

Roosevelt first needed to alleviate the panic via force of personality and construction a program of legislation. Part of his success lied in his personality, as he wanted to take drastic action and projected infectious optimism, and made fireside chats to build public confidence, won respect of many reporters, so many remained unaware that he was paralyzed. Two days after taking office, he proclaimed all American banks close for four days, and this bank holiday created a sense of relief. The Emergency Banking Act was conservative and designed to protect larger banks from being dragged down by weaker ones. The Treasury dept would inspect all banks, provide fed assistance, and reorganize. It was quickly passed, and led to an end in the immediate banking crisis. The economy act was designed to convince the business community that the fed gov was in safe hands, and proposed to balance the fed budget by cutting salaries of gov employees and reducing pensions to veterans, and was quickly passed. He also signed a bill to legalize the manufacture and sale of some beer, eventually repealing prohibition. These were designed to buy time for comprehensive programs, like the Agricultural Adjustment Act, which reduced crop production to end surplus and the downfall of farm prices. The Agricultural Adjustment Administration would tell farmers how much to produce and would pay subsidies for leaving some land idle. A tax on food processing would provide funds for new payments, and prices would be subsidized up to parity. This brought a rise in farm prices, and a stable agricultural economy, though large farmers were favored over small ones. In 1936, the Agricultural Adjustment Act was struck down, since the gov could not require farmers to limit production. The Soil Conservation and Domestic Allotment Act permitted the gov to pay farmers to reduce production so as to conserve soil, and the Court does not interfere. The Resettlement Administration of 1935 and the Farm Security Administration of 1937 provided loans to help farmers with soil, though the Rural Electrification Administration of 1935, which made electric power available to many farmers, was more successful. Since 1931, the Chamber of Commerce had been urging an anti deflation scheme that permitted trade associations to cooperate in stabilizing prices, though antitrust laws forbade this. Roosevelt would relax antitrust provisions in exchange for business leaders recognizing unions and rising incomes. The admin also added a program of public works. The National Industrial Recovery Act was the result of this, and seemed to work well. The National Recovery Administration under Hugh Johnsons established a minimum wage, maximum workweek, and no child labor. He claimed this would raise purchasing power and employment. Johnson negotiated codes setting floors that nobody could lower prices or wages from. Still, the N R A had difficulties. Codes were hastily and poorly written, and could not be administered. Large producers also ensured that regulations would help them and hurt smaller businesses. And codes for prices are sometimes higher than sustainable. Some goals, like Section 7 a of the National Industrial Recovery Act for unions contained no enforcement mechanisms, so it failed. The Public Works Administration which would administer the National Industrial Recovery Act spending programs only let money trickle out, and didn't pump much money into the economy until 1938. The obvious N R A failure was in industrial production declining. In 1935, the Court dealt with violations by the Schechter Brothers, but since they were not interstate commerce they could not be subject to the codes, and the N R A codes were unconstitutional. Roosevelt denounced the justices' interpretation, and was concerned for other New Deal programs, but this did give the New Deal a convenient excuse for ending their failed experiment. The A A A and N R A reflect private economic planning, but some want the gov to plan the economy, with the best success being in the Tennessee Valley Authority. This had to do with public development of water into electric power, in particular, the dam at Muscle Shoals on the Tennessee River in Alabama began in World War One. In 1932, the utility empire of Samuel Insull collapsed, so hostility meant that the public power movement could not be blocked. The Tennessee Valley Authority of 1933 completed the dam and built others for electricity, and would stop the flooding that plagued the valley for centuries, encourage development of local industries, reforestation, and improve farm productivity. This improved water transportation, electricity, and eliminated flooding. And private power rates decline. Still, the region was generally impoverished, and made no effort to challenge customs and racial prejudice. Roosevelt thought the gold standard was an

