

The New Deal

FDR is Elected President



- 2 time governor of New York
- Had been able to fight the problems of unemployment and poverty in NY → many Americans believed he could help solve the country's problems
- Democrats won control of the Senate and House of Representatives



FDR's inauguration with his wife, Eleanor.

- Not inaugurated until March, but he began working right away
- Set of policies to end the Great Depression → New Deal
- Focused on relief for the needy, economic recovery, and financial reform
- Took office on March 4, 1932, and put New Deal into action
- March 9 to June 16 → Hundred Days



Banking & Finance Reform

- Little faith in banks → lost life savings
- March 5 → national bank holiday; banks closed
- Emergency Banking Relief Act- Treasury Department inspected banks



- Pay debts → open
- Needed help → loan

- Restored people's faith in banking system

FIRESIDE CHATS

- Keep public informed about New Deal
- Americans better understood the policies

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) (1933)



- Insurance up to \$5,000 → government would pay if bank couldn't

More Actions

- Government revenue needed to increase to pay for New Deal
 - Approved Beer and Wine Revenue Act (1933)
 - Allowed manufacture of beer and wine → tax on alcohol sold
- By the end of 1933 the 21st Amendment was passed → repealed 18th Amendment (Prohibition was over)

REGULATE STOCK MARKET

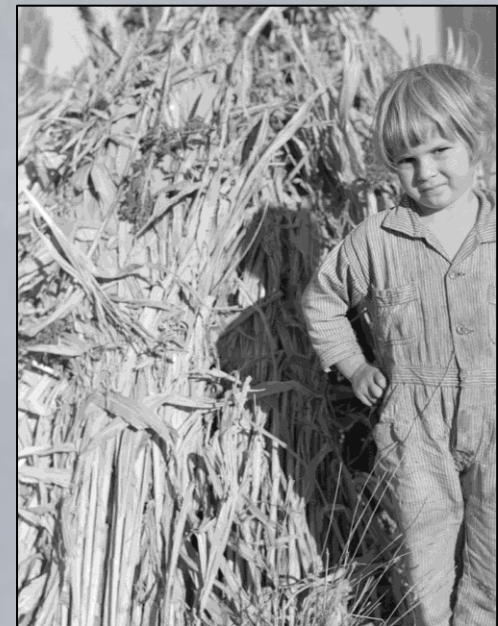
- Federal Securities Act passed (1933) → held corporations at fault if they provided false information or withheld information about their stocks from the public
- Congress created the Securities and Exchange Commission (SEC) (1934) → prevent people from using inside information and rigging the stock market

Agriculture Reform

- Hit hard by depression
- Agricultural Adjustment Act (AAA) (1933) → controlled supply of 7 farm products
- Government paid farmers to leave land unseeded and raise fewer livestock
- Many people were not happy because people were going hungry
 - Lower supply would increase price → helped farmers
 - Ruled unconstitutional in 1936



Farmer in Lancaster County, Nebraska (1936)

