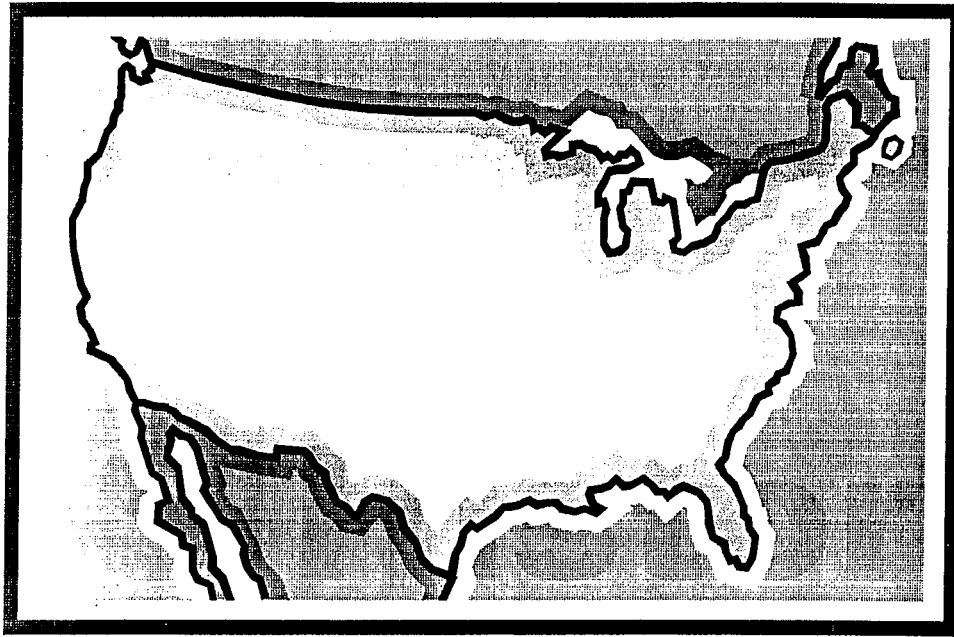


# **US History**



## **Chapter 23: The New Deal 