

Challenges to the New Deal

by Sophia



WHAT'S COVERED

During the First New Deal, a significant amount of legislation was enacted to address the Great Depression, but that did not mean that the Roosevelt administration was immune from criticism from both the Right and the Left. Herbert Hoover and other conservatives were troubled by Roosevelt's expansion of federal spending—and influence. Many liberals argued that the New Deal did not do enough to help those in need.

A Second New Deal, which was focused on reforming American society, widened partisan divisions and made permanent changes to the welfare state.

This tutorial examines challenges to the New Deal in three parts:

1. Criticism From All Sides

Although many Americans supported **Franklin Delano Roosevelt's** efforts to end the Great Depression, the New Deal received significant criticism from all sides.



PEOPLE TO KNOW

Franklin Delano Roosevelt

Democratic president who led the United States from 1933 to 1945 and navigated the country through the crisis of the Great Depression and World War II.

Conservative organizations and individuals, including trade associations, wealthy citizens, and Republicans (like Herbert Hoover), opposed the New Deal. They claimed it undermined traditional values (e.g., small government, individualism, and democracy). Some of them even attacked Roosevelt personally, claiming that he lacked character.

➞ **EXAMPLE** The National Association of Manufacturers, which represented a number of business organizations, urged businessmen to ignore the “codes of fair practice” mandated by the National Recovery Administration (NRA).

Former President Hoover, in a speech to the Republican National Convention in the summer of 1936, defined the New Deal as follows:

Herbert Hoover, Republican National Convention Speech, 1936

“To some people it appears to be a strange interlude in American history in that it has no philosophy, that it is sheer opportunism, that it is a muddle of a spoils system, or emotional economics, of reckless adventure, of unctuous claims to a monopoly of human sympathy, of greed for power, of a desire for popular acclaim and an aspiration to make the front pages of the newspapers

To other people, it appears to be a cold-blooded attempt by starry-eyed boys to infect the American people with a mixture of European ideas, flavored with our native predilection to get something for nothing.

You can choose either one you like best. But the first is the road of chaos which leads to the second. Both of these roads lead over the same grim precipice that is the crippling and possibly the destruction of the freedom of men.”



THINK ABOUT IT

What do you think Hoover was referring to when he spoke of “a mixture of European ideas” infecting Americans?



BRAINSTORM

Think back to Hoover’s belief in individualism and voluntarism. In what ways did he see the New Deal undermining those values?

OLIVER TWIST



As this political cartoon by Joseph Parrish, published in a 1937 issue of the *Chicago Tribune*, shows, conservatives were concerned that President Roosevelt was using levels of executive power previously unheard of to lift the country out of the Great Depression.

Liberal critics of the New Deal felt that it did not do enough to help particular groups of Americans. They proposed different solutions to the crisis, as shown in the table below:

Critic of

the New Deal	Proposed Solution to the Crisis
Dr. Francis E. Townsend	<ul style="list-style-type: none"> • He was a retired dentist from California. • He proposed a pension plan for the elderly. The Townsend Plan recommended paying \$200 per month to every citizen over the age of 60 who retired from work, provided that they spent the money in 30 days.
Father Charles Coughlin	<ul style="list-style-type: none"> • He was a “radio priest” from Michigan. • He created the National Union for Social Justice and used his weekly radio show to argue that the New Deal fell short in its defense of labor, monetary reform, and the nationalization of key industries.
Upton Sinclair	<ul style="list-style-type: none"> • He authored <i>The Jungle</i>. • He ran for governor of California in 1934 in a campaign known as “End Poverty in California.” Sinclair called for a progressive income tax, a pension program for the elderly, and the state seizure of factories and farms that did not pay property taxes. The state would then establish cooperatives that provided jobs to the unemployed on those farms and factories.
Huey P. Long	<ul style="list-style-type: none"> • He was from Louisiana (pictured below). • He proposed the “Share Our Wealth” program, which would take money from the richest Americans to fund direct payments to the less fortunate. He envisioned payments of \$5,000 to every family and \$2,500 to every worker, as well as funding for elderly pensions and education.



PEOPLE TO KNOW

Dr. Francis E. Townsend

A retired dentist from California who proposed a pension plan for elderly Americans known as the Townsend Plan, which recommended a payment of \$200 per month to citizens over the age of 60.

Father Charles Coughlin

A “radio priest” from Michigan who used his weekly radio show to criticize the New Deal from the Left, arguing it fell short in its defense of labor, monetary reform, and the nationalization of key industries.

Upton Sinclair

Muckraking journalist and novelist whose 1905 book *The Jungle* exposed the deplorable working conditions and sanitation in the meatpacking industry, leading to the passage of the Meat Inspection Act (1906) and the Pure Food and Drug Act (1906).

Huey P. Long

Popular but controversial Democratic governor of Louisiana who proposed the “Share Our Wealth” program, in which he promised to redistribute money from the richest Americans to those less fortunate.

