

Chapter 10 Lesson 3

The New Deal Coalition

FDR's Second Term

FDR wins in a landslide against the Republican candidate, Alfred Landon. This was not unexpected because many people felt that the New Deal and FDR had given them jobs, saved their home and protected their bank account. FDR and the Democratic party had begun to create a political coalition that included the white South, African Americans, immigrants, workers, farmers, women, progressives and intellectuals.

Court Packing:

The Supreme Court was beginning to challenge some of FDR's New Deal programs. In January of 1936, the SC struck down the AAA as unconstitutional and there were pending cases involving the Social Security Act and the Wagner Act. FDR was furious with the court and concerned that other acts and programs could be struck down. In response FDR sends a bill to Congress that would allow him to add to the number of justices on the SC. This would allow FDR to pack the court with his nominees. The bill was killed in Congress and many groups had opposed for a variety of reasons. In time FDR achieved his desire to have the SC become more supportive of the New Deal (he served many years and justices did retire). The court packing episode hurts his reputation and leads Republicans and conservative Democrats to work together to block future New Deal legislation.

The Recession of 1937

- 1) The economy seemed to be improving, production was back to pre-depression levels, confidence rose
- 2) FDR cut back on programs like the WPA and the PWA to prevent the massive increase to the US debt
- 3) At the same time the first payroll tax for SS came out of checks
- 4) The economy went downward again and about 2 million were out of work
- 5) Led to a belief in Keynesian economics (government should spend nation out of recession)
- 6) FDR hesitant to begin deficit spending
- 7) With no end in sight FDR asks Congress to supply billions for the WPA, PWA and other programs

The New Deal Ends

The Last New Deal Reforms

- 1) National Housing Act—established the United States Housing Authority--\$ to subsidize loans for low cost housing
- 2) Farm Security Administration—loans to tenant farmers so they could buy farms
- 3) Fair Labor Standards Act—abolished child labor, limited workweek to 44 hours, 1st minimum wage at .25 an hour

In the elections of 1938, the Republicans won back seats in Congress. They combined with Southern Democrats to block New Deal legislation. This effectively ended the New Deal by 1939.

The Legacy

- 1) The New Deal did not end the Depression
- 2) It gave Americans hope, optimism and a sense of security
- 3) The federal government increased its influence and control of the economy
- 4) Government seen as a broker state (works out conflicts between competing interests)
- 5) New public attitude government
- 6) Safety net
- 7) Ongoing debate about the size and scope of government involvement in the economy