1933-1940**

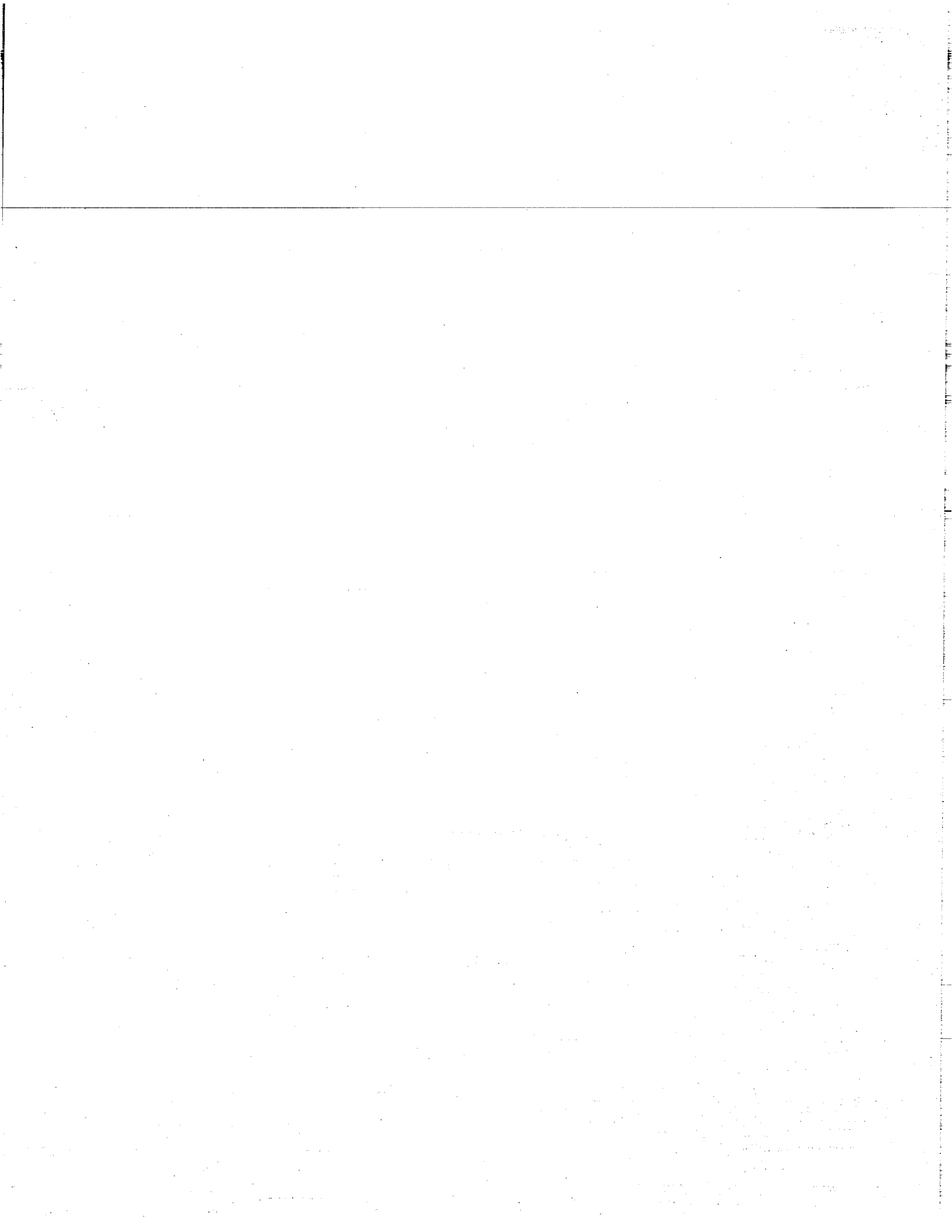
**Section 1: A New Deal Fights the Depression**

