

- Essential Question:
 - In what ways did President Franklin Roosevelt’s “New Deal” provide relief, recovery, and reform during the Great Depression?

- CPUSH Agenda for Unit 10.7:
 - “FDR & the New Deal” notes

From 1929 to 1932, President Hoover was criticized for not doing more to end the depression

Tens of thousands of businesses failed and unemployment rose to 25%

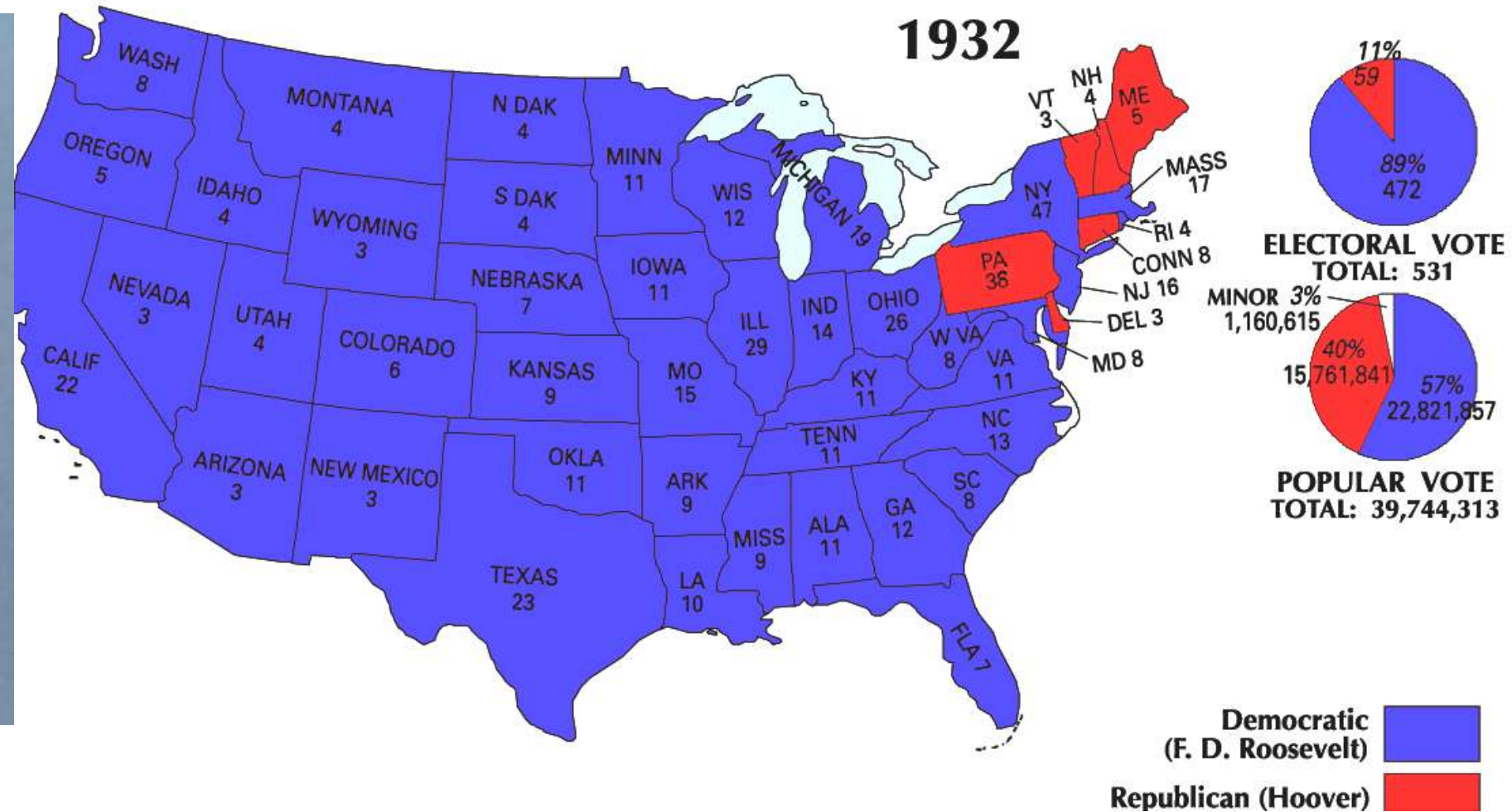
The American banking system collapsed

Hoover initially relied on rugged individualism but offered relief checks and job programs, but it was seen as too little, too late



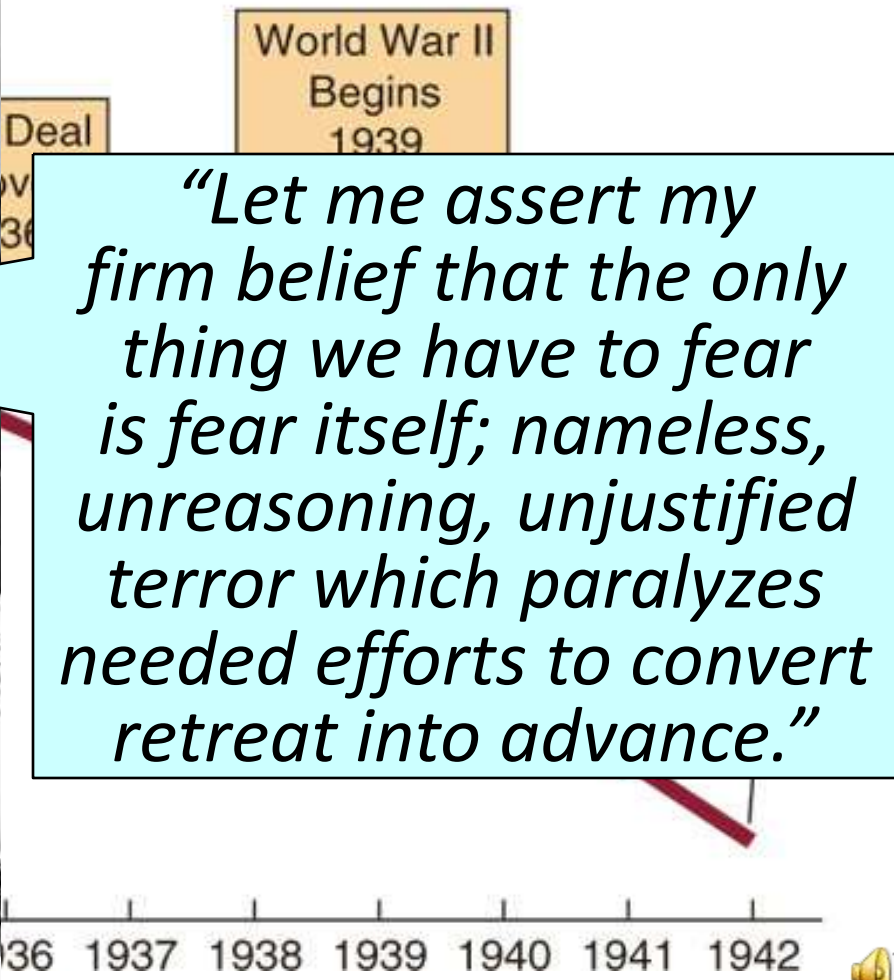
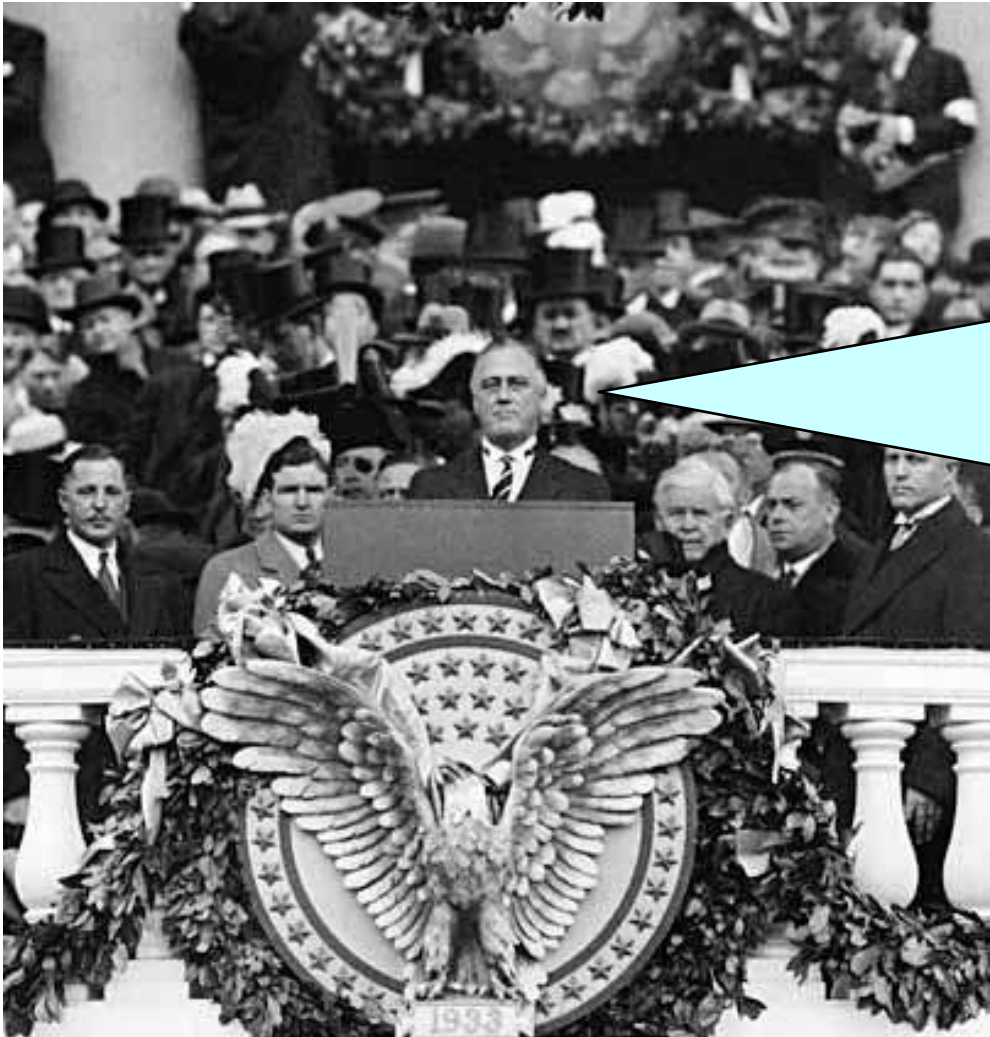
By the election of 1932, Hoover ran for re-election but Americans wanted hope and strong leadership