Of these critics, Long was the most serious threat to President Roosevelt. Despite the questionable math of his “Share Our Wealth” program, which many economists believed was unworkable, Long gained a significant

following. Had he not been assassinated by the son-in-law of a political rival in the fall of 1935, Long likely would have been a contender (running against Roosevelt) for the 1936 Democratic presidential nomination.

The most crushing blow to the First New Deal did not come from Long, Hoover, or any of the critics mentioned above. In May 1935, the Supreme Court, dominated by conservative justices, ruled unanimously that the **National Industrial Recovery Act** (NIRA) was unconstitutional. The **Agricultural Adjustment Act** (AAA) was overturned by the Supreme Court in January 1936.



TERMS TO KNOW

National Industrial Recovery Act

Encouraged businesses and industries to work together to establish codes of fair competition, including price-setting and minimum-wage guidelines.

Agricultural Adjustment Act

Established production quotas for certain crops to stabilize and increase prices; paid farmers not to produce more.

With respect to both acts, the Supreme Court ruled that the federal government, particularly the executive branch, had exceeded its authority by attempting to establish business codes and set production quotas.



Huey P. Long was the charismatic Democratic governor of Louisiana from 1928 to 1932. His administration built roads, schools (which provided free textbooks), and hospitals while increasing taxes on the state's oil companies. In 1932, Long was elected to the U.S. Senate and became a serious rival to Roosevelt in the Democratic Party.

2. The Second New Deal

Roosevelt recognized that some of the criticism of the New Deal was valid, but he was frustrated by the Supreme Court's rulings on NIRA and AAA. Beginning in the summer of 1935, he launched another wave of legislation that came to be known as the Second New Deal.

One of the most significant components of the Second New Deal was the expansion of work relief programs through the **Works Progress Administration** (WPA).



TERM TO KNOW

Works Progress Administration

A public work relief program that provided jobs for over 8 million Americans between 1935 and 1943. The WPA continued the work of the Civil Works Administration (which was disbanded in January 1934) by funding the construction of more than 2,500 hospitals, 5,900 schools, 570,000 miles of road, and more.

Through the Federal One Project, the WPA provided federal support for the arts by employing approximately 40,000 artists, writers, and researchers in theater, art, music, and writing projects. WPA writers and artists

produced guidebooks, concerts, and dramatic performances across the country. The project also funded the collection of oral histories, including those of formerly enslaved people.



DID YOU KNOW

The “Born in Slavery: Slave Narratives from the Federal Writers’ Project” initiative, which took place between 1936 and 1938, collected first-person accounts from approximately 2,300 formerly enslaved people.

Additional Resource

Explore the [Library of Congress](#)’s audio collection of these narratives collected by the Federal Writers’ Project of the WPA during the Great Depression.

WPA artists painted murals in post offices and other public buildings throughout the United States.

During the Second New Deal, the Roosevelt administration established the foundations of the present-day welfare state by enacting the **Social Security Act** of 1935.



TERM TO KNOW

Social Security Act

Created a series of public programs designed to help those most vulnerable—the unemployed, the elderly, unwed mothers, and the disabled—through various pension, insurance, and aid programs.

The Social Security Act established a pension fund for all retired people over the age of 65. Social Security was to be funded by a payroll tax on both employees and employers. The act also included an unemployment insurance program to be funded by a tax on employers. Additionally, it was created to support programs for unwed mothers and the disabled that would be funded by the federal and state governments.



DID YOU KNOW

Domestic workers (most of whom were female)



A photograph of a Works Progress Administration (WPA) road development project.



and agricultural laborers were originally excluded from the benefits provided through the Social Security Act. Since many African Americans were employed in these two occupations, the exclusion prevented 65% of Black workers from qualifying for Social Security benefits. Also, 27% of White workers were excluded.

To benefit industrial workers, Roosevelt signed into law the **National Labor Relations Act**, also known as the Wagner Act (named for its sponsor, Senator Robert Wagner of New York).

Painted by artists funded by the Federal One Project, this section of “Ohio,” a mural in the post office in Bellevue, Ohio, illustrates a busy industrial scene. Artists painted the communities in which they lived, depicting farms, factories, urban life, harvest celebrations, and more.

Source: WPA.



TERM TO KNOW

National Labor Relations Act

Created the National Labor Relations Board (NLRB) to protect the American workers’ ability to unionize, bargain collectively, and ensure their grievances were heard.

The protections previously afforded to labor under NIRA were lost when the Supreme Court ruled that the act was unconstitutional. Roosevelt supported the National Labor Relations Act to protect vulnerable workers, and, in 1937, the court upheld the law. Under the terms of the NLRB, the federal government served as a broker in disputes between labor and capital. The law was strongly supported by labor organizations, and many workers supported Roosevelt’s campaign for reelection in 1936. This began an era of solid support from organized labor for the Democratic Party.

3. The New Deal and the Democratic Party

The impact of the New Deal can be seen, in part, in the vast increase in federal power. During President Roosevelt’s administration, the federal government assumed responsibility for the nation’s economic stability and prosperity. By establishing programs for welfare and relief, it also assumed responsibility for the well-being of millions of Americans.