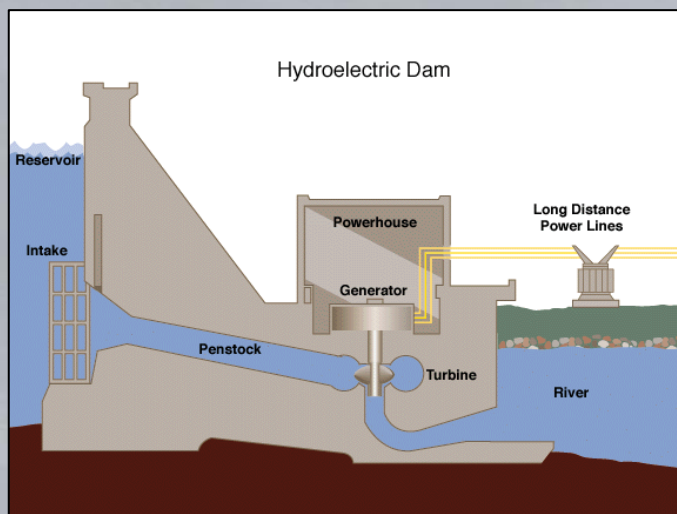
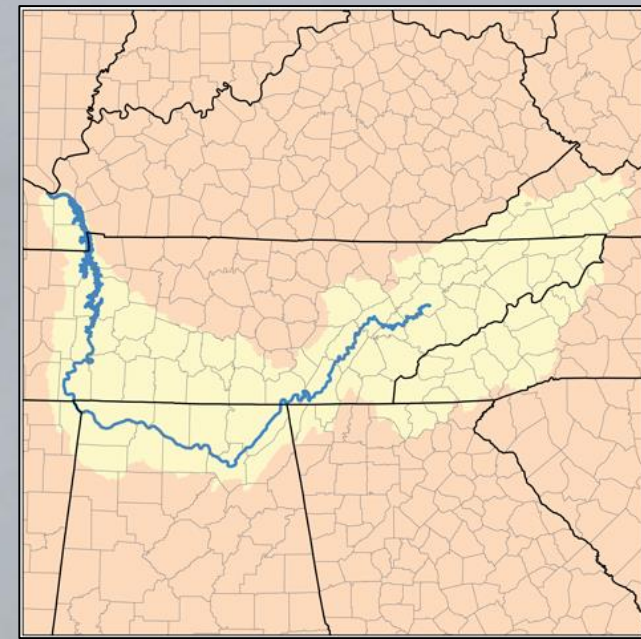


Farmer's daughter in Republic County, Kansas (1938)



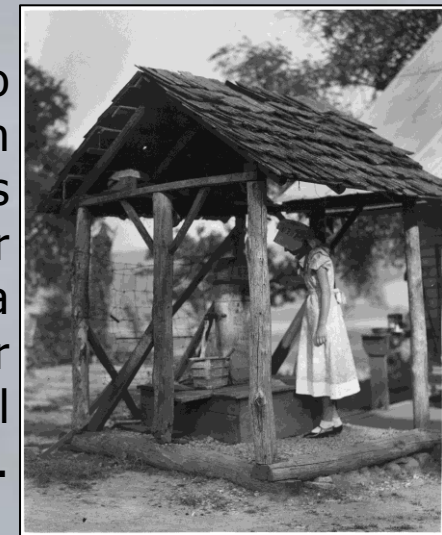
TVA

- Tennessee Valley Authority (1933)
- Tennessee River basin covers parts of 7 states
- Lots of flooding and very few had electricity
- Dams were repaired and built
- Created thousands of jobs
- Flood control and hydroelectric power
- Industrial and agricultural development increased in the basin



Home destroyed by a flood (1942)

Many who lived in rural areas drew water from a cistern or well (1942).



Employment Programs

Civilian Conservation Corps (CCC) (1933)

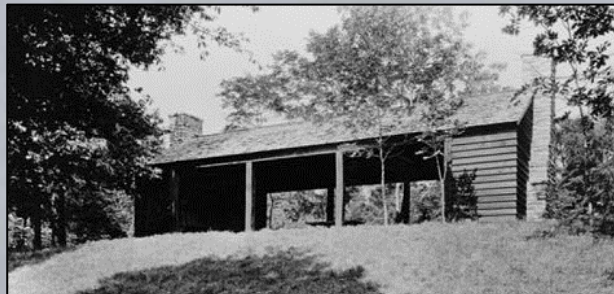
- 3 million 18-25 year old men were put to work
- Built or repaired roads, developed parks, planted trees
- Helped with soil-erosion and flood-control projects

CCC workers making terrace to prevent erosion in Wisconsin (1939).



- Mostly in Great Plains
- Prevent another Dust Bowl
- Ended in 1942

Picnic shelter built by CCC workers.



Boys swimming in a pool created by CCC workers in Pennsylvania (1941).