Democratic candidate Franklin Roosevelt defeated Hoover and won the presidency



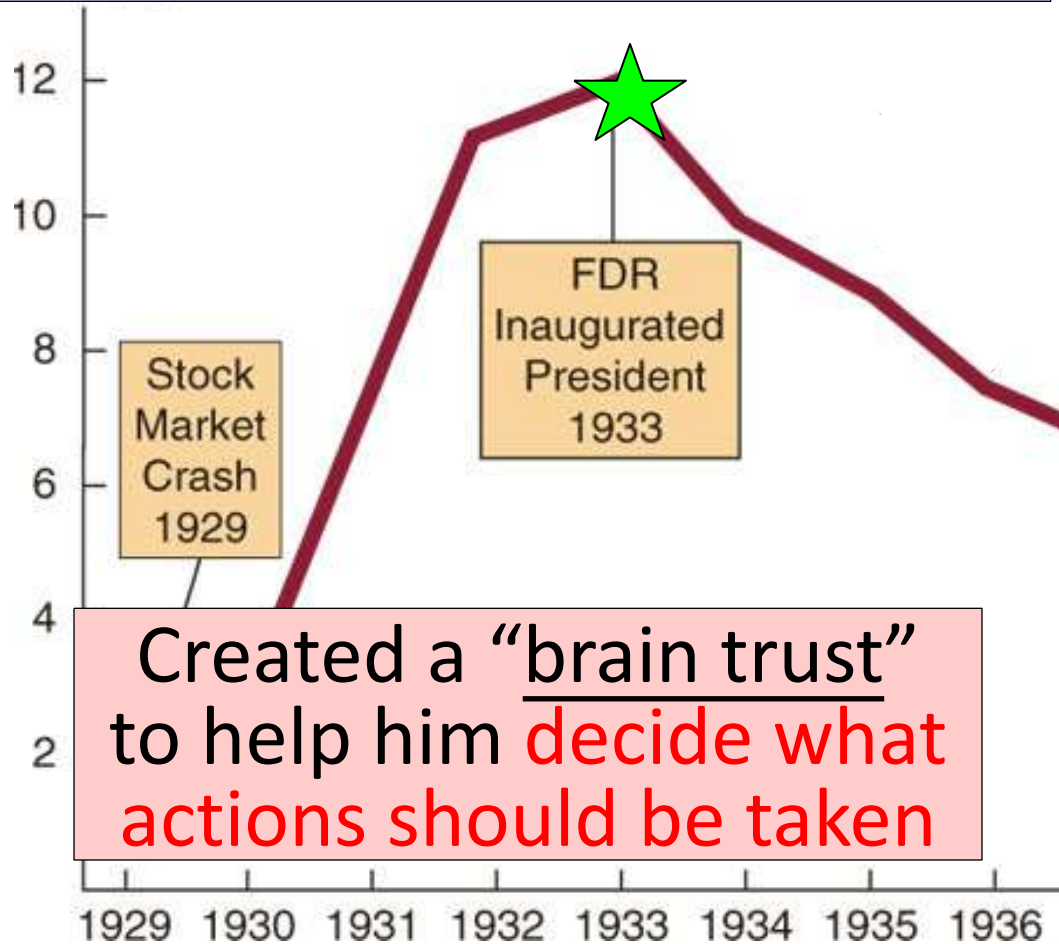
When Roosevelt was inaugurated as president, unemployment was at an all-time high

In his inaugural address, FDR inspired hope, declaring *"the only thing we have to fear is fear itself"*



36 1937 1938 1939 1940 1941 1942

In his **first 100 days in office**, FDR and Congress passed a broad platform of legislation to attack the depression called the “New Deal”



Created a “brain trust” to help him **decide what actions should be taken**



FDR's first action was to **address the bank crisis**

By 1933, 25,000 banks had failed and the USA was in a complete financial collapse

FDR first declared a 4-day "bank holiday": all banks were closed and inspected by federal regulators to determine which banks were healthy...

...**Only healthy banks** could reopen after the bank holiday



Number of Bank Failures, 1921-1950



After the bank holiday, few U.S. banks failed and Americans slowly began to regain confidence in banks

FDR used the power of the radio to communicate to the American people the steps the government was taking to address the problems of the depression

FDR's "fireside chats" used simple, clear language to explain New Deal programs

These weekly radio addresses **gave people confidence that the government was actively fighting the Great Depression**



First Lady Eleanor Roosevelt served as FDR's "legs and eyes" as she toured the nation

Eleanor became the "conscience of the New Deal" as she expressed concern for the needs of the American people

She was the first First Lady to give lectures, radio broadcasts, write a daily newspaper column, and speak out on behalf of African Americans



Eleanor Roosevelt even spoke at the United Nations

The New Deal focused on the three “Rs”

New Deal Programs

Relief

Relief checks and job programs to lower unemployment



Recovery

Programs to stimulate agriculture, industry, and the economy to end the depression



Reform

Programs to correct problems in the economy and prevent future depressions



The government helped relieve unemployment by creating jobs

The Civilian Conservation Corps (CCC) was a work program for young men aged 18-25 years old...

The CCC built roads, parks, soil erosion project, and employed 3 million men

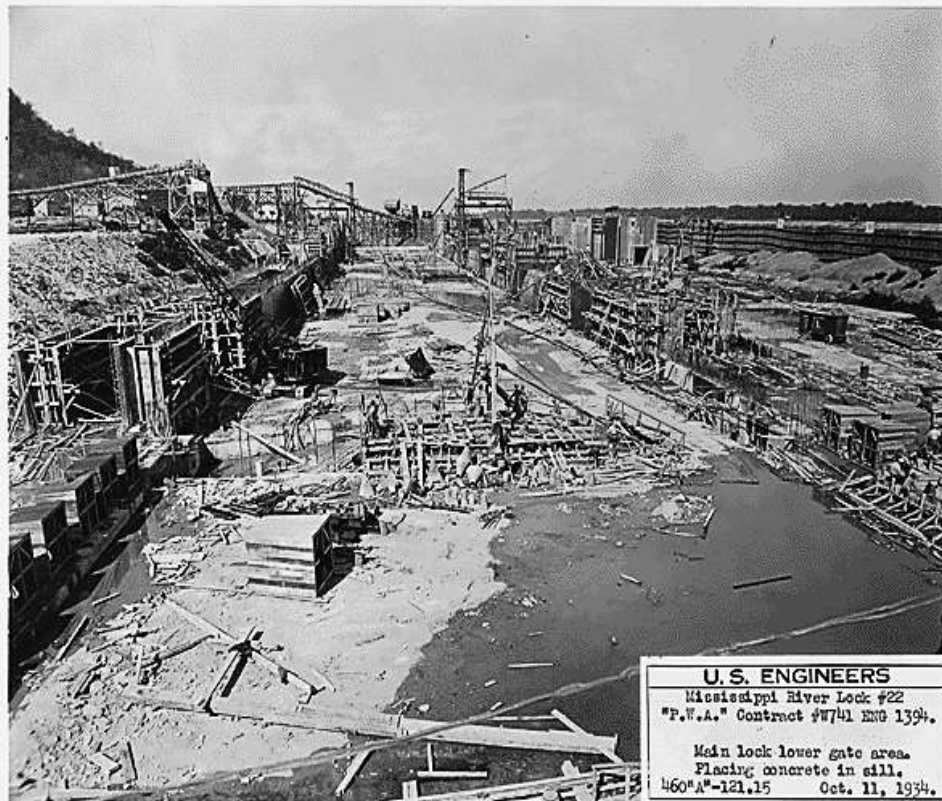


The government helped relieve unemployment by creating jobs

The Public Works Admin (PWA) hired 2 million to build **airports, dams, schools, hospitals, parks**



The PWA even **sewed clothes** for the homeless and less fortunate



The New Deal created long-term reforms to address weaknesses in the American economy and address the causes of the Great Depression

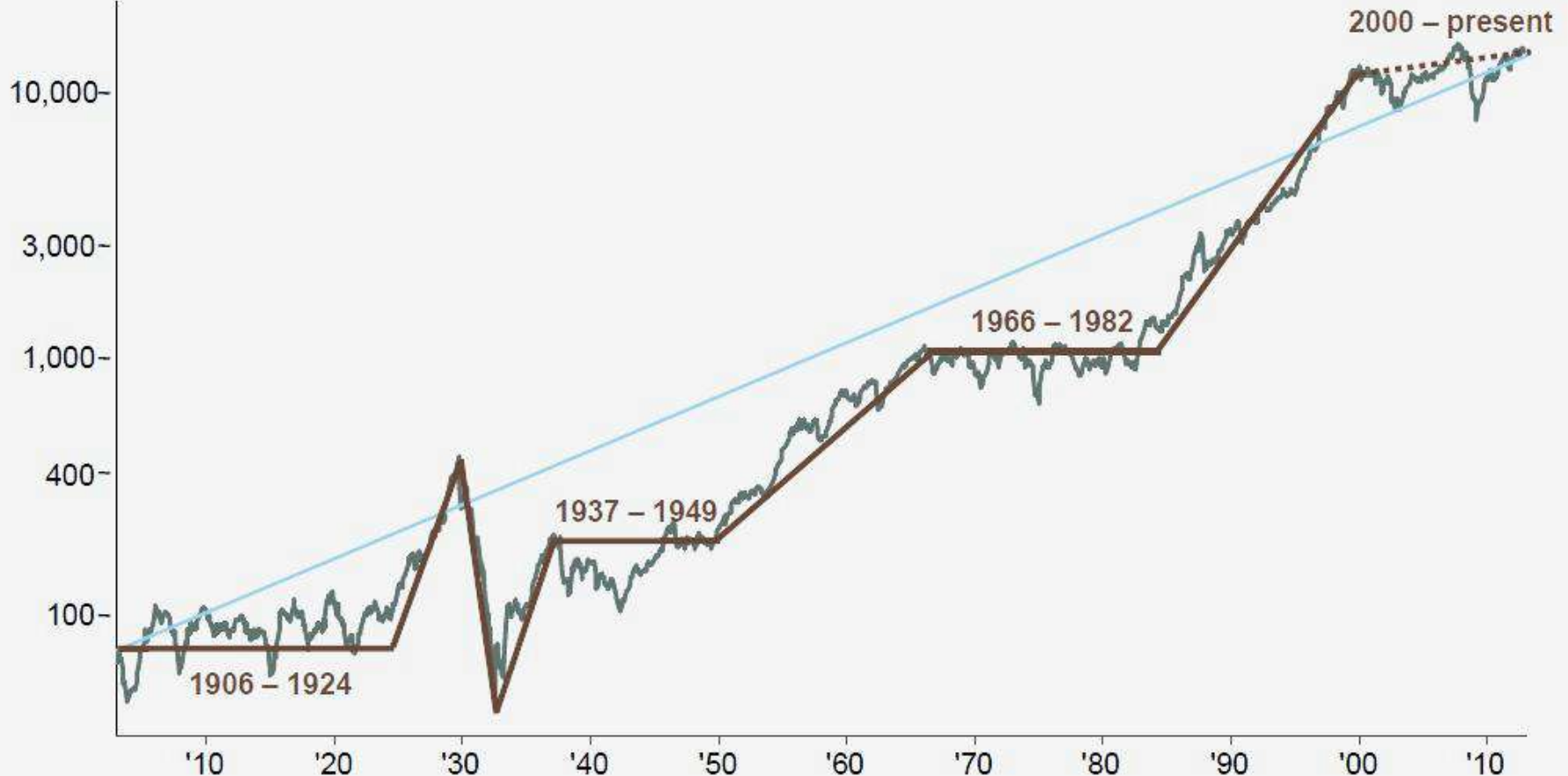
Securities and Exchange Commission (SEC) was created to **regulate the stock market** and prevent another crash