**Section 2: The Second New Deal Takes Hold**

**Section 3: The New Deal Affects Many Groups**

**Section 4: Culture in the 1930s**

**Section 5: The Impact of the New Deal**



# Chapter 23: The New Deal

## 1933-1940

### Section 1: A New Deal Fights the Depression

Franklin Delano Roosevelt \_\_\_\_\_

New Deal \_\_\_\_\_

Glass-Steagall Act \_\_\_\_\_

Federal Securities Act \_\_\_\_\_

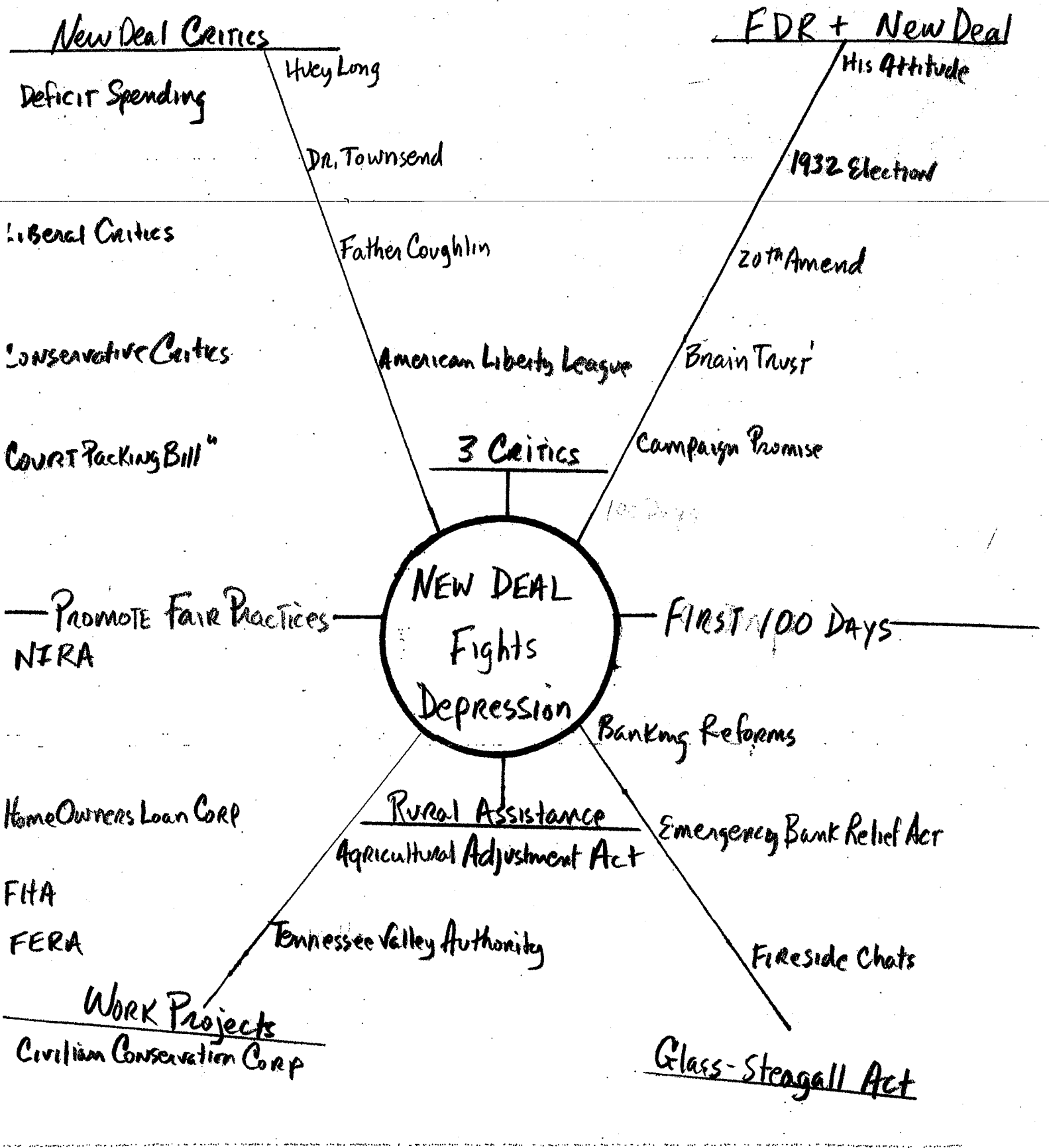
Agricultural Adjustment Act (AAA) \_\_\_\_\_

Civilian Conservation Corps (CCC) \_\_\_\_\_

National Industrial Recovery Act (NIRA) \_\_\_\_\_

deficit spending \_\_\_\_\_

Huey Long \_\_\_\_\_



National Industrial Recovery Act

Fed Securities Act

21 Amendment

## Section 2: The Second New Deal Takes Hold

Eleanor Roosevelt \_\_\_\_\_  
\_\_\_\_\_

Works Progress Administration (WPA) \_\_\_\_\_  
\_\_\_\_\_

National Youth Administration \_\_\_\_\_  
\_\_\_\_\_

Wagner Act \_\_\_\_\_  
\_\_\_\_\_

Social Security Act \_\_\_\_\_  
\_\_\_\_\_

Social Security Act

2nd 100 Days

Old Age Insurance

Doethea Lange

Unemployment Compensation

Eleanor Roo

Eleanor Roosevelt

Aid to families

1936 Election! Alf Landon

Regulating Utilities

National Labor Relations Board

Second  
NEW  
DEAL

Helping Farmers

Soil Conservation Domestic Allotment Act

Fair Labor Standards Act

Relief Extended

Agricultural Adjustment Act

WORKS Progress Adm

National Youth Adm

Labor + Other Reforms

Resettlement Adm.