Labor Reform

National Industry Recovery Act (NIRA) (1933)

- Remain in effect 2 years
- Ensure fair competition in industries and reduce unemployment
 - Created National Recovery Administration (NRA)
 - Established codes for businesses
 - Prevent wage cuts, falling prices, and job loss
 - Workers could unionize
 - Ended child labor in the textile industry
 - US Supreme Court ruled it unconstitutional

Employment Programs

Public Works Administration (PWA) (1933)

- Provided money to states to create jobs and build community buildings and schools

Civil Works Administration (CWA) (1933)

- Created by the Federal Emergency Relief Administration (FERA)
 - Provided 4 million jobs immediately
- Built roads, schools, and paid wages to teachers in rural areas
- FERA gave money to states to provide food and clothing to the unemployed, elderly, and sick

Housing Reform

- Home Owners Loan Corporation gave government loans to homeowners who faced foreclosure (1933)
- National Housing Act created the Federal Housing Administration (1934)
- By the end of the Hundred Days, Americans had renewed confidence in the country
 - FDR had to agree to deficit spending
- He believed it was necessary because of the severe economic crisis
- Some people were not happy → not doing enough to help the poor
 - Some thought he gave too much direct relief and was trying to control the businesses and the economy


Critics of the New Deal

- 1934 → American Liberty League (ALL)

- ALL believed the New Deal policies violated the rights of individuals and property

- Charles Coughlin → Roman Catholic priest who had radio broadcasts to talk about economic, political, and religious issues

- He wanted banks to be controlled by the government



Charles Coughlin

- Dr. Francis Townsend → wanted more to be done to help the elderly and poor

- Created a pension plan for the elderly

- Huey Long → Senator from Louisiana who wanted to be president



Huey Long

- Proposed nationwide social program → Share-Our-Wealth

- Popular but he was assassinated in 1935



Second New Deal



- Second Hundred Days → solve more problems
 - More relief for farmers and workers
- FDR's wife, Eleanor, urged him to fight for the American people
- She was a social reformer and cared about people → humanitarian
- Outspoken as First Lady → speeches about child welfare, housing reform, and equal rights for women and minorities
 - Encouraged FDR to appoint women and African Americans to government positions
- Set example for future First Ladies to be humanitarians and fight to improve the lives of people



Eleanor with children

Agriculture Reform

Soil Conservation and Domestic Allotment Act (1936)

- Farmers would be paid for decreasing production of crops that deplete the soil like wheat and corn
- Paid to plant clover and alfalfa because they returned nutrients to the soil
 - Paid to practice soil conservation farming methods

Harvesting red clover in Oregon (1939)



Crop rotation:
one field is
fallow, another
has corn, a
third has alfalfa
in Iowa (1939).



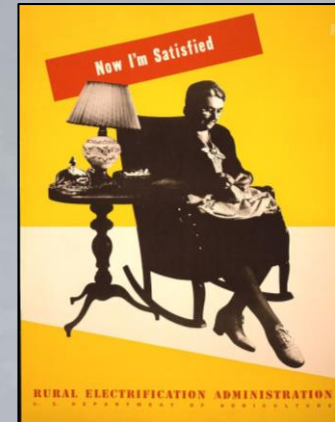
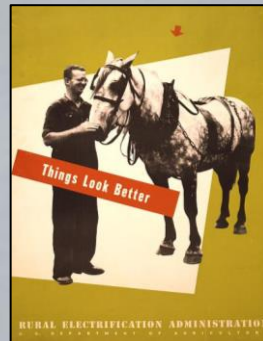
Rural Areas

Rural Electrification Administration (REA) (1936)

- 1935 → less than 13% of American farms had electricity
- Brought electricity to homes in rural areas
- 1945 → 48% of farms and rural homes had electricity
- 1949 → 90% had electricity



The meter on the wall of the rural shack shows that it now receives electricity.