The New Deal created long-term reforms to address weaknesses in the American economy and address the causes of the Great Depression

Dow Jones Industrial Index, Price Return (Since 1900)

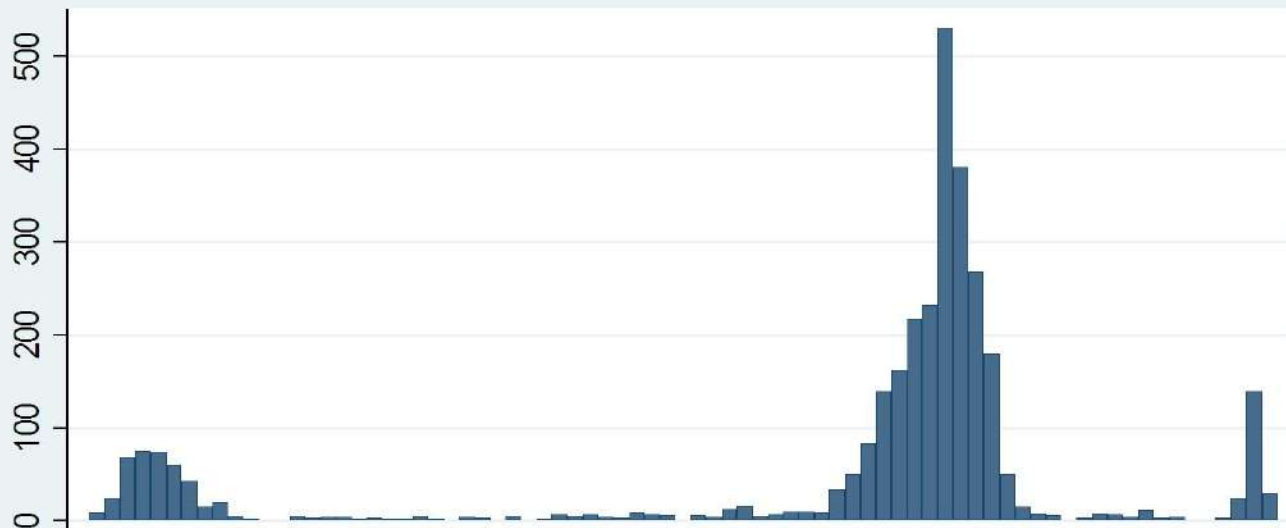
Log Scale



The New Deal created long-term reforms to address weaknesses in the American economy and address the causes of the Great Depression

The Federal Deposit Insurance Corporation (FDIC) was created by the Glass-Steagal Act to **guarantee customer bank accounts** and restore public confidence in banks

FDIC-Insured Failures, 1934-present



The government insures up to **\$250,000** in each bank account

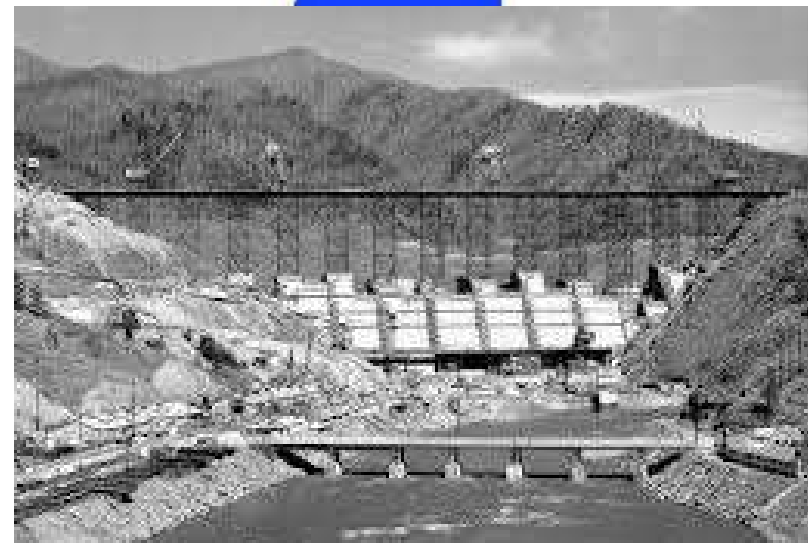
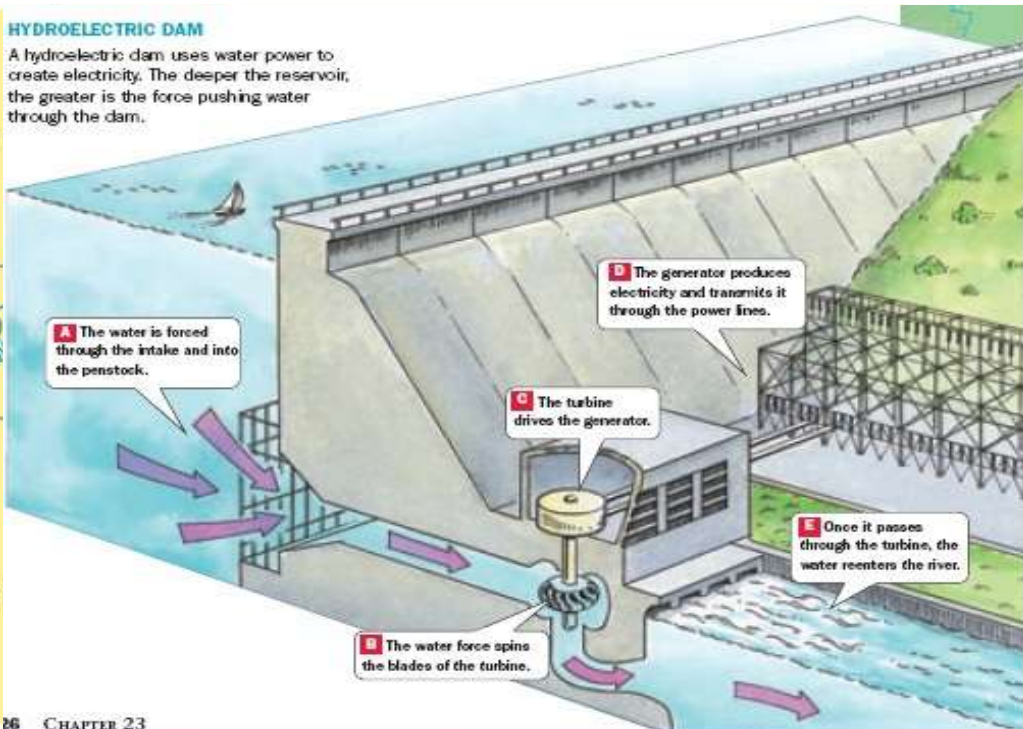
The government helped relieve unemployment by creating jobs

The Tennessee Valley Authority (TVA) was created to bring electricity to the South and create jobs

The TVA built hydroelectric power plants in seven Southern states providing issued cheap power

HYDROELECTRIC DAM

A hydroelectric dam uses water power to create electricity. The deeper the reservoir, the greater is the force pushing water through the dam.



New Deal programs tried to recover the economy by stimulating industry and farming

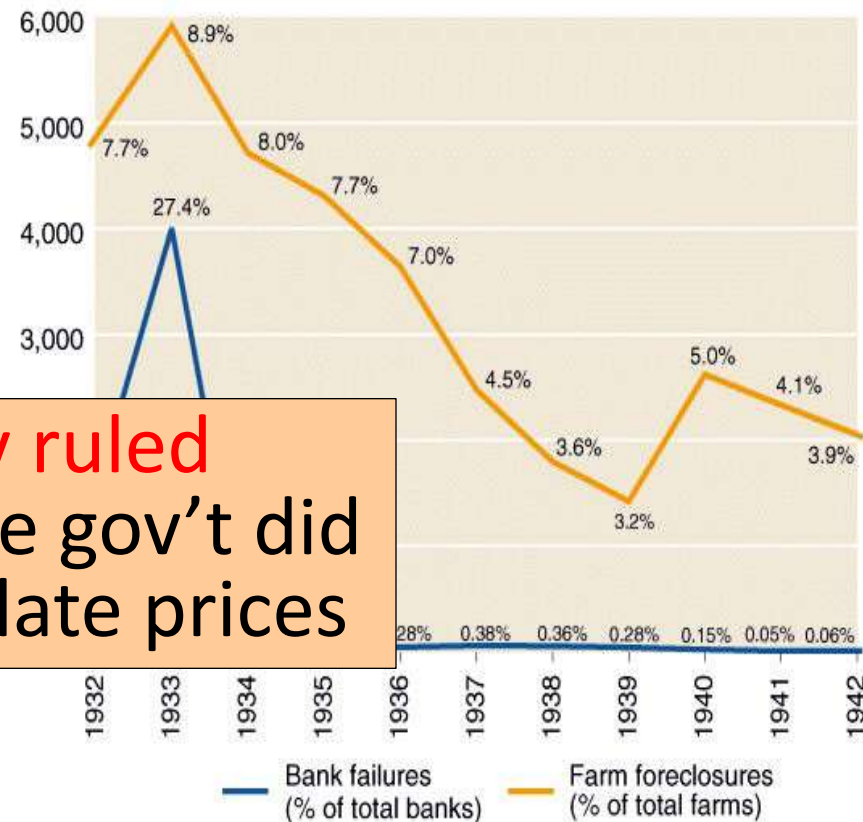
Agricultural Adjustment Act (AAA) was created to help farmers and stimulate agriculture

The AAA **paid farmers not to produce**; The gov't hoped to increase crop prices by reducing supply

The AAA helped farmers, but they never made enough money to stimulate the economy

The **AAA was eventually ruled unconstitutional** because the gov't did not have the power to regulate prices

Scene in county agent's office, San Augustine, Texas. Farmer is receiving his AAA check. Photo by Russell Lee, April 1939, LOC.