Wagner Act

### **Section 3: The New Deal Affects Many Groups**

Frances Perkins \_\_\_\_\_

Mary McLeod Bethune \_\_\_\_\_

John Collier \_\_\_\_\_

New Deal coalition \_\_\_\_\_

Congress of Industrial Organizations (CIO) \_\_\_\_\_

Labor Unions Flourish

New Opportunities

Wagner Act

Women

Minority Support

AFL

New Deal laws = Mixed Results

URBAN Support

Congress of Industrial Organizations

1936 Election

Labor Disputes

Criticism of Women

New Deal Coalition

NEW  
DEAL  
AFFECTS  
MANY

African American Activism

Mary McLeod Bethune

Lobo

Mexican-Americans

NYA

Black Cabinet

Marian Anderson

Native Americans

FDR's Civil Right Record

John Collier

Democratic Voters in South

Economic

Cultural

Southern Tenant Farmers Union

Political



## Section 4: Culture in the 1930s

*Gone With the Wind* \_\_\_\_\_

Orson Welles \_\_\_\_\_

Grant Wood \_\_\_\_\_

Richard Wright \_\_\_\_\_

*The Grapes of Wrath* \_\_\_\_\_

1939 The Grapes of Wrath

John Steinbeck

Motion Pictures + Radio

James T. Farrell

Jack Conroy

MOVIE SUCCESSES

Legacy



Diverse Writers

WPA

Radio Entertains

Richard Wright

ARTISTS Decorate America

ORSON WELLS

Diego Rivera

Grant Wood + American Gothic

Woody Guthrie

The Art IN Depression

## Section 5: The Impact of the New Deal

Federal Deposit Insurance Corporation (FDIC) \_\_\_\_\_

Securities and Exchanges Commission (SEC) \_\_\_\_\_

National Labor Relations Board (NLRB) \_\_\_\_\_

parity \_\_\_\_\_

Tennessee Valley Authority (TVA) \_\_\_\_\_

Banking + Finance

New Deal Reforms Endure

SEC

Legacy

3rd New Deal?

FDIC

TVA

Deficit Spending

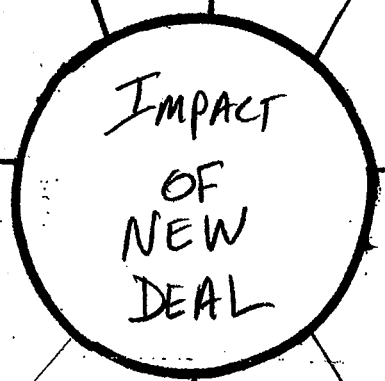
Social Security

Conservation:

Pressure to Scale Back

Rural Scene

The Environment



Protecting Workers' Rights  
Wagner Act + Fair Labor Standards Act

SUPPORTERS

National Labor Relations Board

Expanding Govt's Role

Fed Deposit Insurance Corp

Securities + Exchange Commission

Federal Debt + Deficit

CRITICS

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## *Schechter Poultry Corp. v. United States (1935)*

### *Vocabulary*

**executive order** A regulation or order issued by the President to enforce a treaty or law; it does not require congressional approval but has the force of law.

**interstate commerce** The transaction of business or trade across state lines, as opposed to business transacted within one state.

### *Reviewing the Case*

To overcome the hardships of the Great Depression, Franklin D. Roosevelt promised to use the weight of the national government to remedy the country's problems. After his election as President in 1932, he brought in a sweeping program of changes that became known as the New Deal. Its programs aimed at relief for the poor and unemployed, economic recovery, and reforms in the economic structure.

