

- Essential Question:

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

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%

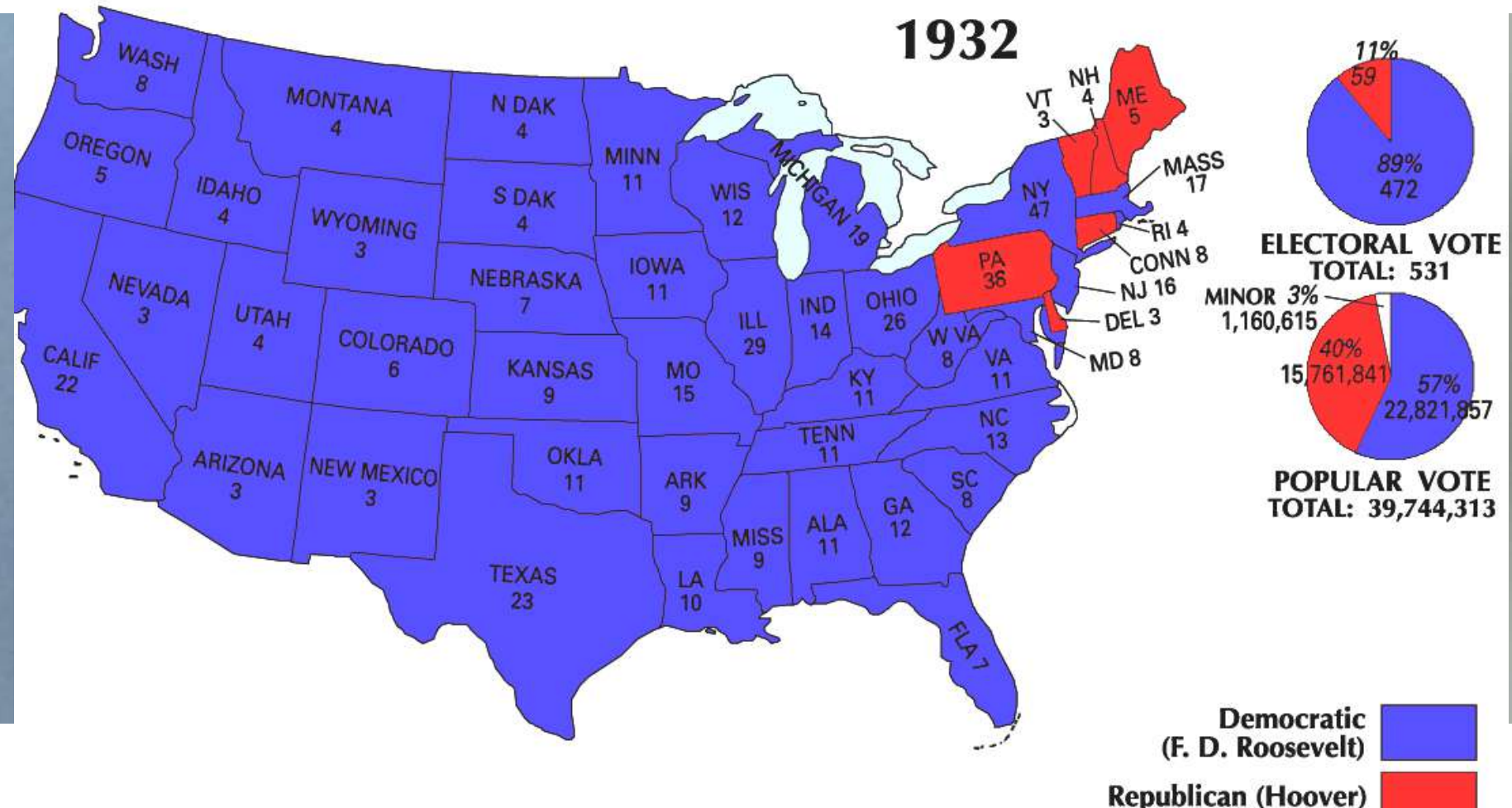
The American banking system collapsed

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

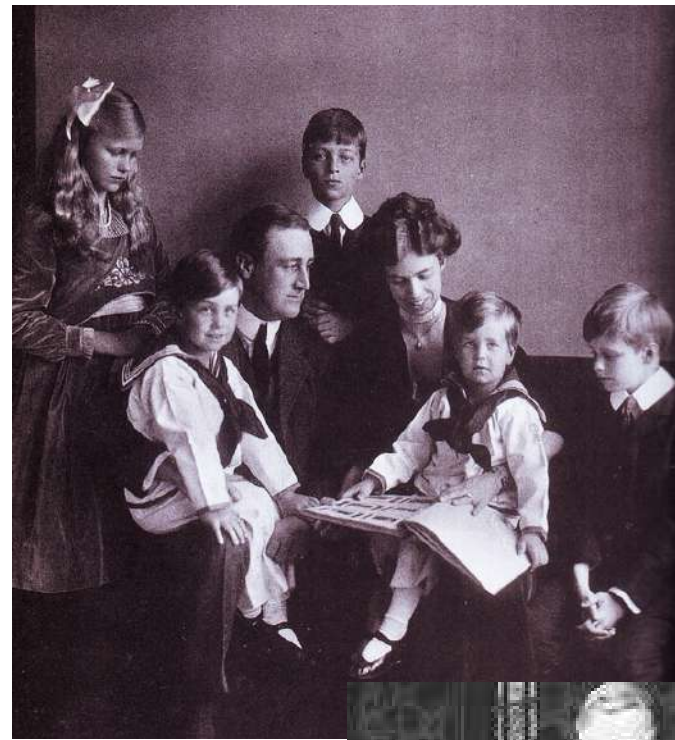
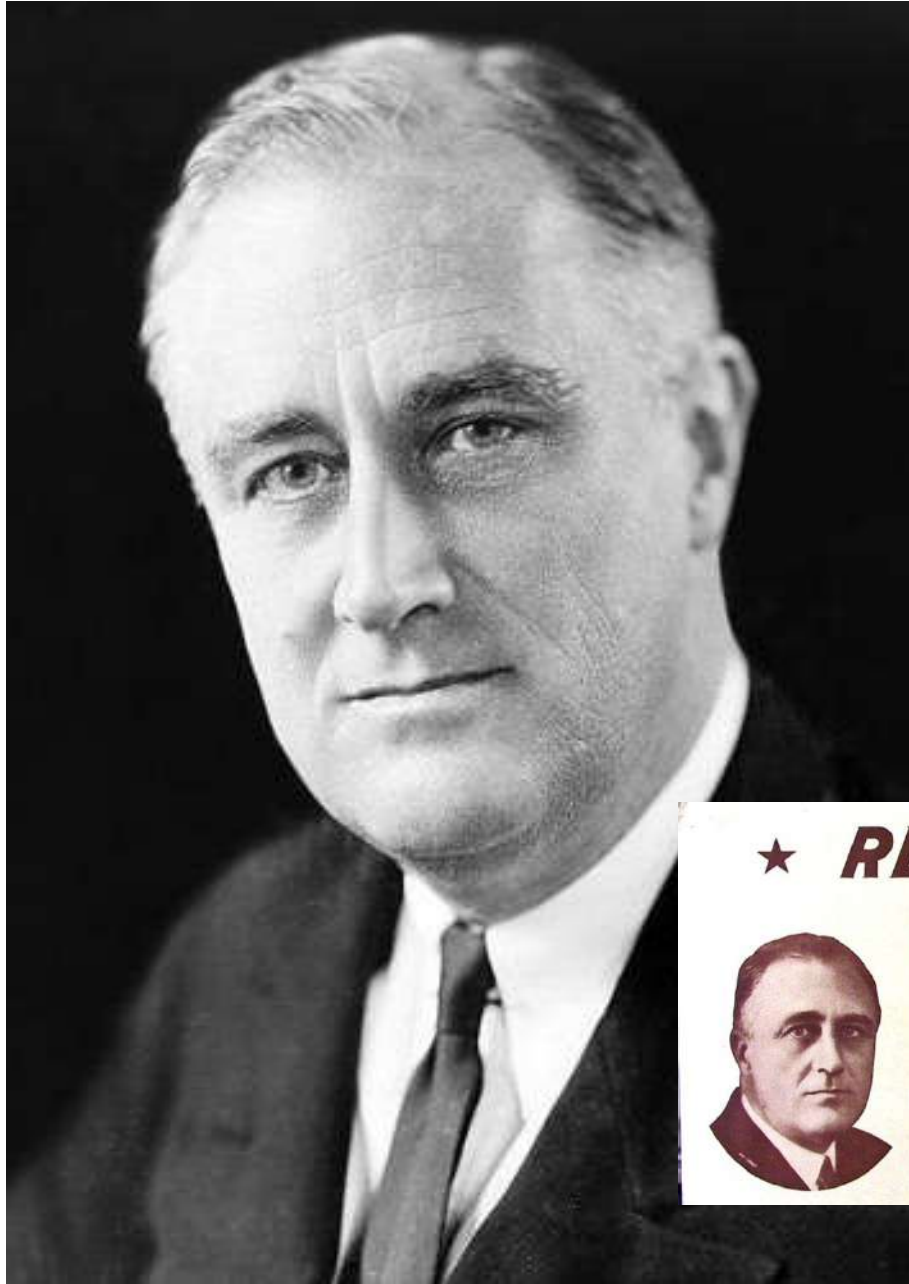