The significance of the New Deal can also be seen in the way it reconfigured the Democratic Party. Before the New Deal, the party was dominated by White Southerners and was considered the party of limited government and White supremacy. Under Roosevelt’s leadership, the New Deal broadened the party’s membership.

While measures like the National Labor Relations Act gained the support of organized labor for the Democrats, it took longer for other key constituents of the modern party to become supporters. Before the Great Depression, most Black voters supported the Republican Party because of its role in ending slavery and defending Black freedom during the Civil War and Reconstruction.

Early in the New Deal, liberal critics pointed out that African Americans had been excluded from many assistance programs.

➞ **EXAMPLE** The National Recovery Administration (NRA) was criticized as the “Negro Run Around” or “Negroes Ruined Again” program because it exempted agricultural and domestic employers from the obligation to create “codes of fair practice.”

Roosevelt responded to the criticism by making efforts to implement fair hiring practices for work relief agencies.

➔ **EXAMPLE** The WPA eventually employed 350,000 African Americans annually—almost 15% of its workforce.

This limited response, and others like it, was in part a result of Roosevelt's precarious position in his party. To preserve the coalition of Democrats who supported the New Deal, Roosevelt could not afford to alienate White Southern Democrats who would oppose him if he advocated equal rights.

➔ **EXAMPLE** Although Roosevelt was the first president to publicly speak out against lynching, referring to it as a “vile form of collective murder,” he did not ask Congress to enact an anti-lynching law.

Although his actions were limited, Roosevelt acknowledged the importance of peaceful interracial relations and civil rights. He appointed a number of African Americans to positions in his administration, though most of them served in low-level jobs.

➔ **EXAMPLE** Mary McLeod Bethune, a prominent African American educator, was appointed by Roosevelt as director of the Division of Negro Affairs for the National Youth Administration, which provided work-study jobs to high school and college students.



This photo of Mary McLeod Bethune (second from left) and Eleanor Roosevelt (third from left) was taken at the opening of Midway Hall, a federal residence for female African American government workers.

The president's wife, **Eleanor Roosevelt**, used her position as First Lady to advance the cause of African Americans, women, and the rural poor. For example, she continuously pressured government officials

regarding civil rights issues when her husband was unwilling (or unable) to do so. All of these groups became key constituents of the Democratic Party.



PEOPLE TO KNOW

Eleanor Roosevelt

The wife of President Franklin D. Roosevelt, who used her position as First Lady to champion several causes for African Americans, women, and the rural poor.

➔ **EXAMPLE** Eleanor Roosevelt lobbied for the passage of a federal anti-lynching law, which her husband privately supported but did not publicly endorse.

When the Daughters of the American Revolution (DAR) refused to permit internationally renowned (and Black) opera singer Marian Anderson to perform in Constitution Hall, Mrs. Roosevelt resigned her membership in the DAR and, with assistance from Secretary of the Interior Harold Ickes, arranged for Anderson to give a public concert on the steps of the Lincoln Memorial.



Marian Anderson sings to an audience of 75,000 Black and White listeners at the Lincoln Memorial on April 9, 1939. Note the statue of Abraham Lincoln in the background.

Additional Resource

Listen to “Marian Anderson Performs on the Steps of the Lincoln Memorial, With an Introduction by Harold Ickes, 04/09/1939,” from [Archive.org](https://www.archive.org/details/04091939marianandersonperforms04091939).

The image of Anderson performing a public concert, sponsored by a Democratic administration, in front of Abraham Lincoln—the Republican president who freed enslaved people—reflected a significant change in Black voting during the 1930s. By the end of the decade, many Black voters, especially those in Northern and Western states, left the party of Lincoln for the Democrats.

This transition was due in large part to Franklin Roosevelt, his wife, and other New Dealers who believed that the federal government should be involved in protecting and advancing civil rights. Under Roosevelt’s leadership, the Democratic Party was transformed into an organization that embraced the belief that the government was responsible for providing for the general welfare. In future decades, the Democratic Party worked to extend the government’s reach into other areas of society in an attempt to address economic equality, civil rights, and other issues.



SUMMARY

President Roosevelt received significant criticism from the Right and the Left toward the end of the First New Deal. He responded to it (and to the Supreme Court’s rejection of NIRA and AAA as unconstitutional) by launching a new wave of legislation—the Second New Deal—that created jobs and served as the foundation of a welfare system that continues today. The New Deal redefined the major American political parties. Once the party of small government, the Democratic Party became a promoter of the welfare state. As a result of the efforts of Eleanor Roosevelt and New Dealers, the Democratic Party transitioned from one that sought to preserve White supremacy to one that worked to expand civil rights.

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TERMS TO KNOW

Agricultural Adjustment Act

Established production quotas for certain crops to stabilize and increase prices; paid farmers not to produce more.

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National Labor Relations Act

Created the National Labor Relations Board (NLRB) to protect the American workers' ability to unionize, bargain collectively, and ensure their grievances were heard.

Social Security Act

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Works Progress Administration

A public work relief program that provided jobs for over 8 million Americans between 1935 and 1943.



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