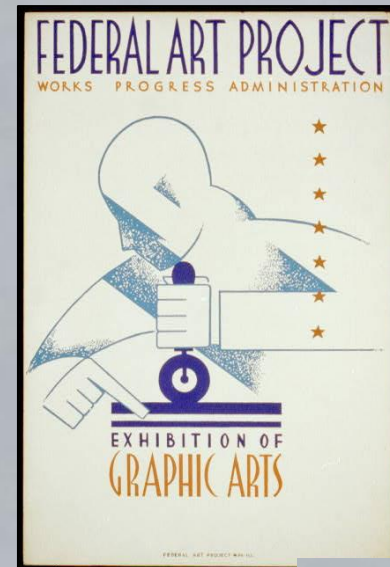
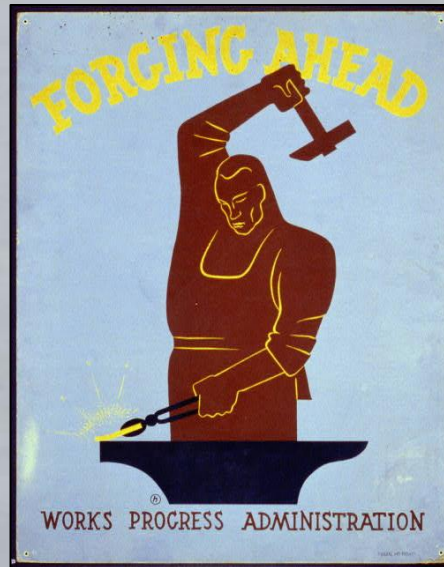
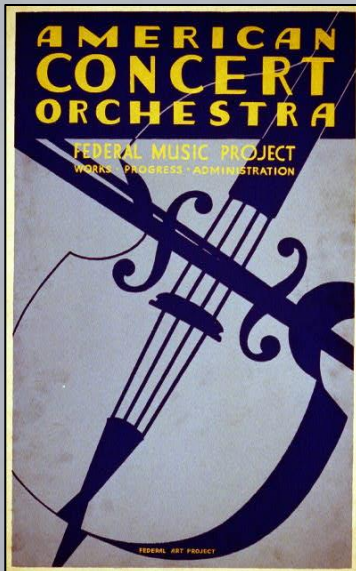
Farm Security Administration (FSA) (1937)

- Loaned over \$1 billion to help tenant farmers become land owners and establish camps for migrant farm workers
 - Photographers were hired to take pics of struggles

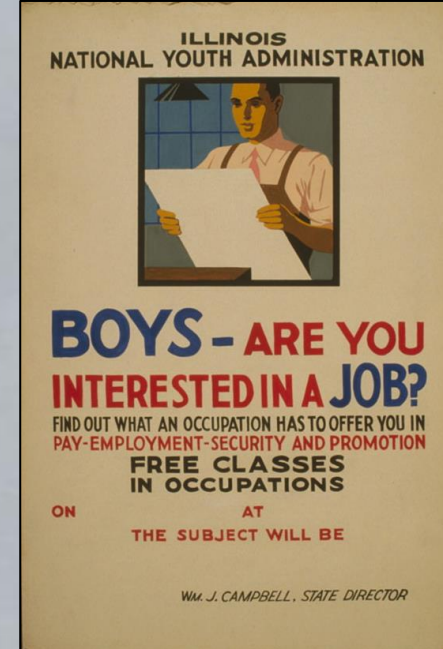
Employment Programs

Works Progress Administration (WPA) (1935)

- 1935-1943 → more than 8 million had been employed
 - Most were unskilled laborers
- Built airports, built and repaired roads, built public buildings, sewed clothes for the poor, painted murals, wrote city guides, collected historical slave narratives
- Eleanor made sure women, minorities, and young people were hired



Employment Programs



National Youth Administration (NYA) (1935)

- Provided education, jobs, counseling, and recreational activities
- Provided student aid to high school, college, and graduate students
 - Those receiving aid had to work part-time at their school
- NYA provided part-time jobs to graduates working on highways and maintaining parks

Labor Reform

National Labor Relations Act (1935)

- Known as the Wagner Act
- Federal government protected the rights of workers to join unions and have collective bargaining
- Prohibited unfair labor practices → threatening workers, firing workers for joining unions, interfering with unions

Fair Labor Standards Act (1938)

- Set maximum number of hours each week to 44
 - Decreased to 40 hours after 2 years
- Set minimum wage to 25 cents an hour; 40 cents an hour by 1945
 - Set rules for workers under age of 16
 - Banned dangerous work for anyone under 18



Welfare Reform

Social Security Act (SSA) (1935)

- Old-age insurance for those who were retired and aged 65 or older and their spouses
- Unemployment benefits
- Aid to families with dependent children and the disabled
- Not a complete pension plan, but did help millions



(Federal Security Agency 2443-1)

D-04-51 AID TO DEPENDENT CHILDREN UNDER THE SOCIAL SECURITY ACT: A mother's loving care is the best security a child can have...and regular

"Aid to Dependent Children Under the Social Security Act. A mother's loving care is the best security a child can have."