By the election of 1932, Hoover ran for re-election but Americans wanted hope and strong leadership

Democratic candidate Franklin Roosevelt defeated Hoover and won the presidency

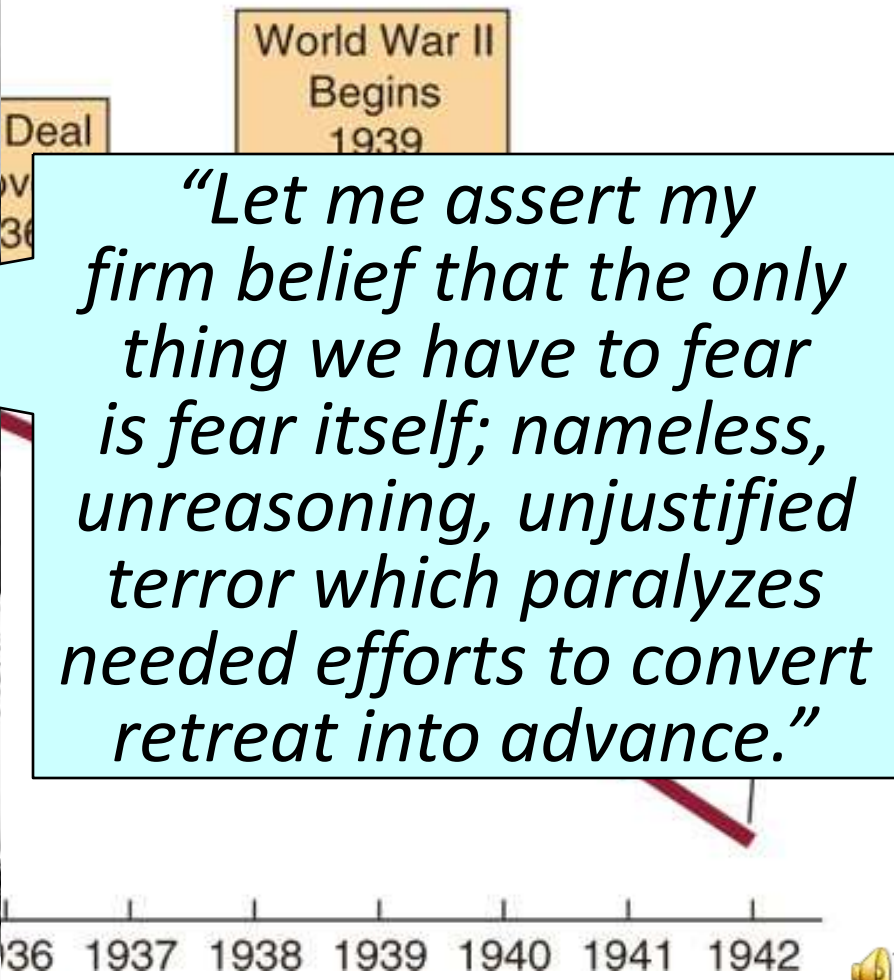


# FDR Biography



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"*

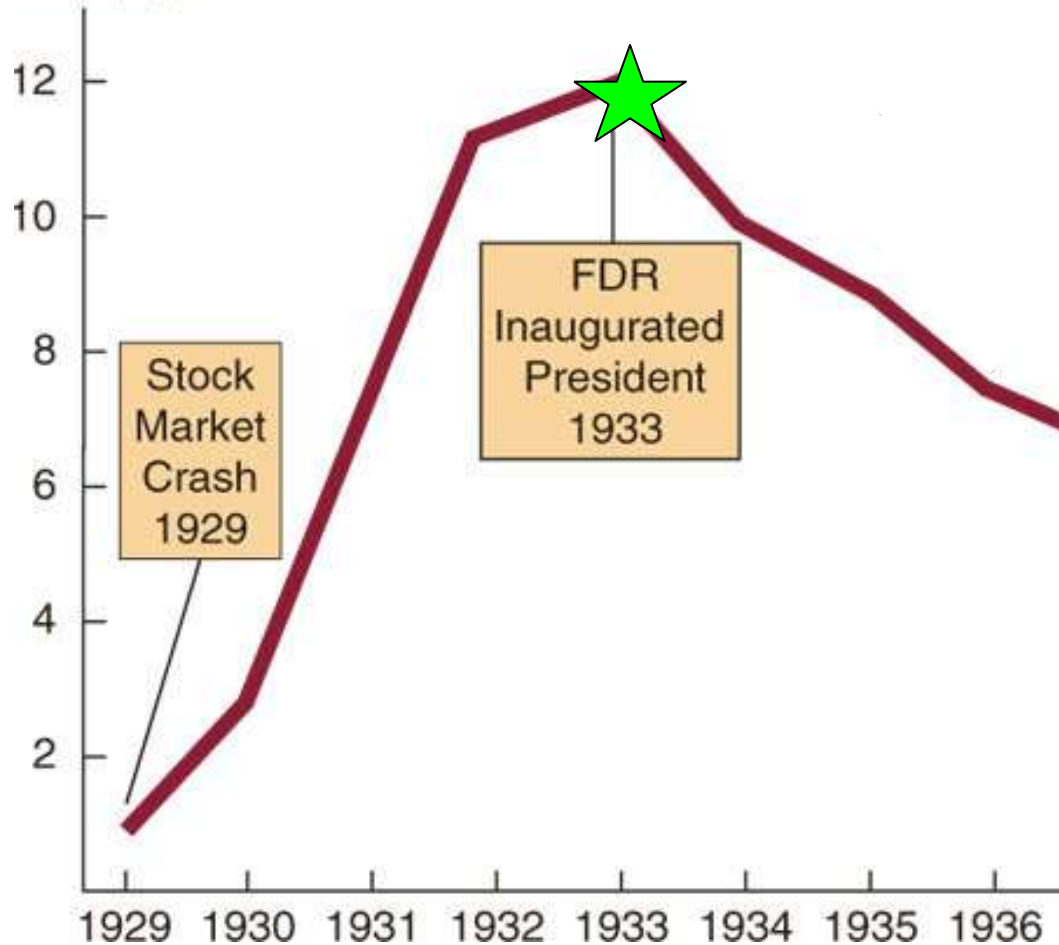


When FDR became president he promised decisive gov't action to fight the depression

FDR believed the gov't should use deficit spending (spending that causes debt) to stimulate the economy



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



# 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 declared a four-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 "conscious 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



# 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

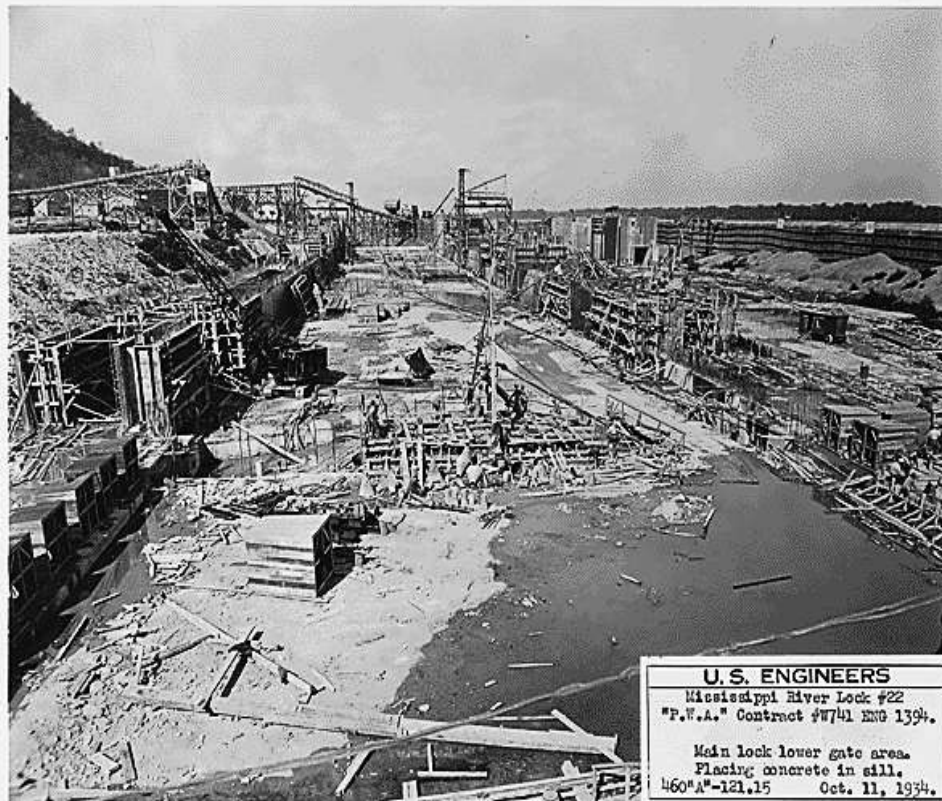
The Civilian Conservation Corps (CCC) was a work program for young men aged 18-25 years old...

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



**U. S. ENGINEERS**  
Mississippi River Lock #22  
"P.W.A." Contract #W741 ENG 1394.  
Main lock lower gate area.  
Placing concrete in sill.  
460' A-121.15 Oct. 11, 1934.