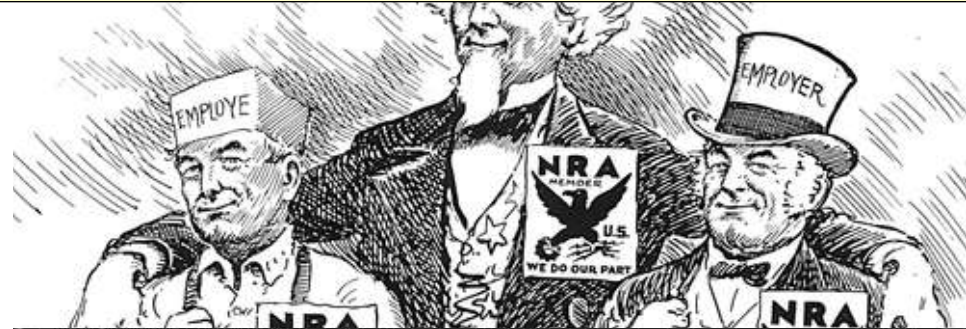
New Deal programs tried to recover the economy by stimulating industry and farming

The National Recovery Administration (NRA) was created to stimulate industry

The NRA tried to **set fair wages and hours for workers** and minimum prices for products

The NRA **failed to create fair competition**, stimulate industry, or end the depression

Also ruled unconstitutional by the Supreme Court



From 1933 to 1935, FDR's New Deal programs helped lower unemployment and restored hope, but the Great Depression had not come to an end

FDR's failure to end the depression led to criticism of the New Deal

Millions



The most vocal critic was Louisiana Senator Huey Long

Huey Long's
Share the Wealth
plan proposed taxing all personal income over \$1 million and give each U.S. family \$2,500 per year

1929 1930 1931 1932 1933 1934 1935 1936

"The Kingfish" Huey Long



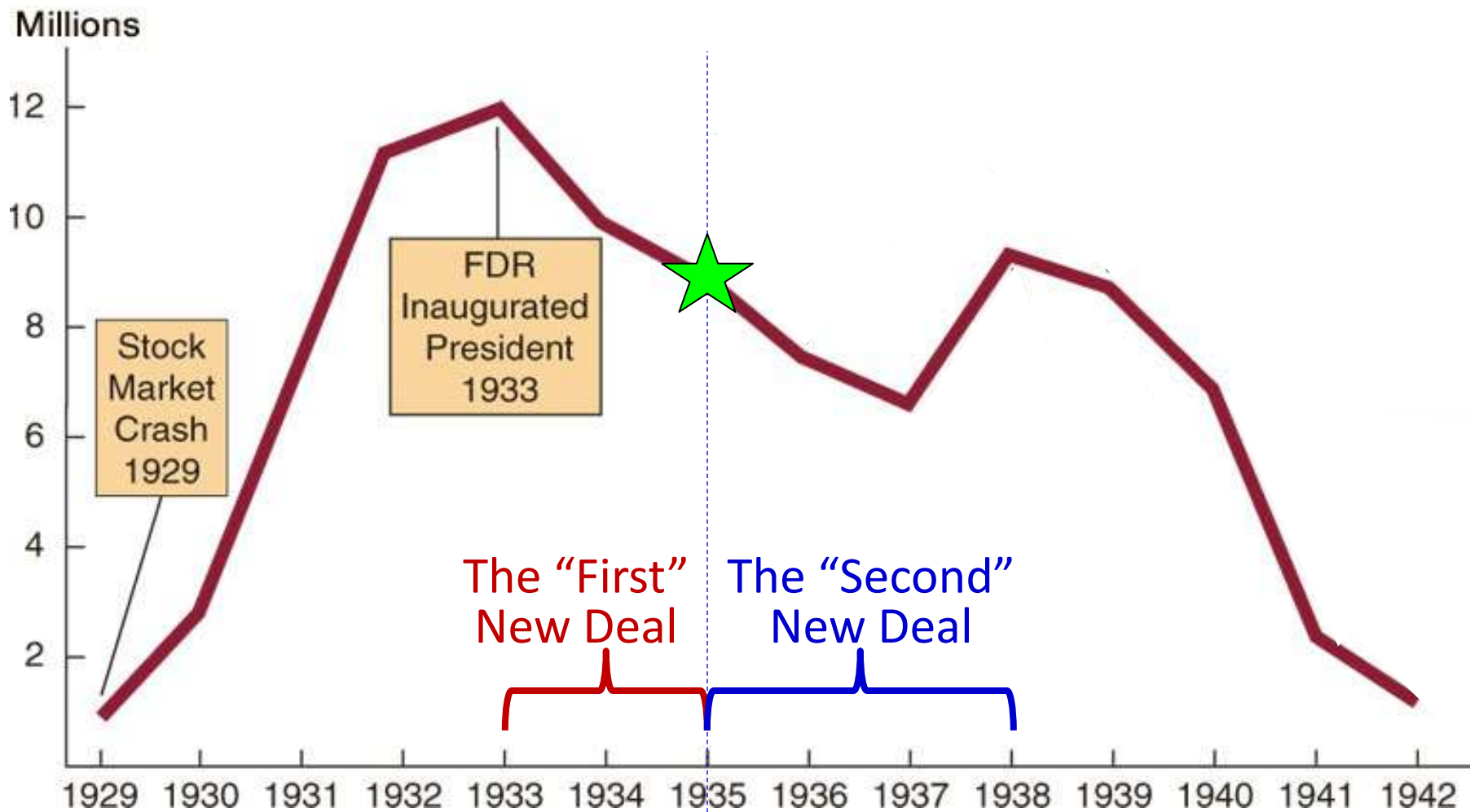
Huey Long threatened to run as a 3rd party candidate but was assassinated in 1935

...But when they've got everything on God's loving earth that they can eat and they can wear and they can live in, and all that their children can

...then we've got to call Mr. Morgan, Mr. Mellon, and Mr. Rockefeller back and say: "Come back here, put that stuff back on this table here that you took away from here that you don't need. Leave something else for the American people to consume."

In 1935, FDR began an aggressive series of laws called the Second New Deal

The Second New Deal was passed by Congress in a rapid succession known as the **Second Hundred Days**




The most ambitious works program of the New Deal was the Works Progress Administration (WPA)

By 1935, most New Deal work programs were non-skilled building jobs

The WPA was created to provide as many as **10 million jobs for men, women, and youths in building projects...**



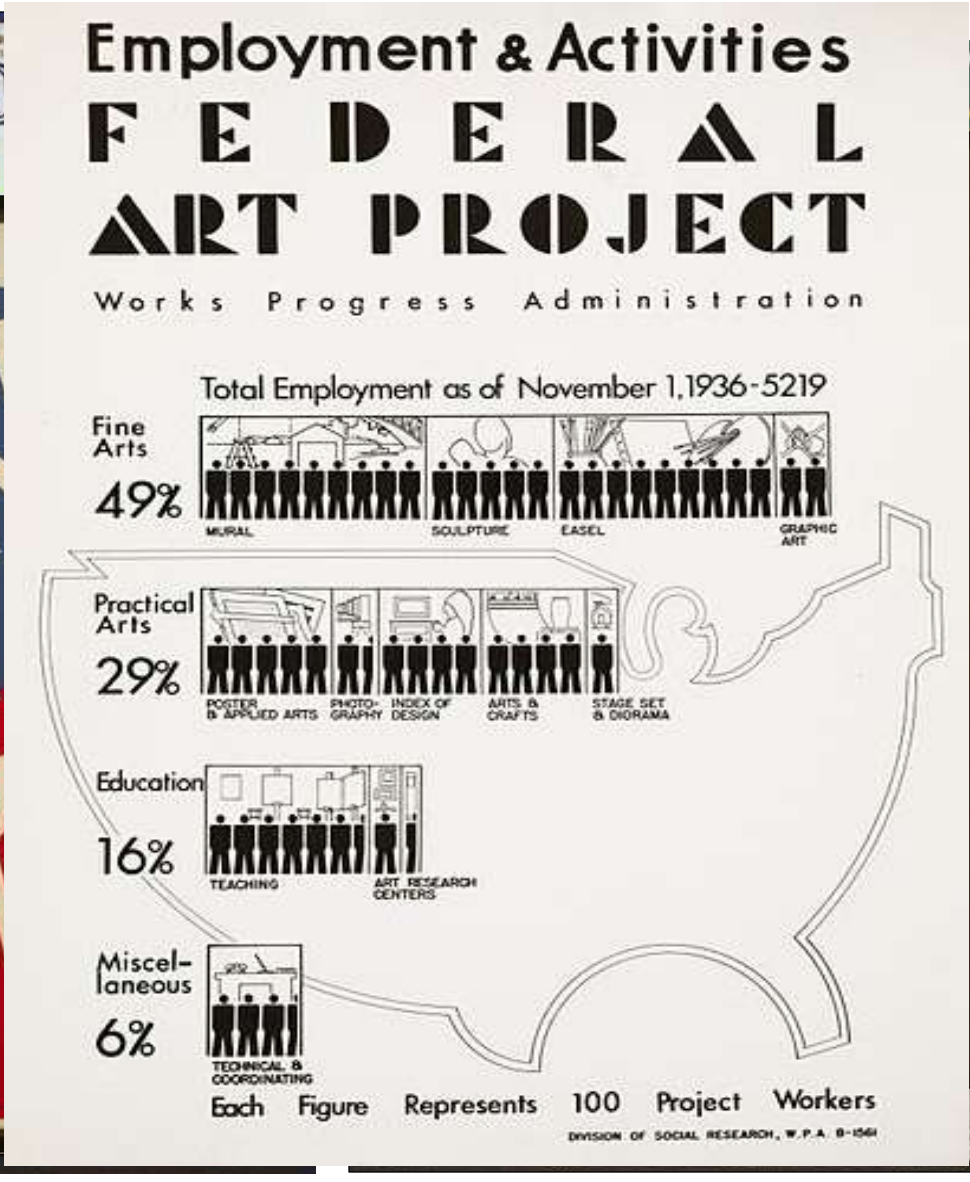
...as well as a variety of professions including **artists...**