"Old-age and Survivors Insurance Under the Social Security Act. Every man wants security and happiness for his family. Wage earners covered by the Federal Old-age and Survivors Insurance System can look forward."



(Federal Security Agency 2533)

D-04-55 OLD-AGE AND SURVIVORS INSURANCE UNDER THE SOCIAL SECURITY ACT: Every man wants security and happiness for his family. Wage earners covered by the Federal Old-age and survivors insurance system can look forward.

Women

- Still faced discrimination and prejudice
- Some women were placed in important government positions
- Frances Perkins → first female cabinet member, Secretary of Labor, helped create the Social Security system and supervised labor legislation
 - 2 female diplomats and federal judge
- FDR also wanted support from women voters during his reelection campaign
 - Many men believed working women took jobs away from men
 - 1936 poll → 82% of Americans said a wife should not work if her husband had a job
- Weren't treated equally → wages were lower, hired fewer women
 - 12% of married women worked in 1930
 - 16% of married women worked in 1940

African Americans

- Still faced discrimination and prejudice
- Over 100 appointed to government positions
- Mary McLeod Bethune → head of the Division of Negro Affairs of the NYA
 - Educator; close friends with Eleanor
 - Made sure the NYA hired African-American administrators and provided job training and other benefits to minority students

- Organized a “Black Cabinet” to assist FDR on racial issues
- FDR never fully committed to full civil rights for African Americans
- Did not want to lose support of Southern white Democratic voters



Dr. Mary McLeod
Bethune (1943)

African Americans

- FDR did not approve a federal antilynching law nor a law that ended the poll tax
- 1934 → African Americans organized the Southern Tenant Farmers Union
 - Worked to protect the rights of tenant farmers and sharecroppers
- Created tenants' groups and launched campaigns to increase jobs in the North
- African Americans did support the New Deal because they realized it gave them hope for the future

Mexican Americans

- Supported FDR and the New Deal even though they weren't given equal rights
- Many had immigrated to the US during the 1920s, settling mainly in the Southwest
 - Most worked on farms
 - Farm wages fell to 9 cents an hour
- Some tried to unionize but were met with violence from employers and government authorities



- CCC and WPA did not benefit Mexican Americans because migrant workers did not have a permanent address
- Most moved from farm to farm looking for work

Mexican American migrant workers (1936)

Native Americans

- Received support from the New Deal
- Received full citizenship by law
- John Collier → commissioner of Indian Affairs (1933)
- Change in government policy towards Native Americans
- Restored some reservation lands to tribal ownership
- Belonged to an entire tribe → prohibited the government from taking over unclaimed reservation lands and selling it to people who weren't Native American



Warm Springs reservation in Oregon (1938)

Reservation classroom (1937)



- Native American children attended school on the reservations
- Tribes given permission to elect tribal councils to govern their reservations
- Some Native Americans did not like being told what to do by white people

No Third New Deal

- FDR had plans of a third, but by the end of the 1930s, many believed the Great Depression was over
- Congress pressured FDR to scale back some programs to save money
 - Some thought FDR made the government too large and powerful
 - Government did become more active in the economy
 - Federal deficit almost doubled under FDR
- Some believed he did not do enough to socialize the economy and end economic and social inequalities
 - Gap between rich and poor had not decreased
- Women and minorities still faced prejudice and discrimination

Lasting Effects

- Government regulates banking and investment through the FDIC and SEC
 - Workers' rights are protected by federal government
 - Minimum wage, standard for working hours, child labor is prohibited
 - Workers can unionize and collective bargain
- Social Security offers benefits to retirees, the unemployed, those with disabilities, and families with dependent children
 - TVA still in operation
- New Deal did not end Great Depression → ended after the US entered WW2 in early 1940s