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

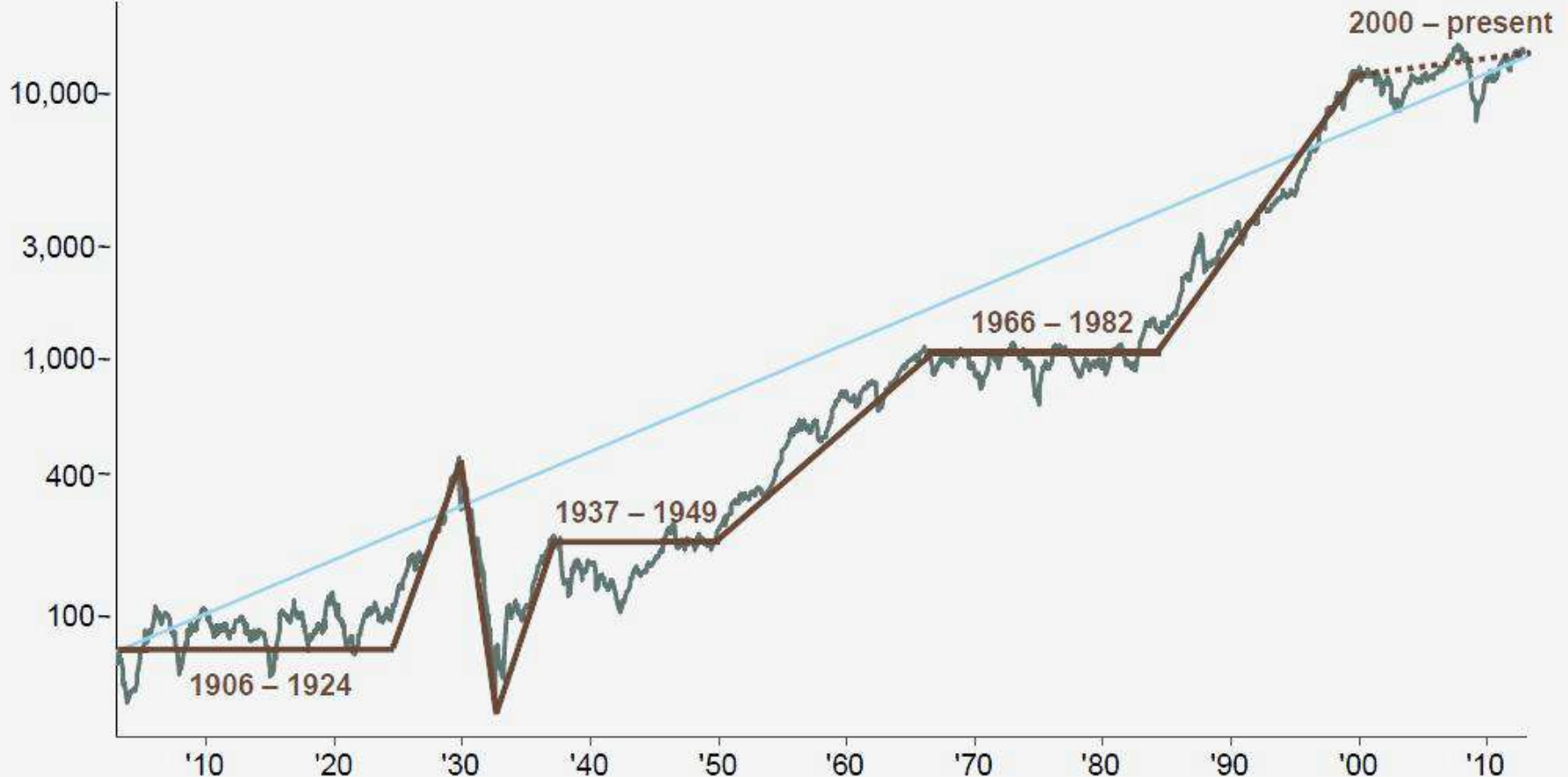




# The New Deal created long-term reforms to address weaknesses in the American economy and address the causes of the Great Depression

Dow Jones Industrial Index, Price Return (Since 1900)

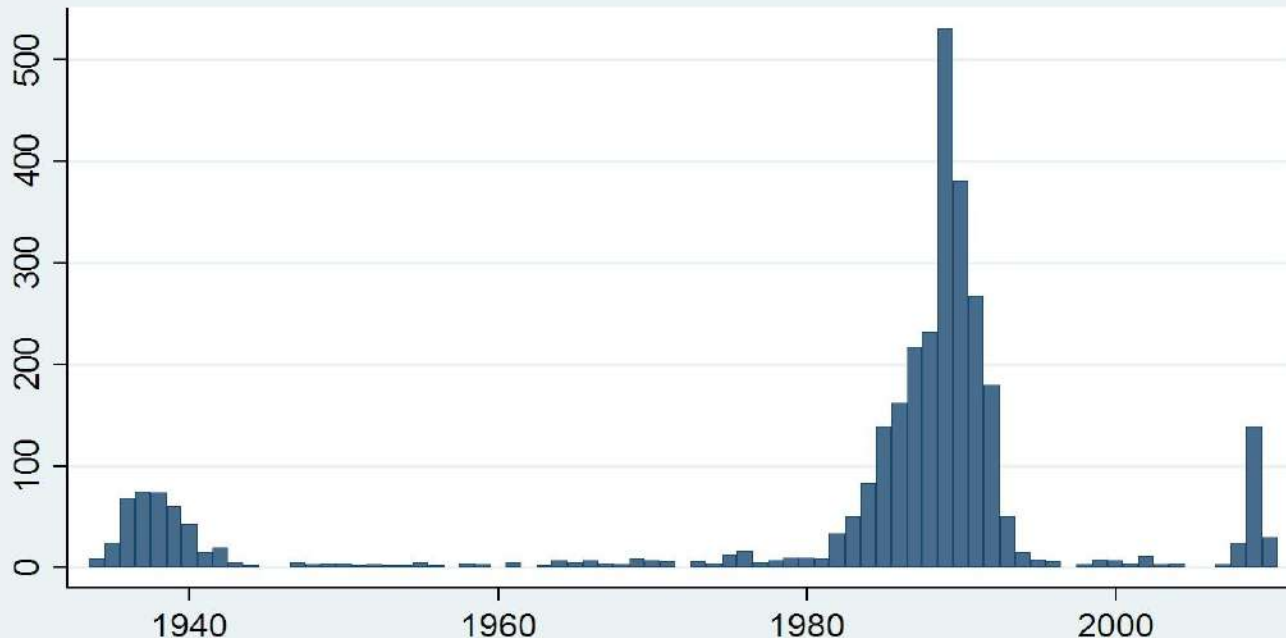
Log Scale



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 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

