Second New Deal Notes

Background: The First New Deal made Americans more confident about the economic situation, despite the fact that the First New Deal did little to improve the economy. After two years, Americans grew disenchanted with FDR and the New Deal.

Criticism from the Right (Republicans): New Deal imposed too many regulations on businesses and expanded the federal government’s power at the expense of states’ rights. Deficit spending to pay for the New Deal angered those who supported a balanced budget. American Liberty League opposed to the New Deal.

Criticism from the Left (Democrats): Wanted the government to intervene more to shift wealth from the rich to the middle class and poor Americans.

 Huey Long: Senator/governor from Louisiana; had built schools, colleges, hospital,

roads, bridges that made him popular and corrupt; his supporters organized the

“Share Our Wealth” clubs that threatened to run against FDR in 1936

Father Charles Coughlin: Catholic priest in Detroit; had a popular radio show that called

for heavy taxes on the wealthy and the nationalizing of the banking system to make the New Deal reforms more effective

 Dr. Francis Townsend: former public health official that proposed the government pay

citizens over age 60 a pension in order to increase personal spending and remove people from the labor force to free up jobs for the unemployed

Second New Deal Programs in 1935: reaction to failure of First New Deal and growing opposition

Works Progress Administration: new federal agency headed by Harry Hopkins that would spend $11 billion constructing highways, roads, streets, public buildings, parks, bridges, and airports; “Federal Number One” program also payed artists, musicians, theatre people, historians and writers to beautify public buildings and document former slave history

Rural Electrification Administration: brought electricity to isolated agricultural areas

Public Utility Holding Company: eliminated unfair practices and abuses of utility companies

Banking Act: strengthened the Federal Reserve

Resettlement Act: assisted poor families and sharecroppers in beginning new farms or purchasing land

*Schechter vs. United States*: declared the NIRA unconstitutional because Congress did not have the authority to delegate its powers to the executive (president)

National Labor Relations Act (Wagner Act): guaranteed workers the right to organize unions without interference from employers to bargain collectively; set up National Labor Relations Board to organize factory elections by a secret ballot to determine whether workers wanted a union and then certify the union; binding arbitration

Committee for Industrial Organization: set out to organize industrial unions; first focused on automobile and steel industry; results in several sit-down strikes

Social Security Act: major goal was to provide security for the elderly and unemployed workers; provided modest welfare payments to the needy and disabled; monthly retirement benefit which could be collected when they stopped working at age 65; money comes from income taxes