. The National Labor Relations Board (NLRB) found the company guilty of “unfair labor practices” and ordered it to rehire the workers with back pay.

**THE RULING** The Supreme Court ruled that Congress had the power to regulate labor relations and confirmed the authority of the NLRB.

### LEGAL REASONING

In the 1935 National Labor Relations Act, or Wagner Act, Congress claimed that its authority to regulate labor relations came from the commerce clause of the Constitution. Jones and Laughlin Steel argued that its manufacturing business did not involve interstate commerce—it operated a plant and hired people locally.

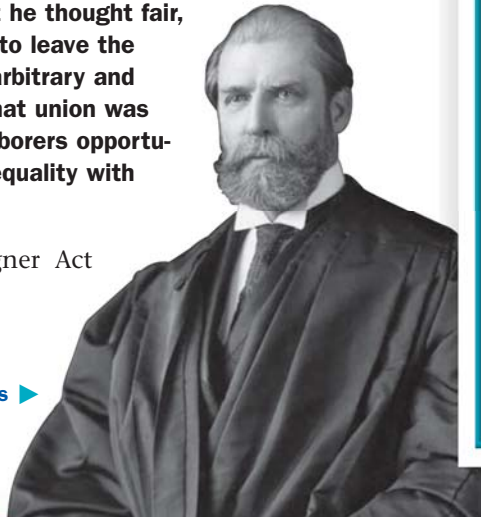
The Court disagreed. Although production itself may occur within one state, it said, production is a part of the interstate “flow of commerce.” If labor unrest at a steel mill would create “burdens and obstructions” to interstate commerce, then Congress has the power to prevent labor unrest at the steel mill.

The Court also explained that the act went “no further than to safeguard the right of employees to self-organization and to select representatives . . . for collective bargaining.” Departing from earlier decisions, the Court affirmed that these are “fundamental” rights.

“Long ago we . . . said . . . that a single employee was helpless in dealing with an employer; that he was dependent . . . on his daily wage for the maintenance of himself and family; that, if the employer refused to pay him the wages that he thought fair, he was . . . unable to leave the employ and resist arbitrary and unfair treatment; that union was essential to give laborers opportunity to deal on an equality with their employer.”

As a result, the Wagner Act was allowed to stand.

Chief Justice Charles  
Evans Hughes ▶



### LEGAL SOURCES

#### LEGISLATION

##### U.S. CONSTITUTION, ARTICLE 1, SECTION 8 (COMMERCE CLAUSE)

“The Congress shall have Power . . . To regulate Commerce with foreign Nations and among the several States.”

##### NATIONAL LABOR RELATIONS ACT (1935)

“The term ‘affecting commerce’ means . . . tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.”

“It shall be an unfair labor practice for an employer . . . to interfere with, restrain, or coerce employees in the exercise of the rights [to organize unions].”

#### RELATED CASES

##### SCHECHTER POULTRY CORP. v. UNITED STATES (1935)

The Court struck down the National Industrial Recovery Act, a key piece of New Deal legislation.





◀ Choosing to work despite the strike, a storekeeper at the Jones and Laughlin Steel Corporation tries to pass through picket lines.

## WHY IT MATTERED

The 1935 Wagner Act was one of the most important pieces of New Deal legislation. Conservative justices on the Supreme Court, however, thought New Deal legislation increased the power of the federal government beyond what the Constitution allowed. By the time the Jones and Laughlin case reached the Court in 1937, the Court had already struck down numerous New Deal laws. It appeared to many as if the Wagner Act was doomed.

In February 1937, Roosevelt announced a plan to appoint enough justices to build a Court majority in favor of the New Deal. Critics immediately accused Roosevelt of trying to pack the Supreme Court, thus crippling the Constitution's system of checks and balances.

Two months later, the Court delivered its opinion in *Jones and Laughlin* and at about the same time upheld other New Deal legislation as well. Most historians agree that the Court's switch was not a response to Roosevelt's "Court-packing" plan, which already seemed destined for failure. Nevertheless, the decision resolved a potential crisis.

## HISTORICAL IMPACT

The protection that labor unions gained by the Wagner Act helped them to grow quickly. Union membership among non-farm workers grew from around 12 percent in 1930 to around 31 percent by 1950. This increase helped improve the economic standing of many working-class Americans in the years following World War II.

Most significantly, *Jones and Laughlin* greatly broadened Congress's power. Previously, neither the federal nor the state governments were thought to have sufficient power to control the large corporations and holding companies doing business in many states. Now, far beyond the power to regulate interstate commerce, Congress had the power to regulate anything "essential or appropriate" to that function. For example, federal laws barring discrimination in hotels and restaurants rest on the Court's allowing Congress to decide what is an "essential or appropriate" subject of regulation.

More recently, the Court has placed tighter limits on Congress's power to regulate interstate commerce. In *United States v. Lopez* (1995), the Court struck down a law that banned people from having handguns near a school. The Court said Congress was not justified in basing this law on its power to regulate interstate commerce.

## THINKING CRITICALLY

### CONNECT TO HISTORY

- 1. Developing Historical Perspective** Lawyers for Jones and Laughlin said that the Wagner Act violated the Tenth Amendment. Chief Justice Hughes said that since the act fell within the scope of the commerce clause, the Tenth Amendment did not apply. Read the Tenth Amendment and then write a paragraph defending Hughes's position.

 **SEE SKILLBUILDER HANDBOOK, PAGE R11.**

### CONNECT TO TODAY

- 2. INTERNET ACTIVITY** [CLASSZONE.COM](https://www.classzone.com)

Visit the links for Historic Decisions of the Supreme Court and read the opening sections of *United States v. Lopez*. There, Chief Justice Rehnquist offers a summary of the Court's interpretation of the commerce clause over the years. Summarize in your own words Rehnquist's description of the current meaning of the commerce clause.