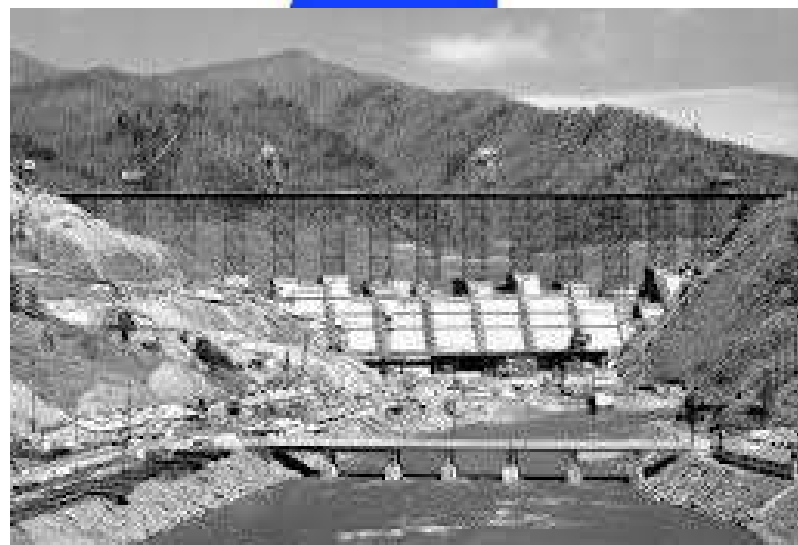
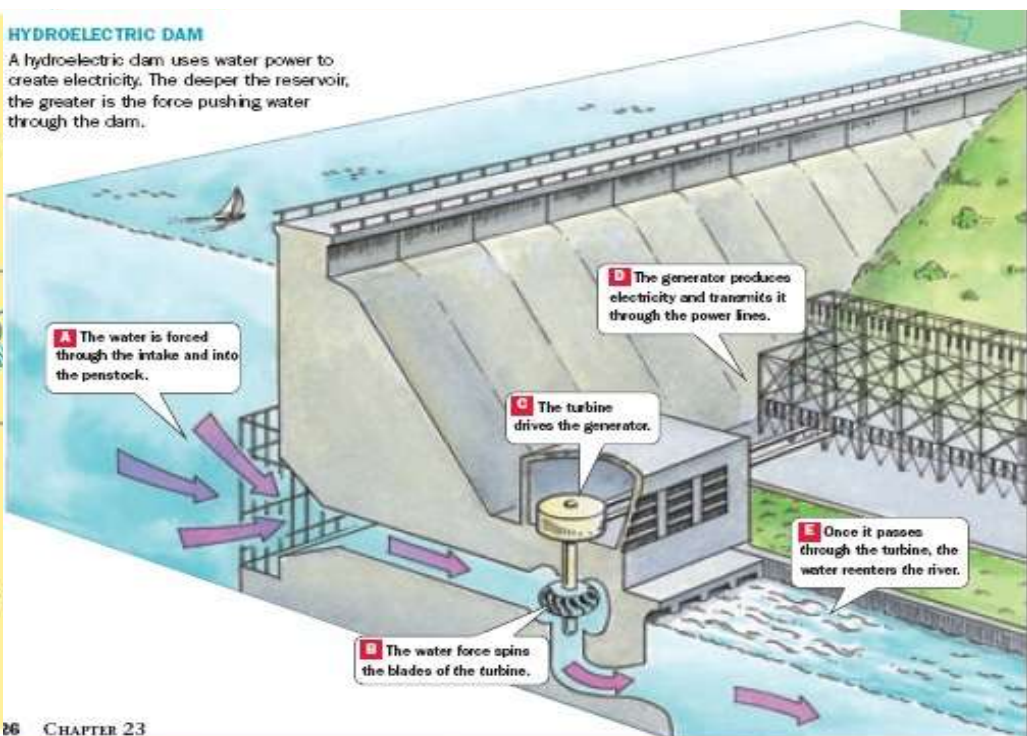
The New Deal created long-term reforms to address weaknesses in the American economy and address the causes of the Great Depression

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

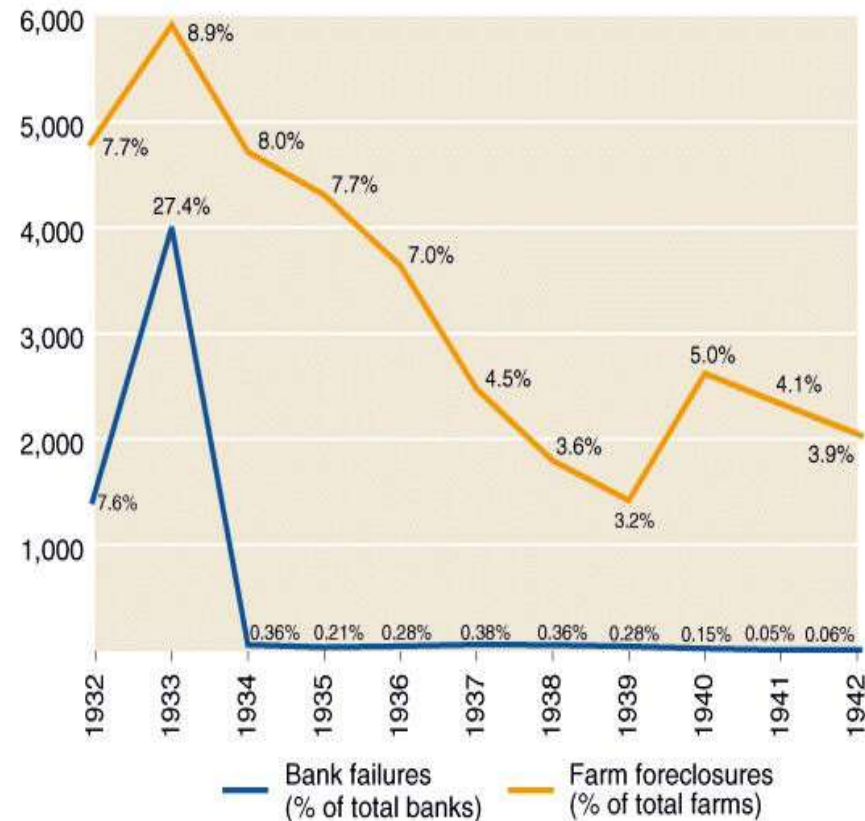
Agricultural Adjustment Act (AAA) was created to help farmers and stimulate agriculture

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



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



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 1937 1938 1939 1940 1941 1942