Some New Deal legislation was aimed at helping specific sectors of the economy recover from the Depression. One major program was the National Industrial Recovery Act which created the National Recovery Administration, usually called the "NRA." The act gave considerable power to the executive branch. It asked each area of industry to set up codes of fair competition that would be approved by the President by **executive order**. The code for a given industry might include, for example, wage and price scales, limits on working hours, and restrictions on certain trade practices. The purpose of the codes was to ensure that fair competition would exist in all areas so that all businesses would be able to recover. There were both civil and criminal penalties for ignoring the codes.

The NRA encountered opposition and problems. Some critics felt the restrictions hindered recovery rather than helping it. Some found the regulations burdensome and ignored them.

Among those who ignored the law were the Schechter brothers, who were poultry dealers in New York City. Their company, A.L. Schechter Poultry Corp., bought live poultry shipped in from various states for sale in New York City. The Schechters purchased, slaughtered, and sold their product within the city of New York. They disregarded the codes of fair competition in order to sell below the price of their competitors and increase their profits.

The company was charged and convicted in the district court in New York on eighteen counts of violating the NRA Live Poultry Code. The Schechters had violated the code for hours and wages: a maximum of 40 hours a week, a minimum of 50 cents an hour. They had also violated the code on selling practices, filing reports, and even selling diseased and uninspected chickens. This last violation gave the case the popular nickname of the "Sick Chicken Case."

The Schechters appealed their conviction to the circuit court of appeals. They argued that the NRA codes amounted to delegation of legislative power by Congress. They also said that their business took place within New York and so was not subject to the rules for **interstate commerce**. The court of appeals upheld all the charges except the violation of wages and working hours. Both sides appealed the case to the United States Supreme Court.

The issues before the Court: Can Congress delegate its legislative power to allow the President power over industry codes? Can Congress regulate this poultry company as part of its power over interstate commerce?

The Supreme Court essentially said "no" to both questions. It overturned all the lower court convictions. The justices ruled unanimously that Congress could not constitutionally delegate such extensive lawmaking powers to the executive branch. Congress had also given too much legislative freedom to the

industry associations that made up the codes. The Court said that Congress should have set up more detailed standards for industries. Under this part of the decision, the NRA system of industry codes was unconstitutional. Even justices who supported other New Deal legislation voted against the NRA. Writing for the entire Court, Chief Justice Charles Evans Hughes said:

Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary conditions do not create or enlarge constitutional power. The Constitution established a national government with powers deemed to be adequate, as they have proved to be in both war and peace, but these powers of the national government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that different power is necessary.

The Court further ruled that the company's business activity did not fall under the authority of Congress's authority to regulate interstate commerce. Although the chickens were shipped from different states, the Schechters purchased, processed, and sold them within New York State. As the Court put it, the chickens "had come to a permanent rest within the state." They were no longer part of interstate commerce. Chief Justice

Hughes explained what the justices found to be specifically wrong with the NRA:

... Paragraph 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry or activity. . . . Instead of prescribing rules of conduct, it authorizes the making of codes to prescribe them. . . . In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power.

The result of this decision was to declare the entire National Industrial Recovery Act unconstitutional. On the same day as the Schechter decision, the Court also found two other New Deal measures unconstitutional. A few days later, President Franklin D. Roosevelt attacked the Court's "horse and buggy" interpretation of the Constitution.

The decision worsened relations between the President and the Court, which also overturned several other pieces of New Deal legislation in the following year. These decisions increased Roosevelt's determination to alter the makeup of the Supreme Court. After 1937, however, the Supreme Court changed its attitude and began to support some New Deal programs.

Name \_\_\_\_\_ Date \_\_\_\_\_

***Schechter Poultry Corp.  
v. United States (1935)***

***Elements of the Case***

***Directions:*** Fill in the appropriate information for each of the following elements of this case.

1. State the issue before the Supreme Court in this case.

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2. What facts of the case were presented to the Court?

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3. What was the decision of the Court? What was the rationale behind it?

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4. What was the effect of the decision?