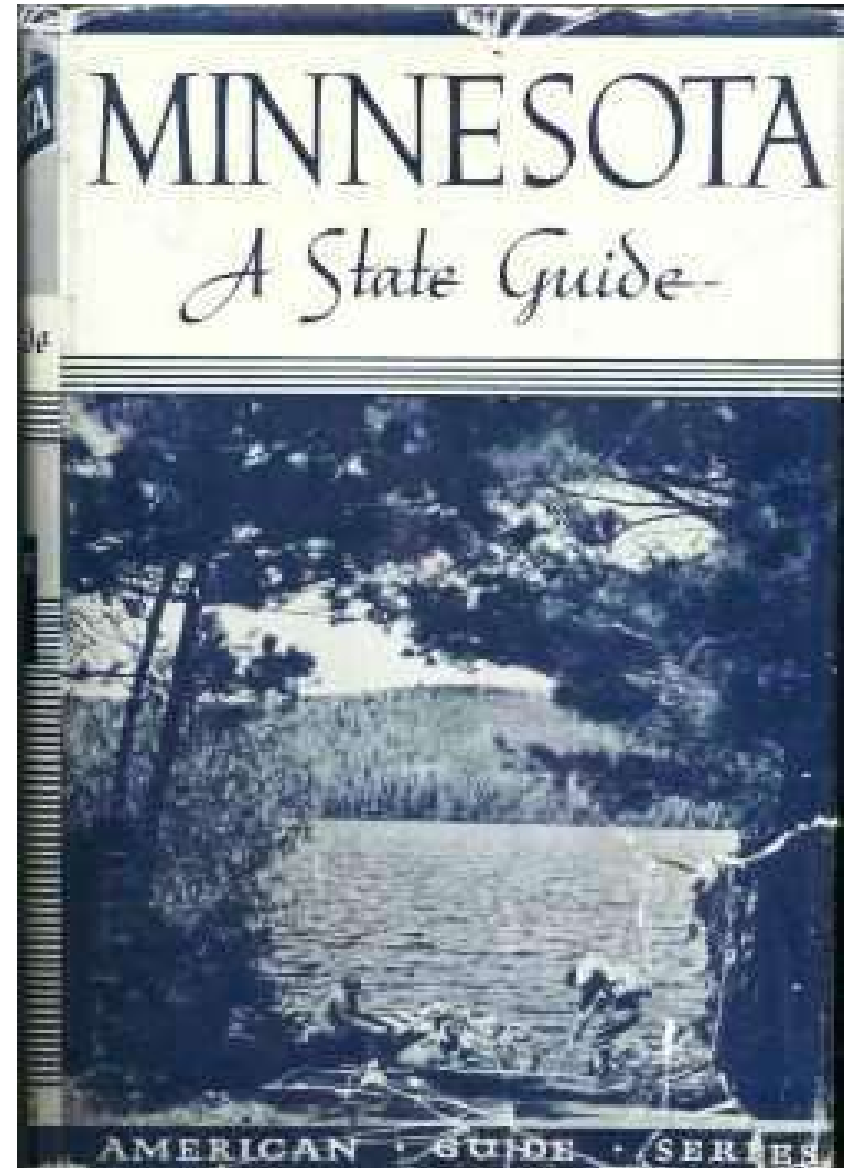
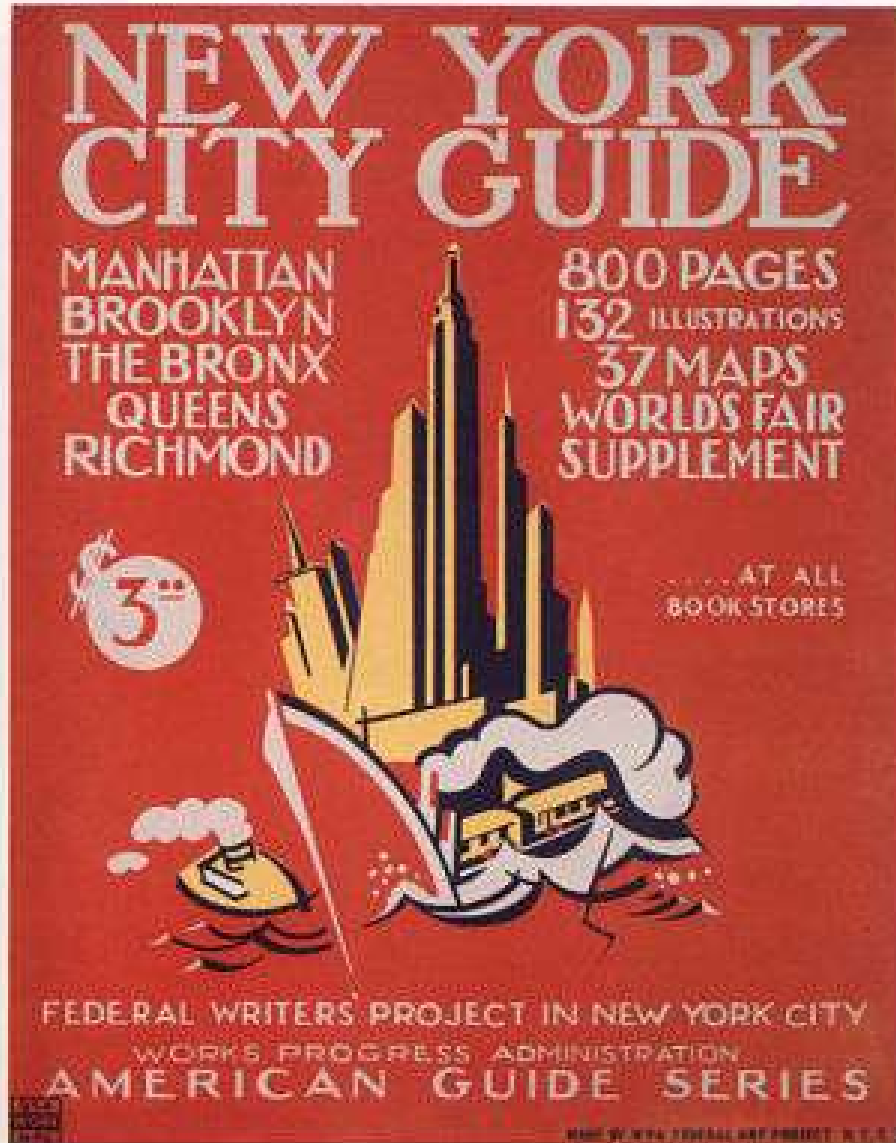
FEDERAL ART PROJECT
WORKS PROGRESS ADMINISTRATION

ART EXHIBITION

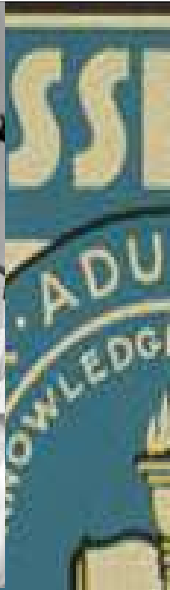
By Artists of the Federal Art Project
Works Progress Administration



...as well as a variety of professions including artists, **writers**,...



...as well as a variety of professions including artists, writers, **teachers**,...



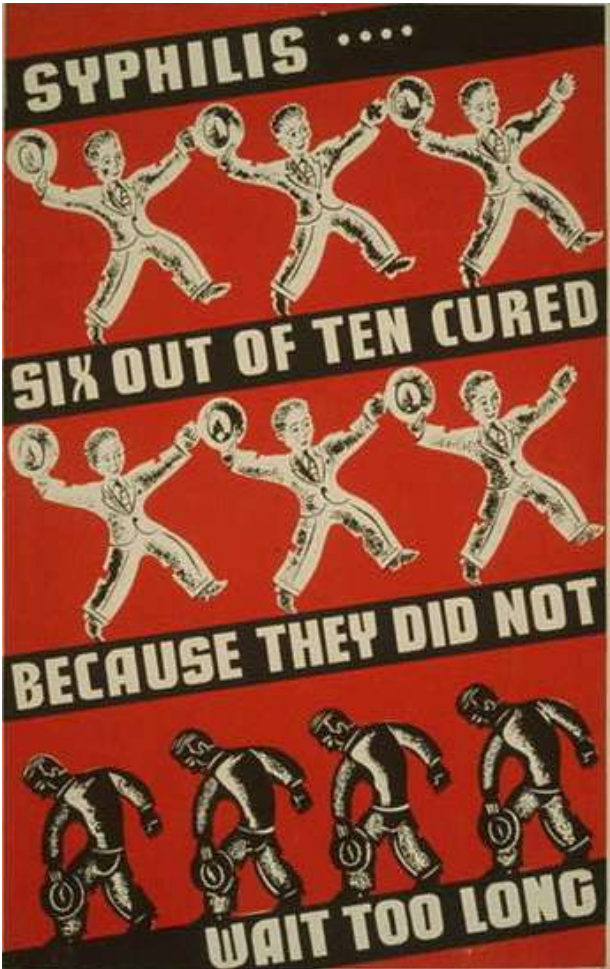
OPERATED JOINTLY
BY W.P.A. RECREATION
PROJECT & B.O.F.E.
C.C. 70 BRONX
174 ST. & WEEKS AVE.

COMMUNITY CENTER

ATHLETIC ACTIVITIES
CULTURAL GROUPS
ARTS AND CRAFTS
MUSIC AND DANCING
LIBRARY AND FORUM
• QUIET GAMES •
• OPEN •
AFT. 3:30-5-EVE. 7:30-10
DOES YOUR CLUB NEED
A MEETING ROOM?
WE WILL FURNISH IT
FREE-EVERYBODY WELCOME

FEDERAL ART PROJECT 1934

...as well as a variety of professions including artists, writers, teachers, **doctors**

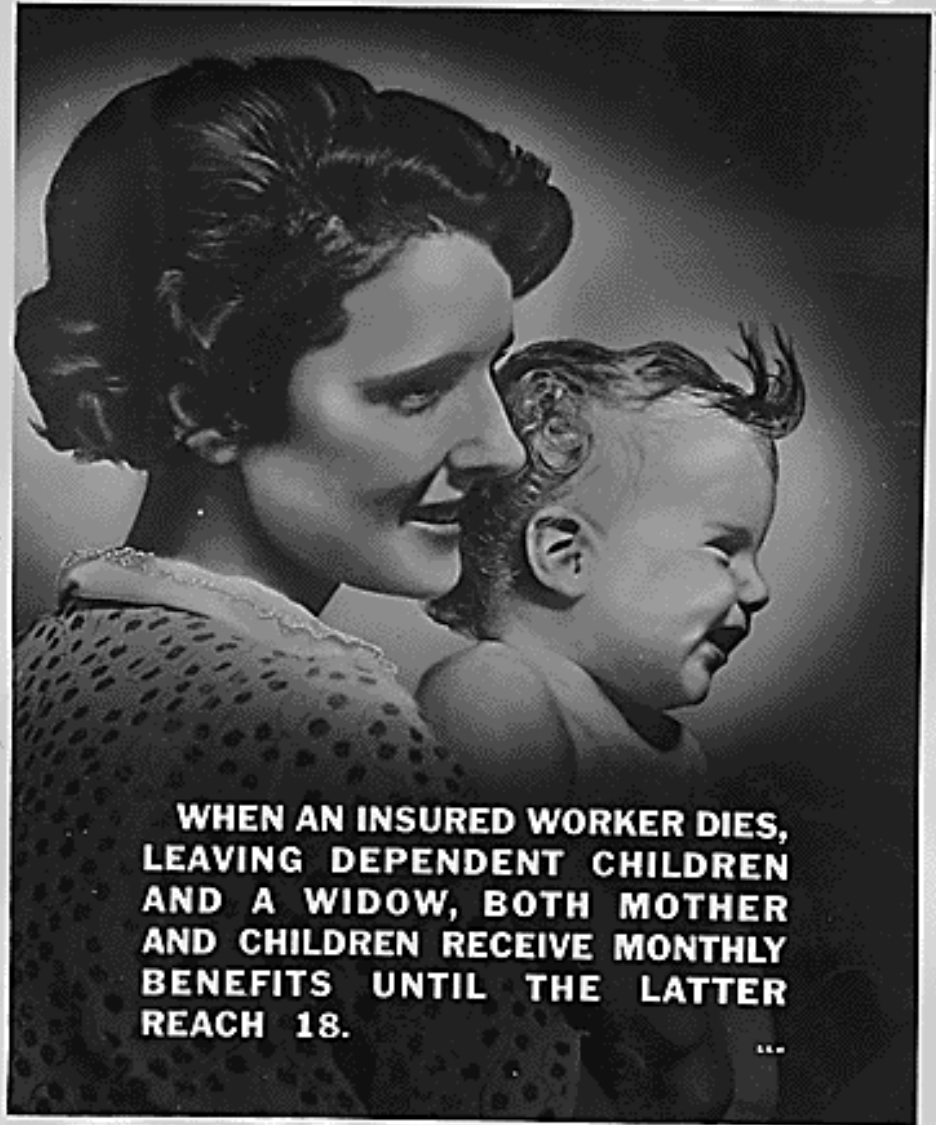


To combat poverty among the elderly and disabled, Congress created the Social Security Act

Social Security provided **old-age pensions for Americans at age 65**

Social Security was also America's first **welfare program** because it provided **payments for blind, handicapped, and needy children**

MORE SECURITY FOR THE AMERICAN FAMILY



WHEN AN INSURED WORKER DIES, LEAVING DEPENDENT CHILDREN AND A WIDOW, BOTH MOTHER AND CHILDREN RECEIVE MONTHLY BENEFITS UNTIL THE LATTER REACH 18.