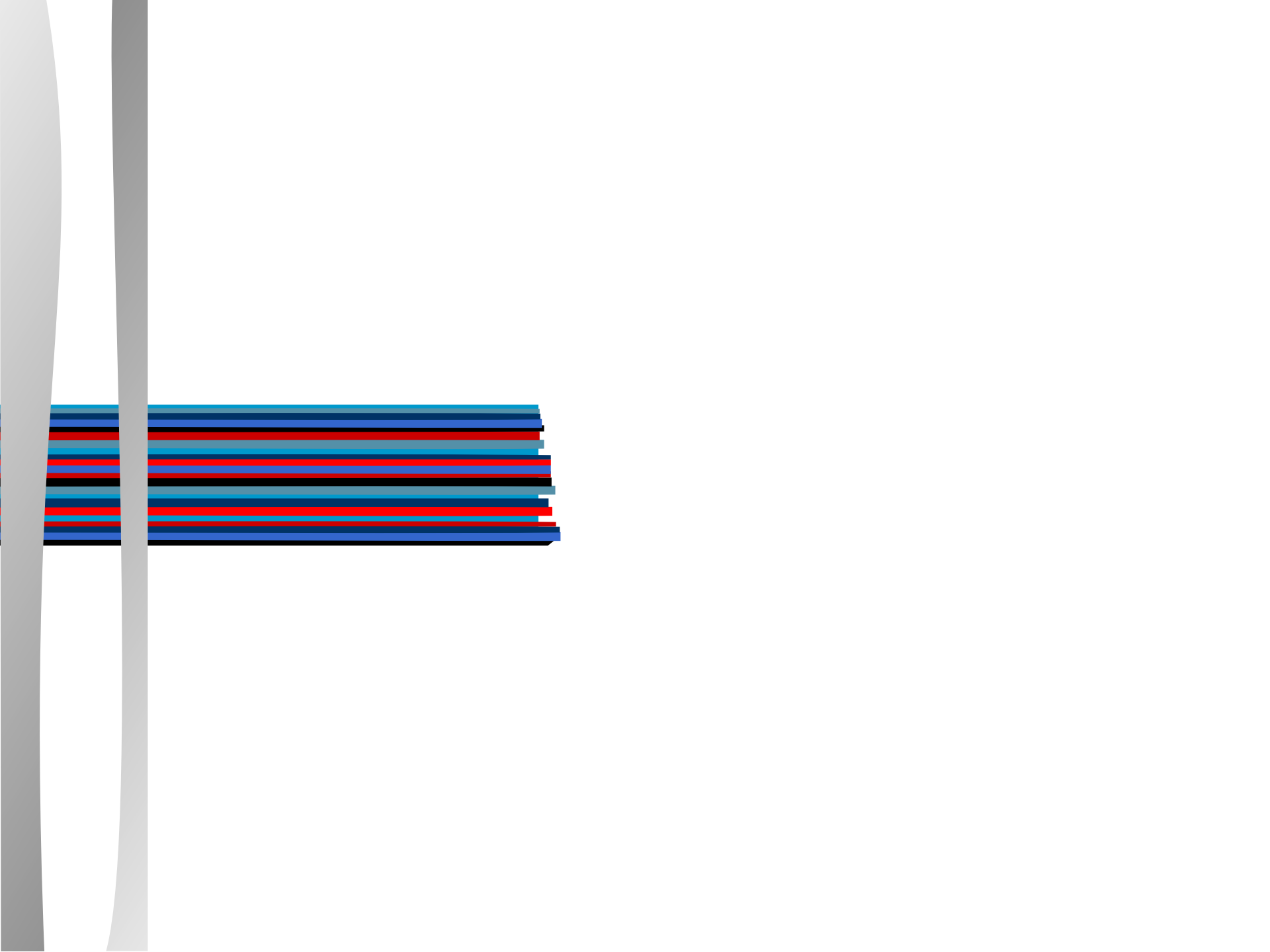
# *"The Kingfish" Huey Long*



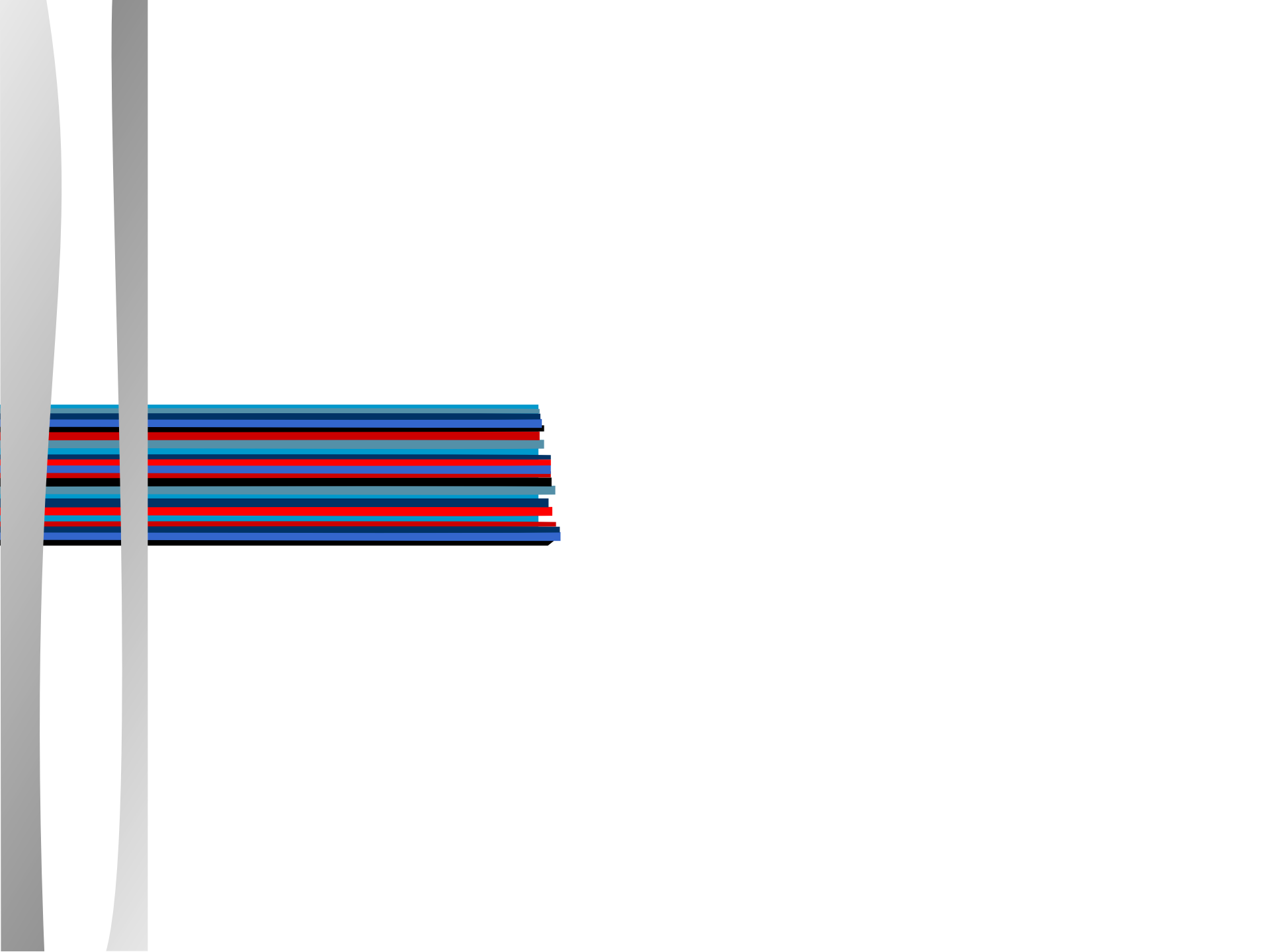
Huey Long threatened to run as a 3<sup>rd</sup> party candidate but was assassinated in 1935