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***Evaluation of the Case***

**Directions:** Use your own judgment to evaluate the justices' decision and state your opinion of that decision.

1. Do you think the Court made the proper decision in this case? Explain.

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2. Why was Congress not allowed to delegate such broad law-making powers to the President? How does the principle of "separation of powers" apply? Explain.

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3. Do you think there are any circumstances under which the Court would have allowed Congress to give the President such great law-making power? Explain.

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**Case 10: New Deal Cases  
(1935, 1937)****Federal Regulation of Businesses**

**THE ISSUE** To what extent the Commerce Clause of the U.S. Constitution permits the federal government to regulate businesses?

**WHAT'S AT STAKE?**

The role of the states and the federal government in regulating business.

**FACTS AND BACKGROUND**

President Franklin D. Roosevelt and Congress tried to fight the Depression of the 1930s with many new programs and laws. This campaign to fight the Depression was called "The New Deal."

Congress felt it had authority to pass laws to improve the economy under the Constitution's Commerce Clause (Art. I, Sec. 8). Congress can regulate businesses that cross state lines, such as railroads and airlines, but can Congress regulate businesses that operate entirely within a state? Some people felt that these *intrastate* businesses could be regulated only by the state in which they were located.

The Supreme Court had to decide whether Congress had broad power to regulate businesses or a narrower power that applied only to certain types of businesses. The Court defined Congress's regulatory power in two important cases.

***Schechter Poultry Corp. v. U.S.***

The National Industrial Recovery Act (1933) was one of the first New Deal laws. In 1935, a case reached the Supreme Court that asked whether it was constitutional. The Schechter Poultry Company was accused of violating parts of the law that dealt with employees' pay and hours.

The company operated only in New York City. Though its poultry came from outside the state, the company said it was a local business. It argued that Congress did not have the power to make it pay employees a certain wage or give employees a set time off from work.

***NLRB v. Jones and Laughlin Steel Corp.***

In 1937, the Court was faced with another Commerce Clause case. The National Labor Relations Act guaranteed the right of workers to organize unions. A steel company was accused of violating the law. The company claimed that the Act should be thrown out because Congress did not have the authority under the Commerce Clause to pass it.

**Case 10: New Deal Cases, continued****Federal Regulation of Businesses****THE DECISIONS**

In the *Schechter* case, the Court agreed with the company and struck down the recovery law. In the *NLRB* case, it disagreed with the company and let the labor law stand.

The *Schechter* decision was unanimous. Chief Justice Charles Evans Hughes wrote the opinion. He said that the transactions in the case—wages and salaries and working hours—were local. These transactions did not have a “direct” effect on interstate commerce. The state could regulate such transactions, but the federal government could not.

In *NLRB*, the Court upheld the constitutionality of the labor law. The decision was 5–4. Chief Justice Hughes wrote for the majority. He said that the government could protect the right of workers to organize unions. Allowing workers to organize unions might prevent strikes that would hamper interstate commerce. Hughes dropped the distinction between “indirect” and “direct” effects on commerce made in *Schechter*. Under the *NLRB* ruling, an indirect effect would be enough to make a federal law governing interstate commerce constitutional.

**THE IMPACT OF THE DECISIONS**

*Schechter* was one of many decisions tossing out New Deal laws. In 1936, President Roosevelt was overwhelmingly re-elected. Early in 1937, he proposed a law that would add six new members to the Court. (Congress can change the number of justices.) This would enable him to appoint these six new justices. His proposal never became law, but in *NLRB*, the Court began to uphold New Deal laws.

Whatever the reason for the change, ever since its decision in *NLRB*, the Court has generally approved laws even indirectly affecting interstate commerce. This gives the federal government a great deal of power.

**FIND OUT**

1. Read about *Gibbons v. Ogden*. What did the Court say about the Commerce Clause there? Did that decision give more or less power to the federal government?