obstacle to restoring adequate prices, so shifted the gold standard official. This meant little, but the admin experimented in ways of manipulating the value of the dollar, and later establishing a fixed standard of the dollar that reduced gold content substantially from 1932. This created a precedent for fed policies and altered the relationship between public and private sectors without having much impact on the economy. The New Deal also increased fed authority over areas with little regulation. The Glass Steagall Act of 1933 gave the gov authority to curb speculation by banks, established a wall between commercial and investment banking, and the Fed Deposit Insurance Corporation, guaranteeing bank deposits up to two thousand five hundred dollars. Then, in 1935, a banking act transferred authority from the Federal Reserve banks to the Federal Reserve Board. To protect stock market investors, Congress passed the Truth in Securities Act, which required corporations issuing new securities to provide full and accurate information about them to the public. In 1934, the Securities and Exchange Commission was established to police the stock market, which showed how far finances fell from the public estimation. Criminal trials of once respected Wall Street figures eroded the financial community further. One of Roosevelt's first acts was the Federal Emergency Relief Administration, which propped up bankrupt relief agencies, led by Harry Hopkins, who disbursed grants widely and rapidly. However, they felt more comfortable with work relief. The Civil Works Administration put more than 4 million people to work on temporary projects, pumping money into the economy. Roosevelt's favorite was the Civilian Conservation Corps, which created camps in national parks and forests, though women were largely excluded, and men were segregated. The Farm Credit Administration then refinanced a fifth of farm mortgages. The Frazier Lemke Farm Bankruptcy Act let farmers regain land after foreclosure, though many still lost their land. Then the Home Owners Loan Corporation refinanced mortgages, and the Federal Housing Administration insured mortgages for new construction and home repairs.

Roosevelt was an extremely popular president, yet how the Depression did not seem to be over led to criticism of the New Deal. In the spring of 1935, he launched the Second New Deal. Some critics were right conservatives, and Roosevelt tried to conciliate them and business leaders, but it is clear that the right and business are hostile to the New Deal. The American Liberty League, originally opposing prohibition, was reshaped to oppose the New Deal, but didn't expand the constituency beyond northern industrialists. Left critics, like Communists and Socialists, do not attract much support. However, dissident political movements do. Dr Francis Townsend led a movement for fed pensions from elderly, which attracts support. The Townsend plan was defeated in Congress, but built support for the Social Security System, approved in 1935. Father Charles Coughlin was a catholic priest with greater renown, and was later known for fascism and antisemitism. He advocated for changing banking and currency systems with remonetizing silver, issuing greenbacks, and a national banking system, and launched the National Union for Social Justice. The most alarming was Senator Huey Long, who was progressive, and briefly supported Roosevelt. He proposed the Share Our Wealth Plan with wealth redistribution, guaranteeing an annual wage. The Share Our Wealth Society was established. The Second New Deal, launched 1935, was to respond to politics and economics, and showed a shift in attitude towards big business by being willing to attack corporates more openly. The Holding Company Act of 1935 was a result of it, though it is limited by lobbying by utility companies. Roosevelt established the highest and most progressive peacetime tax rates in history, though with limited effect. The National Labor Relations Act of 1935, also called the Wagner Act, let the National Labor Relations Board compel employers to recognize and bargain with unions, though Roosevelt was not too happy with this. The powerful trade union movement of the 1930s was one of the most important social and political developments of the decade, occurring because of the government and American workers. Militancy was obvious in 1934 with more assertiveness, but they still needed legal protection, but the Wagner Act meant that organizations gained strength. The A F L was committed to craft unions, but then industrial unionism challenged this by saying that all workers in an industry should be in a single union, regardless of exact function. The A F L