*...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."*

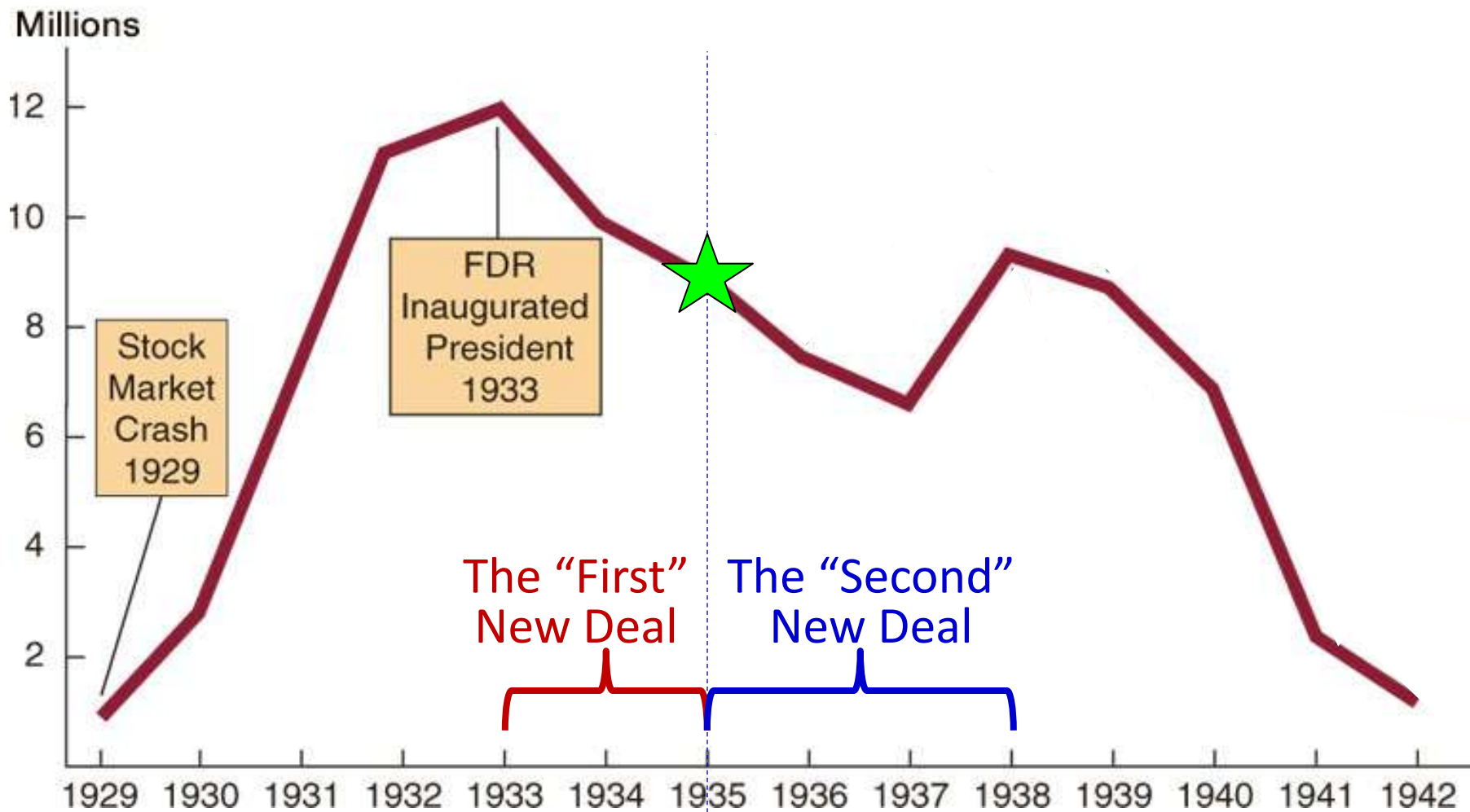






In 1935, FDR began an aggressive series of laws called the Second New Deal

