**Chapter 23, Section 4: The New Deal Coalition**

**I. Roosevelt’s Second Term** *(pages 695–698)*

**A.** Millions of voters owed their jobs, homes, and bank accounts to the New Deal. By the election of 1936, Democratic Party membership shifted from mainly white Southerners to include farmers, laborers, African Americans, new immigrants, ethnic minorities, women, progressives, and intellectuals. First lady Eleanor Roosevelt spoke with many people from these various groups, and she persuaded her husband to address some of their concerns in his New Deal programs.

**B.** Roosevelt’s Secretary of Labor, **Frances Perkins,** was the first woman appointed to a cabinet post.

**C.** Roosevelt won the 1936 election in one of the biggest landslides in American history.

**D.** The Supreme Court did not support the president’s New Deal programs. In January 1936, the Court declared the Agricultural Adjustment Act unconstitutional. After the election, Roosevelt attempted to change the political balance of the Supreme Court with the **court-packing** plan. Roosevelt sent Congress a bill to increase the number of justices on the Supreme Court. It was a political mistake and split the Democratic Party. Americans felt it would give the president too much power.

**E.** In 1937 a sudden rise in unemployment further hurt Roosevelt’s popularity. When he cut spending just as the first Social Security payroll taxes decreased paychecks, the economy plummeted and two million people were out of work. This recession led to a debate about how to handle the situation. Treasury Secretary **Henry Morgenthau** wanted to balance the budget and cut spending. The opposition pushed for more government spending. They supported “Keynesianism,” the theories of British economist **John Maynard Keynes.** In his book, he argued that the government needed to spend heavily during a recession to jump-start the economy.

**F.** In 1938 Roosevelt asked Congress for $3.75 billion for the PWA, WPA, and other programs.

**Discussion Question**

How did Eleanor Roosevelt help bring change to the Democratic Party? *(Eleanor Roosevelt brought change by bringing in the African American and women’s vote. She had strong sympathy for both groups and spoke to many during her tours around the country. She persuaded her husband to address their problems in the New Deal.)*

**II. The Last New Deal Reforms** *(pages 698–699)*

**A.** Roosevelt’s successes were limited in his second term in office.

**B.** The 1937 National Housing Act, promoted by Eleanor Roosevelt, created the United States Housing Authority to subsidize loans for builders willing to buy blocks of slums and build low-cost housing.

**C.** The Farm Security Administration gave loans to tenant farmers to purchase farms. Congress kept appropriations low, believing that the plan made agricultural problems worse.

**D.** The Fair Labor Standards Act of 1938 gave protection to workers, abolished child labor, and created a 40-hour workweek for workers.

**E.** New Deal legislation began to get blocked as Congress began to turn against the New Deal. The New Deal era ended by 1939.

**Discussion Question**

Why was Roosevelt’s second term of office less successful than the first term? *(The fight over the court-packing scheme and the recession of 1937 had weakened Roosevelt politically.)*

**III. The Legacy of the New Deal** *(pages 699–700)*

**A.** The New Deal had limited success, but gave Americans a stronger sense of security and stability.

**B.** The New Deal operated to balance competing economic interests. The New Deal’s mediating role established the **broker state,** which helped work out conflicts among different interests.

**C.** The New Deal brought a new public attitude regarding the government. The program gave Americans a **safety net** that provided safeguards and relief programs to protect them from economic disaster.

**Discussion Question**

What two Supreme Court decisions gave federal government a new role as mediator between competing groups? *(In* NLRB *v.* Jones and Laughlin Steel *the Court ruled that the* *federal government had the constitutional authority to regulate production within a state. In* Wickard *v.* Filburn, *the Court allowed the federal government to regulate consumption in the* *states.)*