mostly opposed this. John Lewis, leader of the United Mine Workers, tried to work with the A F L but failed, and created the Committee on Industrial Organization, renamed the Congress of Industrial Organizations and rivaled the A F L, with Lewis as president. They are more receptive to women and blacks, and more militant, for by 1936, they were engaged in major battles with automobile and steel industries. United Auto Workers made little progress. Their sit down strike, however, ignored court orders and police efforts, and then the fed gov refused to intervene for the employers, making General Motors the first major manufacturer to recognize the U A W. Sit down survives briefly and was a bit illegal. In 1936, the Steel Workers Organizing Committee, later called the United Steelworkers of America, began a major strike. In 1937, U S Steel recognized the union, but the smaller companies, known as little steel, were less accommodating. On Memorial Day 1937, striking workers gathered for a picnic and march peacefully, but the police open fire, making this the Memorial Day Massacre, but it failed. However, in 1937, 80 percent of strikes settled in favor of unions, and by 1941, more than 10 million people were members of unions. The Social Security Act, passed in 1935, provided some assistance for those presently destitute and created a pension system with a payroll tax that would not provide income until retirement, but many domestic servants and agricultural workers, so many women and minorities, were excluded. But this was the nation's most important social program for the elderly. It also created unemployment insurance, which employers would finance, therefore making it possible for those laid off to receive some gov assistance, and later established aid for people with disabilities or dependent children. Social Security wants insurance, not welfare. And the largest programs were similar to insurance. But it provided considerable need based assistance, and was for long range goals. The Works Progress Administration, under Harry Hopkins, was to fulfill immediate needs. It was much larger in size and budget than earlier work relief agencies. The Federal Writers Project gave unemployed writers the opportunity to do work for a gov salary, and there were similar projects for arts, music, and theatre. The National Youth Administration gave work and scholarship assistance to high school and college aged people. The Emergency Housing Division sponsored public housing. Overall, for men, the government concentrated on work relief, like the C C C, the C W A, and the W P A, and to a lesser extent, Social Security. Aid for women was mostly cash assistance, like in the Aid to Dependent Children of Social Security, which reflects that men think they are the bulk of the paid workforce. In the 1936 election, Republicans nominated Alf Landon, who had a weak campaign, since Huey Long, an effective leader, was assassinated. And Father Coughlin, Dr. Townsend, and Gerald Smith, who was a henchmen of Huey Long, join forces to create the Union Party, which nominated William Lemke for president. This was the greatest landslide in history at that point, and Democrats further increased majorities. This showed the party realignment, as Democrats now controlled western and southern farmers, the urban working class, poor and unemployed, black communities in the North, traditional progressives, and committed liberals, which was most of the electorate, so it would be a while until the Republican Party could create a lasting coalition.

After the 1936 election, Roosevelt was still popular, but the New Deal faced serious difficulties because of opposition, political errors, and economic setbacks. He wanted to do something about the supreme court, which was made up of conservatives that threatened legislation. In 1937, he proposed an overhaul of the fed court system, including adding more judges. He claims that the courts were overworked and needed new manpower and ideas. This court packing plan is disliked by conservatives, but had the Court itself not intervened, it would have passed. The Court upheld a state minimum wage law, the Wagner Act, and validated the Social Security Act, making it seem moderate, and making the Court no longer an obstacle to Roosevelt. Still, the south Democrats and conservatives more often vote against Roosevelt's measures. By 1937, the G N P had risen, so Roosevelt wants to balance the fed budget because inflation, not depression, is a problem. He cut the W P A in half, laying off many and causing the boom to collapse. More cuts follow, and more lose jobs. This recession of 1937 was also called

Roosevelt's recession, but it seemed to be because spending was not reduced. So in 1938 he asked for more money for public works and relief programs, causing a recovery. Younger, antimonopolist liberals cause Roosevelt to ask for a commission to consider reforming antitrust laws, so the Temporary National Economic Committee happened. And Thurman Arnold was appointed head of the Justice Department's antitrust division. The Fair Labor Standards Act in 1938 established a national minimum wage and forty hour workweek with restrictions on child labor, but first excluded most women and minorities. Still, by 1938, the New Deal ended because Congress made it difficult to enact programs, and Roosevelt is more concerned with upcoming war than reform.