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



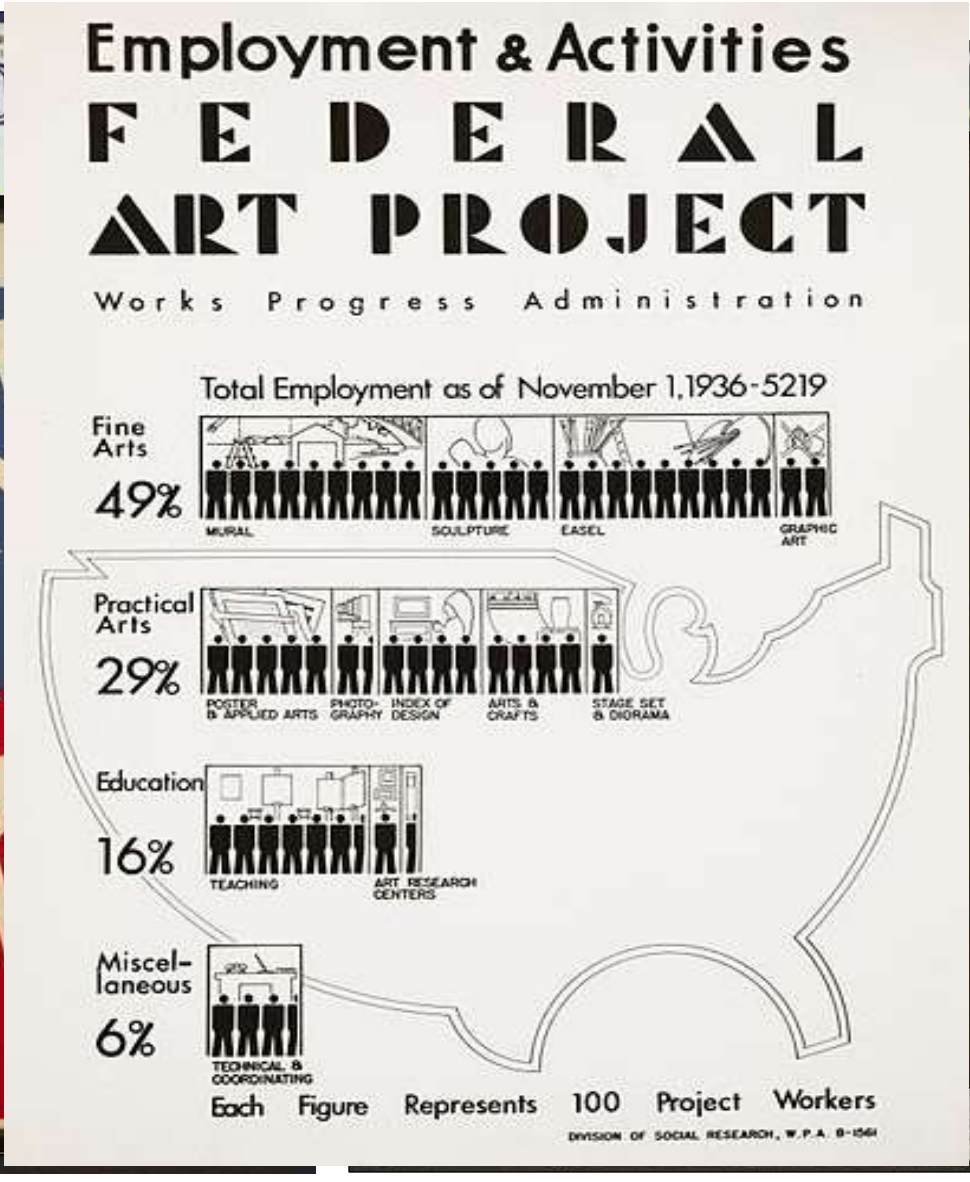
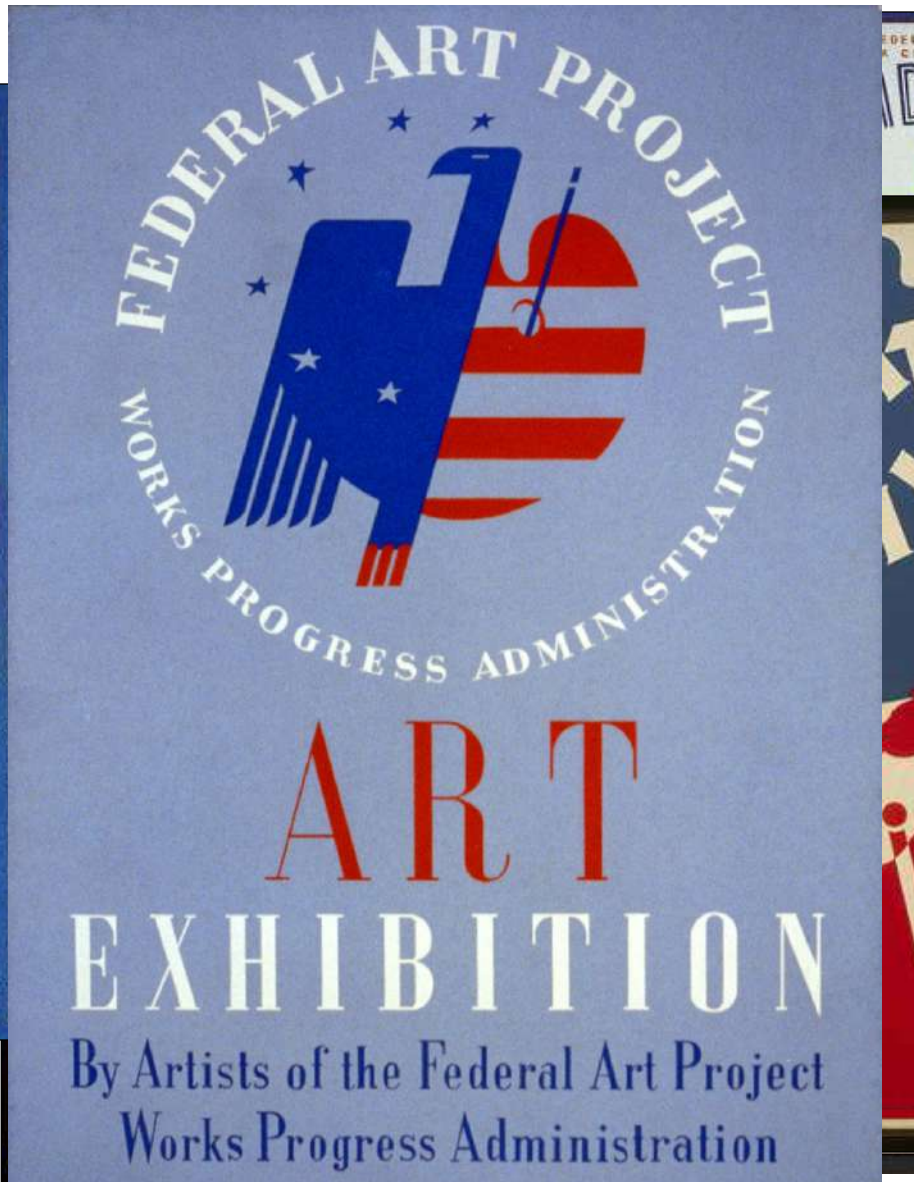
The most ambitious works program of the New Deal was the Works Progress Administration (WPA)