FOR INFORMATION WRITE OR CALL AT THE NEAREST FIELD OFFICE OF THE
SOCIAL SECURITY BOARD

One of the most important reforms on the New Deal was the Wagner Act

The law **protected workers' right to strike and collectively bargain**

It created a National Labor Relations Board (NLRB) to **regulate unfair practices** used by companies to discourage union membership

Due to the Wagner Act, union membership in the USA increased during the 1930s

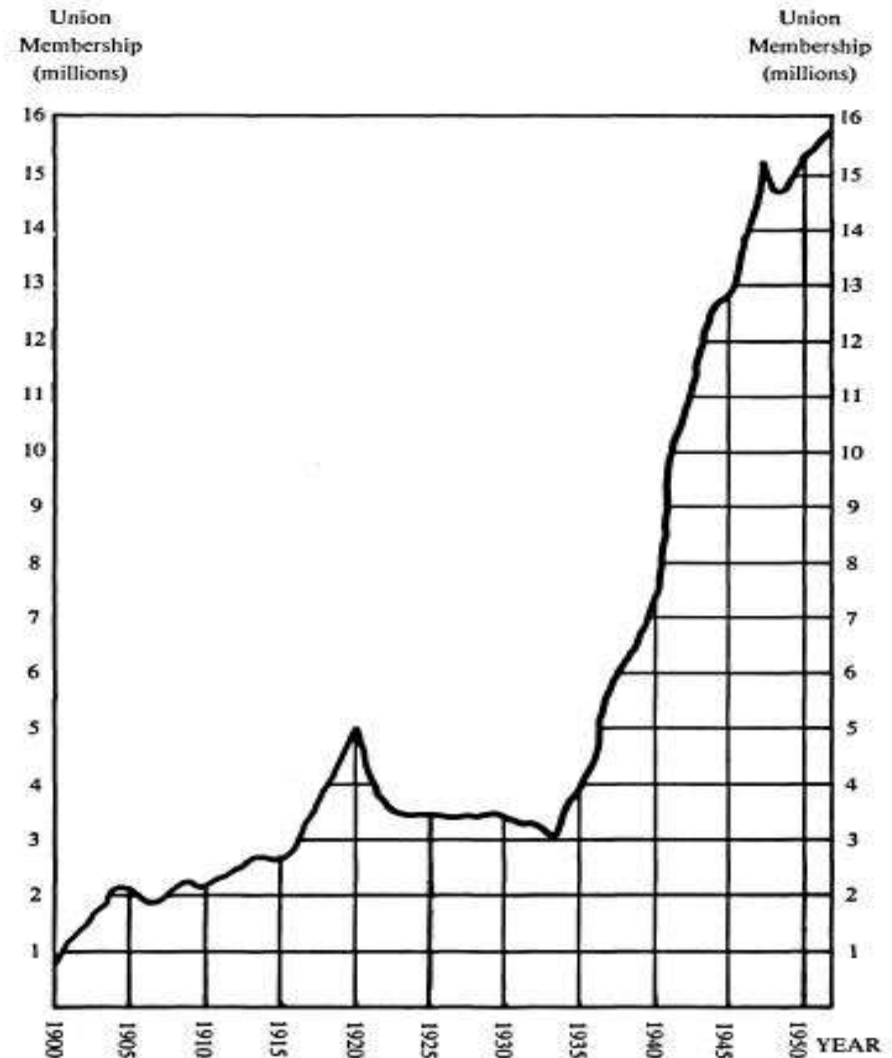
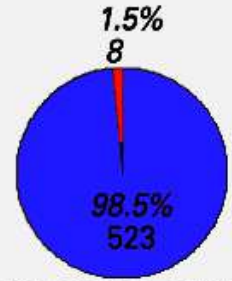
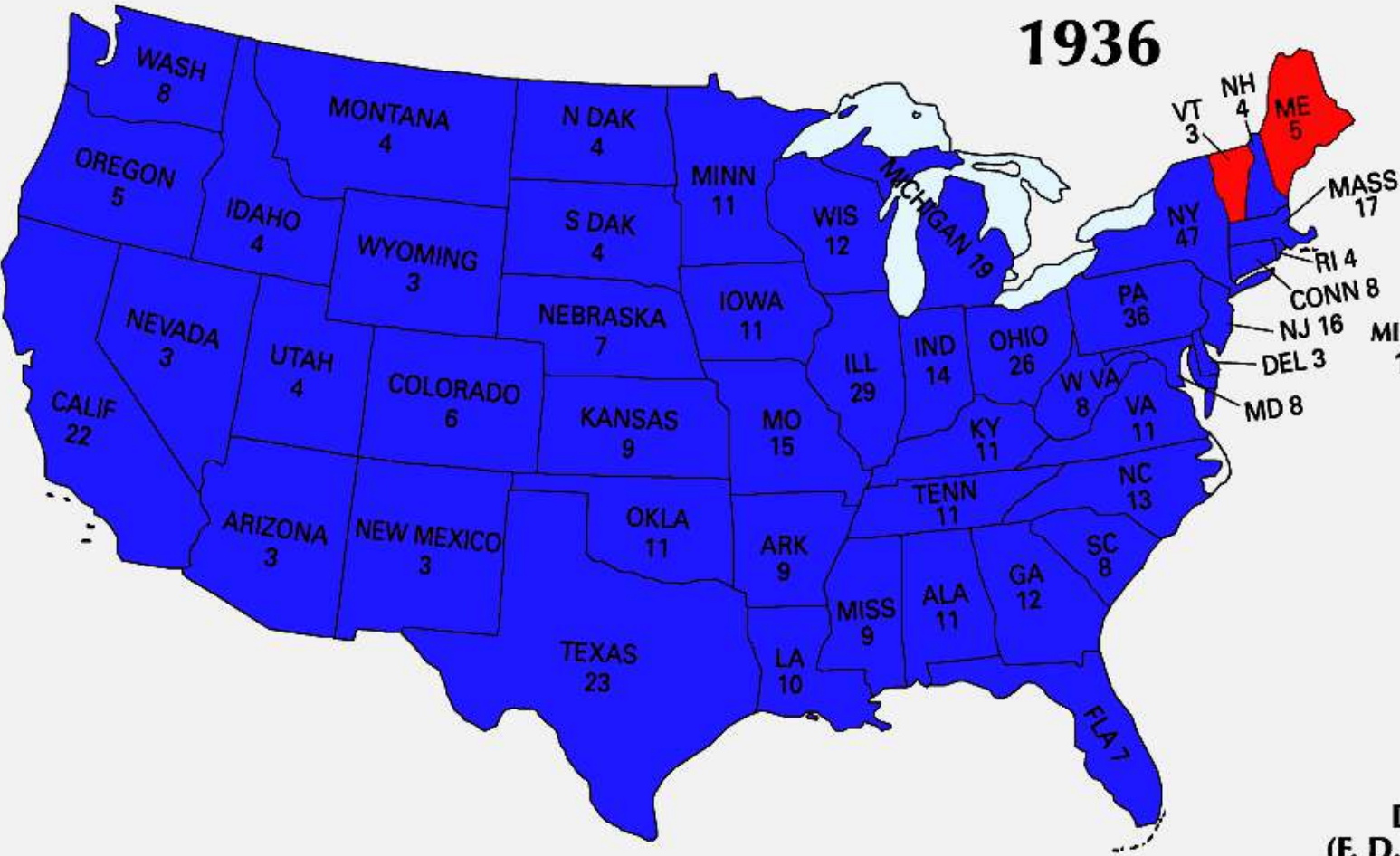


Figure 5-1. Union Membership, 1900-51, NBER figures (Canadian membership included). (Source: U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*, pp. 176-77.)

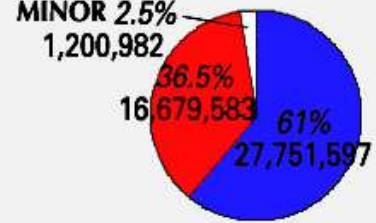
In 1936, FDR was overwhelmingly elected to a second term...