Roosevelt's major critics accused him of abandoning the Constitution by establishing tyranny, and later pointing out the problems unsolved and groups unrepresented. Then, in the early twenty first century, conservatives attack the new deal. In 1933, there were dreams of remaking capitalism to create a harmonious, ordered economic world, but they created something that was quite different, and accepted this. This became known as the broker state. Instead of harmony, the real achievement was elevating and strengthening new interest groups so that they can compete in the national marketplace. The federal government became a mediator in competition. In 1933, only corporate interests had power, but by the end of the 1930s, there was a labor movement, agriculture, and consumers. Later, the broker state would embrace racial, ethnic, and religious minorities, as well as women. So the federal government became a protector of interest groups and supervisor of competition. The New Deal showed that assistance goes to those who can exercise the political or economic power to demand it, namely farmers and workers, but also homeowners, unemployed, and elderly. But this offered less to those who couldn't demand enough for assistance, making one of the most important limits of the New Deal the modest record for important social groups, like African Americans. While they were not hostile to them, they still did not provide opportunities for them. Eleanor Roosevelt was important for demanding racial justice, and was partially responsible for one of the most important events of the decade for blacks. Marian Anderson, a black singer, was denied permission to give a concert in the auditorium of the Daughters of the American Revolution, so Eleanor Roosevelt resigned from the organization, and, with help from Interior Secretary Harold Ickes, allowed her to sing at the Lincoln Memorial, making this one of the first modern civil rights demonstrations. The president appointed a number of black officials, and Robert Weaver, William Hastie, and Mary Bethune created the informal Black Cabinet. In fact, they made efforts to ensure blacks not be excluded from New Deal programs, by 1935, more than a quarter of blacks received government assistance. There was also a change in voting behavior, as in 1932, most blacks voted Republican, but by 1936, more than ninety percent voted democrat. They supported Roosevelt, but did not think that the New Deal was any sort of turning point. The president would not make lynching a federal crime, nor endorse efforts to ban the poll tax. And relief agencies reinforced discrimination. The CCC had separate black camps, NRA paid blacks less, and TVA largely excluded blacks. The Federal Housing Administration refused mortgages to blacks moving into white neighborhoods and public housing projects were segregated. The WP A put minorities into the least skilled and lowest paying jobs. So while the New Deal didn't hurt blacks, it certainly didn't help them. Government policies towards Indians just continued assimilation, but the principal elements showed a different goal because of John Collier, the commissioner of Indian affairs. He was committed to the cause of Indians, and was influenced by anthropologists who challenged the inherently savage versus civilized. Collier's legislation was supposed to reverse the pressure to assimilate so that they could live their traditional ways, but not all tribal leaders agreed with Collier, and his beliefs won't find support until the 1960s. The Indian Reorganization Act of 1934 restored the right to own land collectively, which led to an increase in tribal land and Indian agricultural income. However, most land owned was unwanted land by whites, and they were still poor overall. So while the 1930s did not solve the Indian Problem, they did provide some tools for rebuilding the viability of the tribes. While the New Deal was not hostile to women, it did not help them, mainly because that idea didn't have much

widespread support. There were some symbolic gestures, like appointing Secretary of Labor Frances Perkins, the first female cabinet member, and several others to lower positions, who worked to advance women's causes, but were mainly appointed because of Eleanor Roosevelt. Molly Dewson, head of the Women's Division of the Democratic National Committee was influential. Several women in the fed judiciary. Hattie Caraway of Arkansas was the first woman elected to a full term in the Senate. But new deal women had a limited vision of what should happen, seeing as they came from the progressive era, which emphasized special protections, not gender equality. They helped shape the Social Security Act of 1935, but that still emphasized a male dominated economy, as the main part of the bill for women was based on motherhood. So this supported women withdrawing from the workplace so that men could have jobs. The West and South benefited disproportionately from New Deal relief and public works programs. Westerners were eager, but their political leaders weren't always as supportive. State leg in Colorado refused to provide the funds for F E R A relief. When funding was cut and riots happened, state leg did provide the funding. In the South and West, programs did not challenge racial norms. The New Deal was most impactful on the West because of the conditions, as farming was still central. And the largest public works programs, which were dams and power stations, were mainly in the West, since they had the best locations and greatest need. The Grand Coulee Dam was the largest public works project in history to that point, which provided cheap electric power for much of the Northwest and created economic development. Without all of this, the economic development from World War Two would have been extremely difficult or impossible. But this means that the fed gov had a more visible bureaucratic presence in the West than in other regions. There were fewer projects in the South, but economic efforts helped the South most since they were still the least economically developed. Rural electrification provided the countryside with access to power. This also directed attention to the lack of development in the south. Many thought the south was backward because of racism, segregation, and prejudice, but a 1938 report said that the South was the nation's number one economic problem. The most frequent criticism of the New Deal was the failure to fully reform or revive the economy. Gov spending is never fully embraced, and it was only the economic boom from World War Two that ended the crisis. And the New Deal didn't alter the distribution of power beyond a small group of people. Still, it did elevate new groups to where they can challenge corporations, and contributed to the economic development of the West and South. It increased regulatory functions to stabilize some parts of the economy, the stock market and banking system, though these regulations are weakened and repealed in the 1970s and beyond. And the admin established a basis for federal fiscal policy, which provided tools for promoting and regulating economic growth. The New Deal created a basis of the federal welfare state, though limited and reinforcing traditional patterns, but marking a break in reluctance to offer assistance to the needy. The most dramatic effect of the New Deal was on the government and politics. Roosevelt enhanced the fed gov power, and established the presidency as the center of authority in the fed gov. The New Deal also took the weak Democratic party and turned it into a coalition that would dominate national competition for over thirty years, and turned attention away from cultural issues of the 1920s to economic matters. It also created increasing expectations of the gov that were not always fulfilled but became the basis of postwar liberal crusades.