**ONLINE EXTRA**

Read the online discussion of *U.S. v. Lopez* (1995). What did the Court say about the Commerce Clause there? Did that decision give more or less power to the federal government?

**Glossary****CHAPTER 23 The New Deal**

**coalition** An alliance of groups supporting a political party or cause

**collective bargaining** Negotiations between organized workers and their employer to decide wages and work rules

**crafts unions** Labor organizations made up of skilled workers who do a particular kind of job, no matter what industry they work in

**layoffs** The firing or temporary suspension of employees, especially because of lack of work

**make-work program** A program that creates useless jobs just to give workers a paycheck

**mediate** To resolve or settle differences by working with all the conflicting parties

**midterm elections** Congressional elections held in years when there is no presidential election

**minimum wage** The lowest wage that law will allow a worker to be paid

**pension plan** A plan that provides for money to be paid as a retirement benefit

**regulate** To set rules for an industry

**soil conservation** Ways to keep the soil fertile and prevent it from blowing away

**strip mining** Mining that removes the topsoil of large areas of land

**AFTER YOU READ**

**A.** Write the name or term that best completes each sentence on the blank.

Civilian Conservation Corps  
New Deal  
Franklin Delano Roosevelt  
*The Grapes of Wrath*  
Tennessee Valley Authority  
Social Security Act  
Works Progress  
Administration  
Wagner Act  
Federal Deposit Insurance  
Corporation  
Richard Wright

1. \_\_\_\_\_ became president in 1933.
2. FDR's programs to end the Depression were called the \_\_\_\_\_.
3. The president and Congress created the \_\_\_\_\_ to insure people's bank accounts.
4. A program supported by FDR to put people to work, the \_\_\_\_\_ hired young men to plant trees and build roads.
5. The \_\_\_\_\_ hired people to build schools and hospitals, and it employed artists, writers, and actors.
6. The \_\_\_\_\_ protected workers' rights to collective bargaining and banned unfair labor practices.
7. One of the most important laws was the \_\_\_\_\_. It set up a system of old-age insurance, unemployment insurance, and aid to people unable to work.
8. Another part of the New Deal was the \_\_\_\_\_, which prevented flooding and brought electricity to a large area.
9. John Steinbeck's novel \_\_\_\_\_ tells the story of Oklahoma farmers during the Depression.
10. The novel *Native Son* by \_\_\_\_\_ describes the difficulties faced by a young African-American man.

**AFTER YOU READ** (continued) **CHAPTER 23** The New Deal

**B** Write the name or term after the description that explains it best.

Eleanor Roosevelt  
New Deal coalition

Orson Welles  
deficit spending

Congress of Industrial  
Organizations

1. Groups of voters including Southern whites, urban voters, African Americans, and labor who supported FDR
2. The creator of a radio broadcast that convinced many Americans that Martians had landed in New Jersey
3. The act of a government paying out more money than it is taking in
4. An organization of industrial labor unions started in the 1930s
5. The wife of the president, who fought for equality for women and minorities

### Main Ideas

1. What were the three goals of the New Deal?

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2. Describe two reasons that people opposed the New Deal.

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3. What did the Wagner Act do to help workers?

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4. Why were movies popular during the Depression?

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5. List three New Deal programs that still exist today.

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### Thinking Critically

Answer the following questions on a separate sheet of paper.

1. How did the New Deal help people during the Depression?
2. How did the New Deal make lasting changes in American government?

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US History Chp 23 essay test.

Choose one:

1. What unique problems did farmers and other people living in rural areas face during the Great Depression? How did the New Deal address those problems?

Include:

- a. Agricultural Adjustment Act
- b. Tennessee Valley Authority
- c. Rural Electrification Administration

2. Describe the effects of New Deal public works project on the economy, the environment, and people's personal lives. Include:

- a. the lives of unemployed Americans before the New Deal
- b. accomplishments of the CCC, TVA, and WPA
- c. the difference between receiving charity and being offered a job