

The “Second” New Deal (1935-1936)

The New Deal was a popular series of laws made to help people during the Great Depression. Historians often say that it had two parts. President Franklin Roosevelt had just taken office in 1933. The First New Deal took place from 1933 to 1934 much of it during the Hundred Days. He passed laws to fix banks and the stock market, and also started programs to put unemployed workers back to work. For the first time, people started to look to the federal government for help with economic problems.

Democrats made large political gains in Congress in 1934. Made more confident by these gains and approaching reelection in 1936 with opposition from both liberals and conservatives, President Roosevelt committed to bold programs. This became a set of laws often called the Second New Deal.

WPA Was Designed to Employ Many People Quickly

The Second New Deal included nearly five billion dollars set aside that in 1935 established a program called Works Progress Administration (WPA). This was a permanent version of the CWA (Civil Works Administration), a program during the First New Deal that had given unemployed Americans mostly short-term construction jobs. The WPA would ultimately employ millions of Americans on public works projects. It would employ "the maximum number of persons in the shortest time possible," Roosevelt said.

Americans employed by this program paved more than 500,000 miles of roads, constructed thousands of bridges, built schools and post offices, and even painted murals and recorded oral histories. The program built much of America's physical infrastructure.

Also in 1935, Roosevelt hoped to bring back some of the protections given to workers. Roosevelt worked with Congress to pass the National Labor Relations Act (known as the Wagner Act after New York Senator Robert Wagner). This act offered legal protection, for the first time, for workers to create unions. A union is when a group of workers organizes to fight for better rights, pay and work conditions. These protections were

revolutionary. In northern industrial cities, workers responded to conditions that were getting worse by grouping together and demanding better rights.

Unions Win Battles, Recognition

John L. Lewis was the head of the United Mine Workers. In 1935, he helped form a new organization called the Congress of Industrial Organizations (CIO), a national workers' union. The CIO won a major victory in 1937 when partnered members in another union, the United Automobile Workers (UAW), went on strike for recognition, better pay and better hours at a General Motors (GM) car plant in Flint, Michigan. Launching a "sit-down" strike, the workers remained in the building, refusing to work until management agreed to talk with them. GM recognized the UAW, which means the company agreed to let the union exist and also gave a pay increase. This gave the UAW new legitimacy, which means more recognition from people everywhere. Unionization spread quickly across the automobile industry.

Across the country, workers used the New Deal to organize unions and win better pay and working conditions. Three years after the NLRA, Congress passed another law called the Fair Labor Standards Act, which started the modern minimum wage. This is a law that says that an employer cannot pay a worker less than the hourly amount set by the federal government. In addition to establishing a minimum wage, the Fair Labor Standards Act set a 40 hour work week and ended child labor.

The Second New Deal also brought back higher federal income taxes for people who make more money. It also required companies that are traded on the stock market to report on their business practices. It made home loans easier for struggling homeowners to pay at rates they could afford. It also attempted rural reconstruction projects to help farms pay higher wages. Perhaps the most well-known piece of Roosevelt's Second New Deal, however, was the Social Security Act. It provided for old-age pensions, which means guaranteed income for elderly and retired people. It also provided unemployment money to help people who lost jobs, and economic aid to children in need.

"No Dole," Roosevelt Said

In America, these were revolutionary ideas. The president was careful to minimize the problems that some people had with them. He specifically made sure that Social Security be paid into from employee and employer payroll, not the federal government. "No dole," Roosevelt said repeatedly, "mustn't have a dole." A dole is free money given by the government.

While this saved the program from suspicions of being just government handouts, Social Security became the centerpiece of the modern American social welfare state. A welfare state is when a government agrees to provide basic economic security to citizens, for example, if someone is sick or injured and can't work, or for retired people. The New Deal committed the nation to the idea that the federal government had responsibility for the national welfare. This was an answer to the calls of Roosevelt's progressive opponents for reform, and a response to the poverty among America's neediest groups. This was also a recognition that the government would have some responsibility for the economic well-being of its citizens.

Social Security Excluded or Left Out Workers Paid In Cash

Nevertheless, the law excluded large parts of the American population. Social Security excluded people who were paid in cash, and not on a payroll, such as those who work in homes and farm workers. This policy disproportionately affected Black workers in America. Roosevelt recognized that Social Security's programs would need expansion and improvement. "This law," he said, "represents a cornerstone in a structure which is being built but is by no means complete."

Use information from the article to answer the question: "Was the New Deal a good deal?"