...But his second term would prove more difficult than his first

1936



ELECTORAL VOTE TOTAL: 531



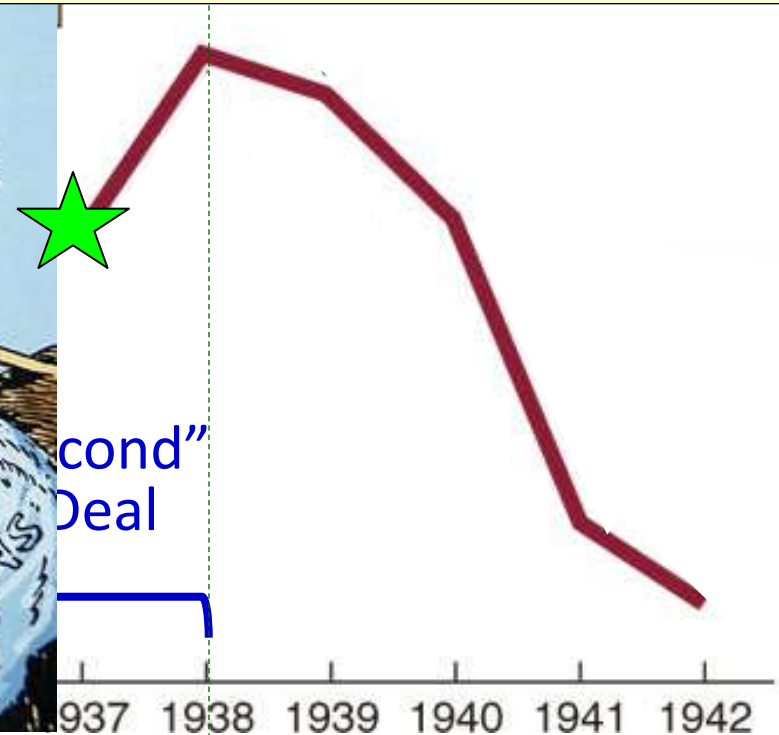
POPULAR VOTE TOTAL: 45,632,162

Democratic (F. D. Roosevelt) 
Republican (Landon) 

By 1937, President Roosevelt faced criticisms that the New Deal was too expensive, did not eliminate unemployment, or end the depression

FDR backed off government funded job programs and unemployment quickly rose

The New Deal was not stimulating the economy to end the Great Depression



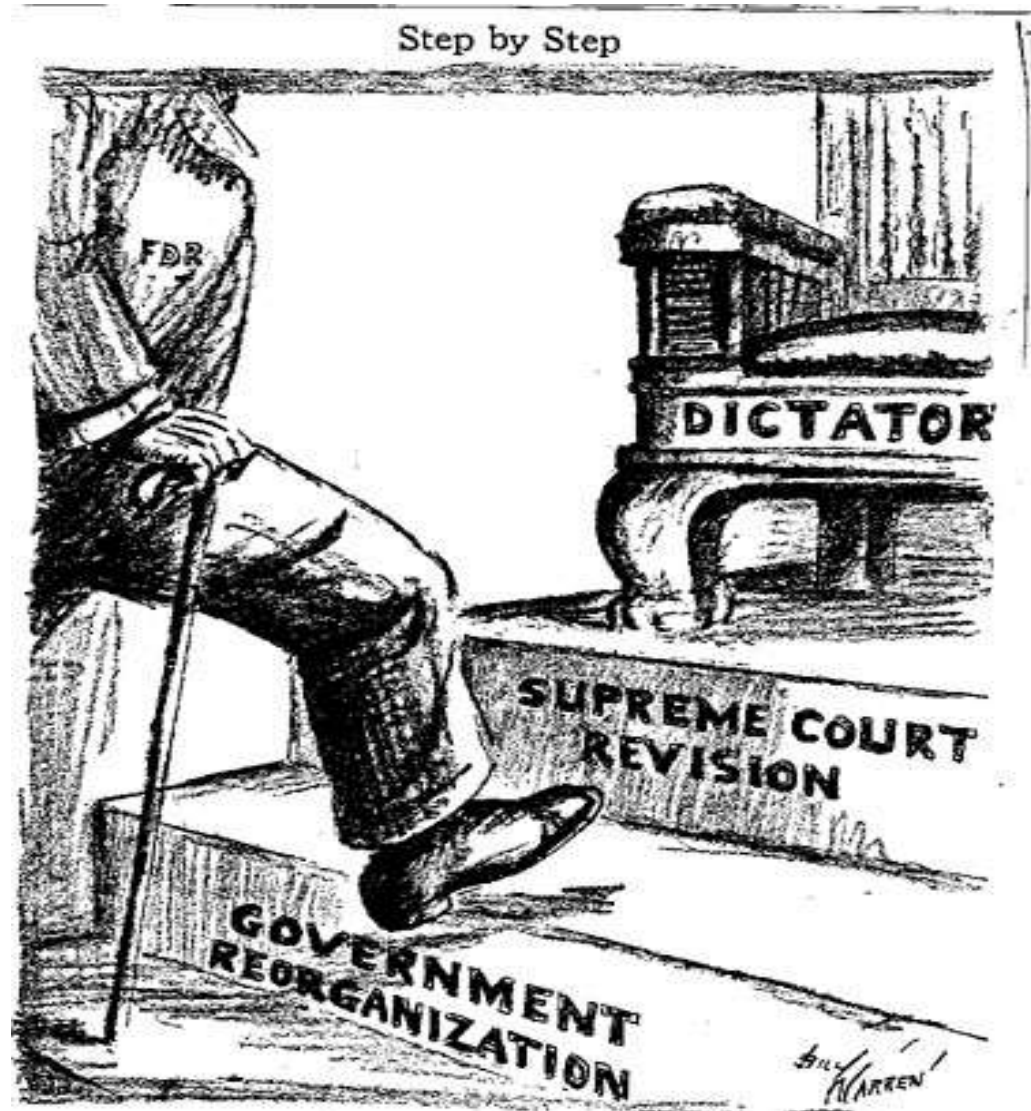
FDR feared that the Supreme Court would weaken the New Deal

FDR threatened to “pack the Supreme Court” and **increase the number of justices from 9 to 15**

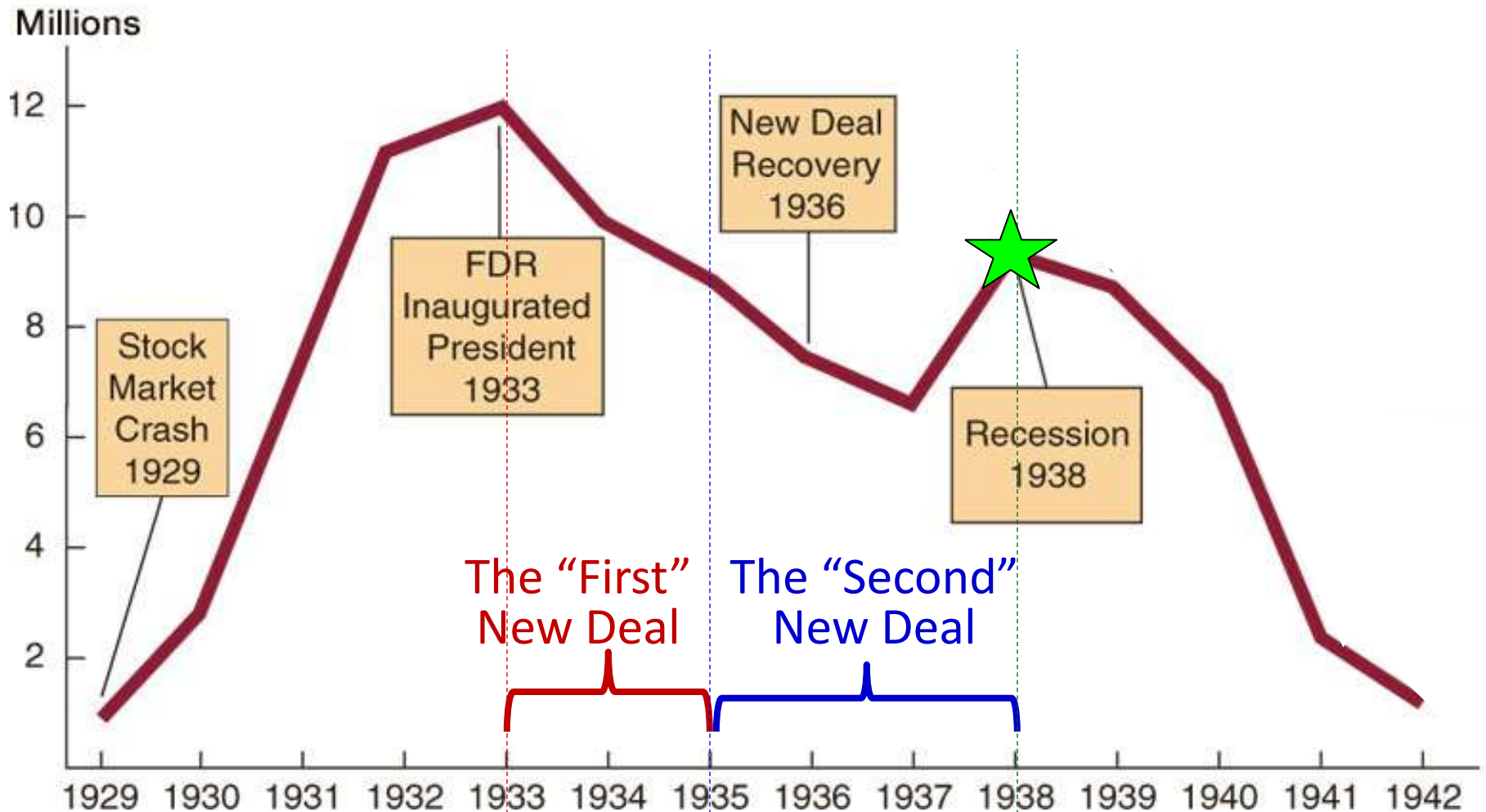
This was known as the “Court-Packing Bill”

Hoped to **block the conservative ideas** of his opponents in the Supreme Court

Ultimately failed



After 1938, Congress focused on trying to control spending and did not pass any more New Deal laws



After 1938, Congress focused on trying to control spending and did not pass any more New Deal laws

Class Discussion:
How effective was the New Deal at relief, recovery, and reform?

New Deal Programs

Relief

Job programs to lower unemployment

- Success or failure?
- Evidence?

Recovery

Programs to stimulate the economy and end the depression

- Success or failure?
- Evidence?

Reform

Programs to correct problems in the economy and prevent future depressions

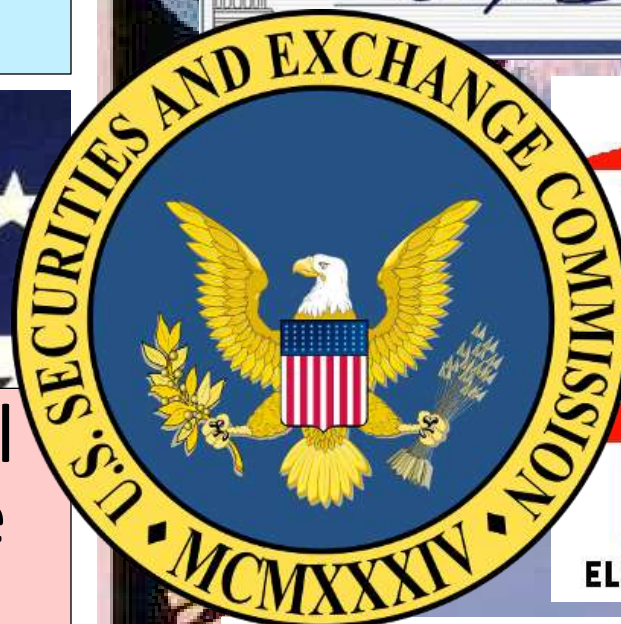
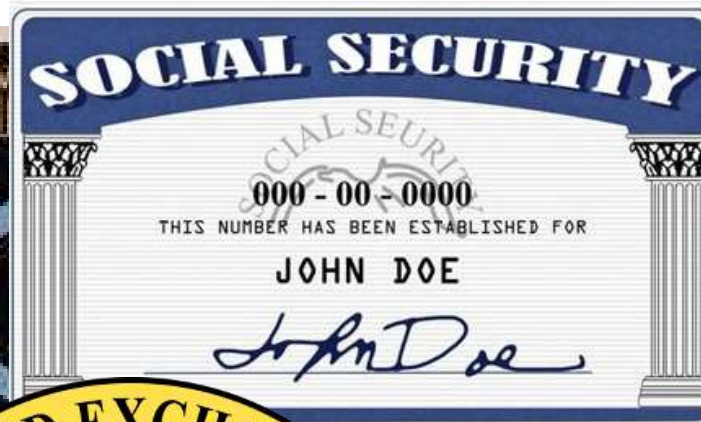
- Success or failure?
- Evidence?

FDR's New Deal dramatically changed America

The New Deal was successful in offering relief programs like the CCC, PWA, WPA to help people through the Depression

★ ★ USA ★ ★

New Deal was successful in offering reform to the stock market (SEC), banking (FDIC), unions (Wagner Act, FLPC), elderly (Social Security)



Each depositor insured to at least \$250,000

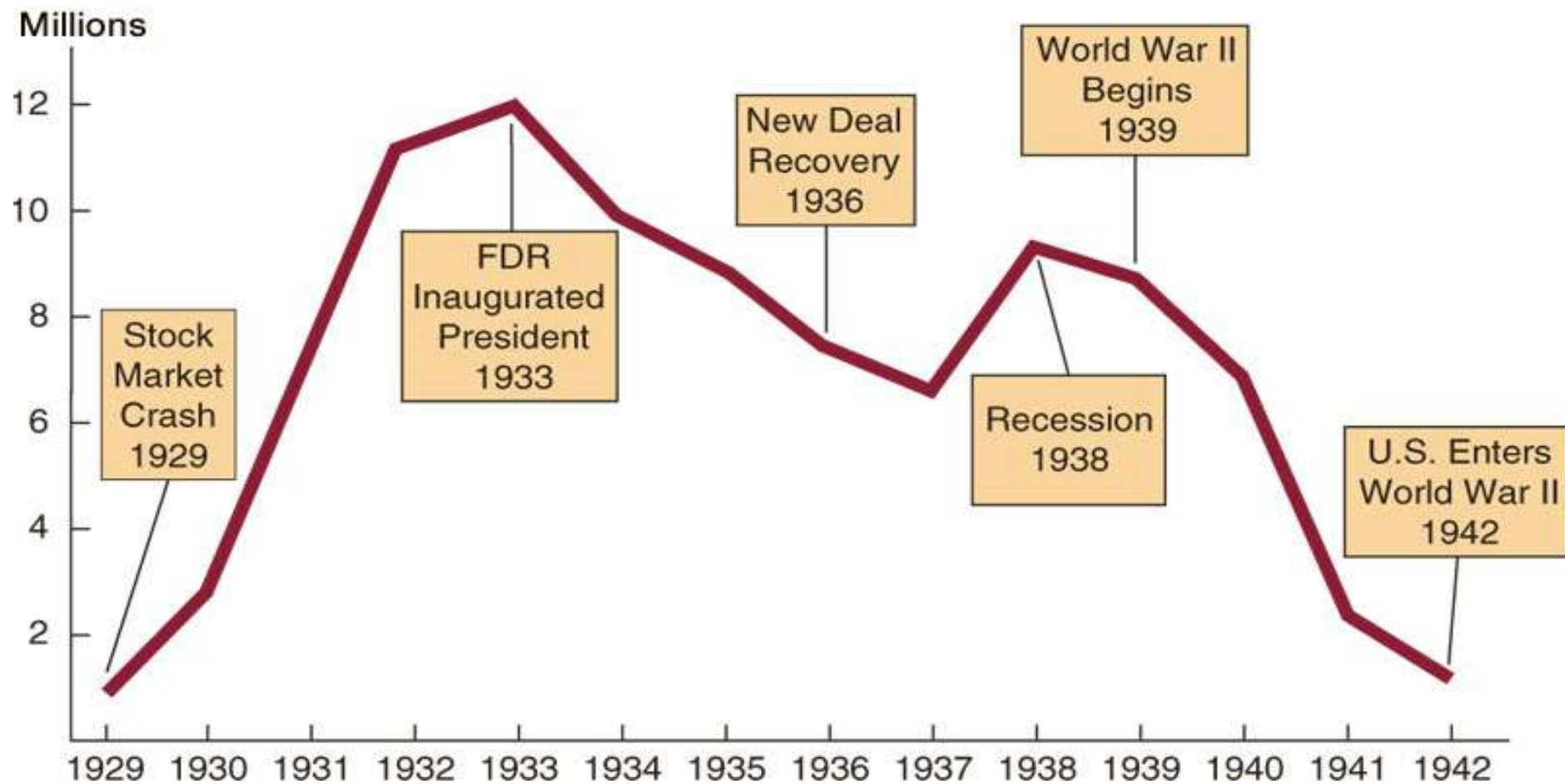
FDIC

FDR's New Deal dramatically changed America

But, the New Deal did not lead to recovery in the American economy

By 1938, nearly 10 million people were unemployed

Wealth remained unevenly divided

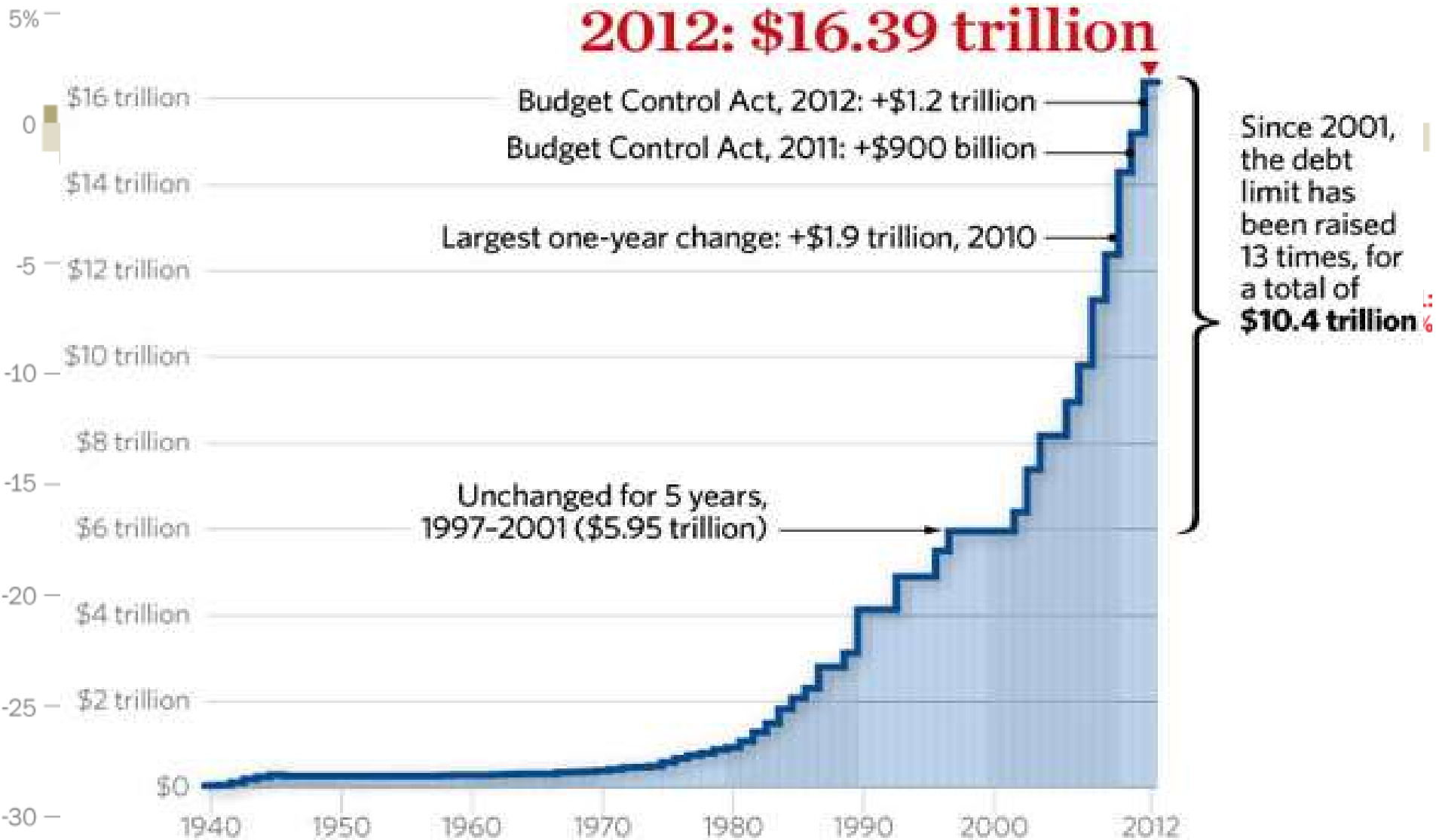


FDR's charisma and active involvement in the economy in changed the role of the presidency and expectations of gov't

FDR's leadership unified African Americans, unions, immigrants, and poor voters under the Democratic Party



For the first time, the gov't used deficit spending and created welfare programs to help groups in need



Note: Figure for 2012 is current as of April 6.

CAUSES

- stock-based economy; superficial prosperity
- unequal distribution of income
- problems in industry and the farm sector
- increasing consumer debt
- stock market speculation and crash

THE GREAT DEPRESSION

EFFECTS

- people out of work
- rise of shantytowns
- banks fail and schools close
- world economy suffers
- Hoover employs more active governmental involvement

THE NEW DEAL

PROBLEMS

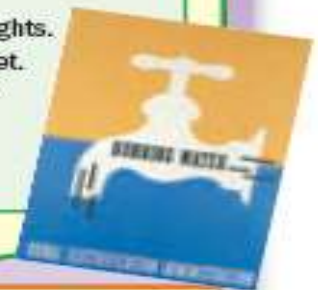
- Industries and farms failed.
- U.S. stock market crashed and banks closed.
- Bankrupt businesses
- Unemployment
- Homelessness

SOLUTIONS



- Work projects help the unemployed.
- Money given to farmers, sharecroppers, and migrant workers
- New opportunities for women and minorities
- Social Security Act allocates money to the elderly, the unemployed, and the disabled.

- NLRB protects workers' rights.
- SEC monitors stock market.
- FDIC protects individuals' deposits in banks.
- Fireside chats increase public confidence.



CONTINUING EFFECTS

- Banking and finance are reformed.
- Government takes a more active role in the economy.
- Workers benefit from labor standards.
- Social Security system continues to provide for the needy.
- Conservation efforts continue to preserve the environment.

New Deal Posters

■ Create a New Deal poster advertisement:

- In your group, create an advertisement for one of 8 New Deal programs
- You cannot name the program, but you need to illustrate its features
- Include your group number (1-8) and post it on the wall
- Go around the room and use your charts to guess which group was assigned which