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

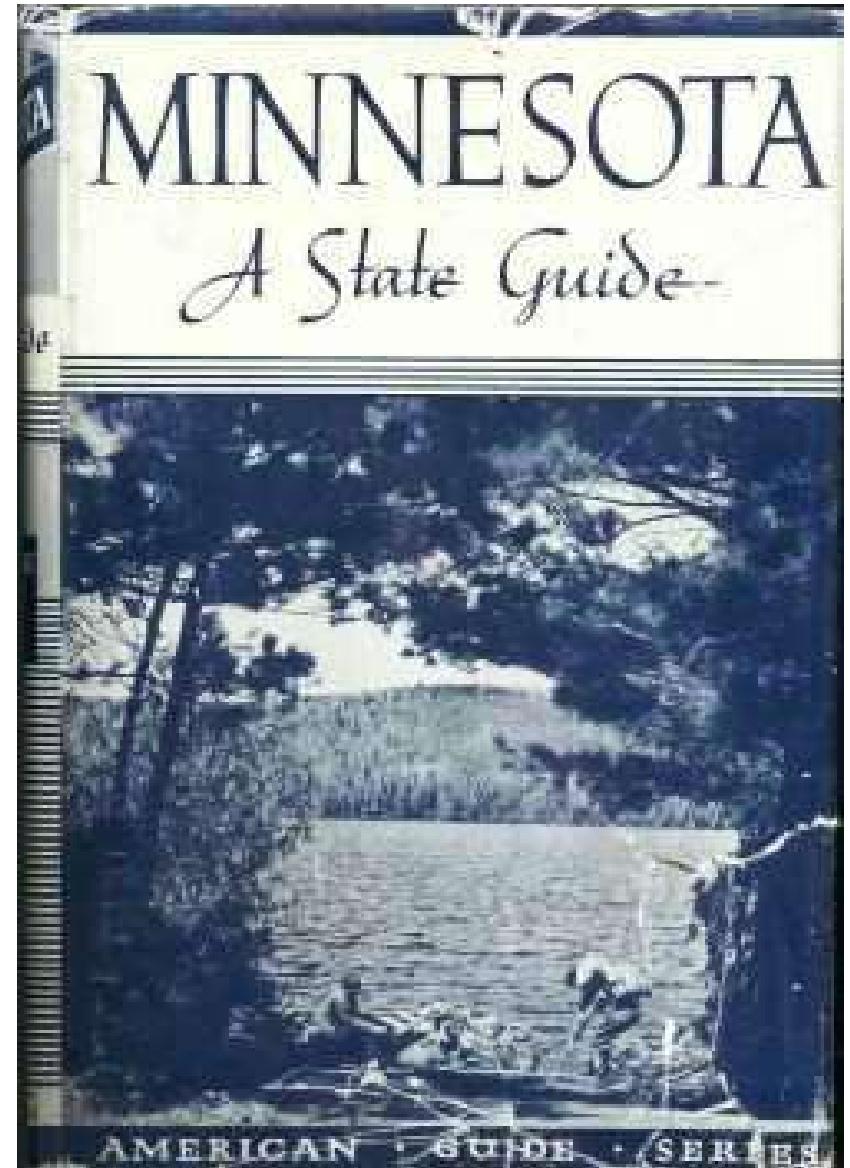
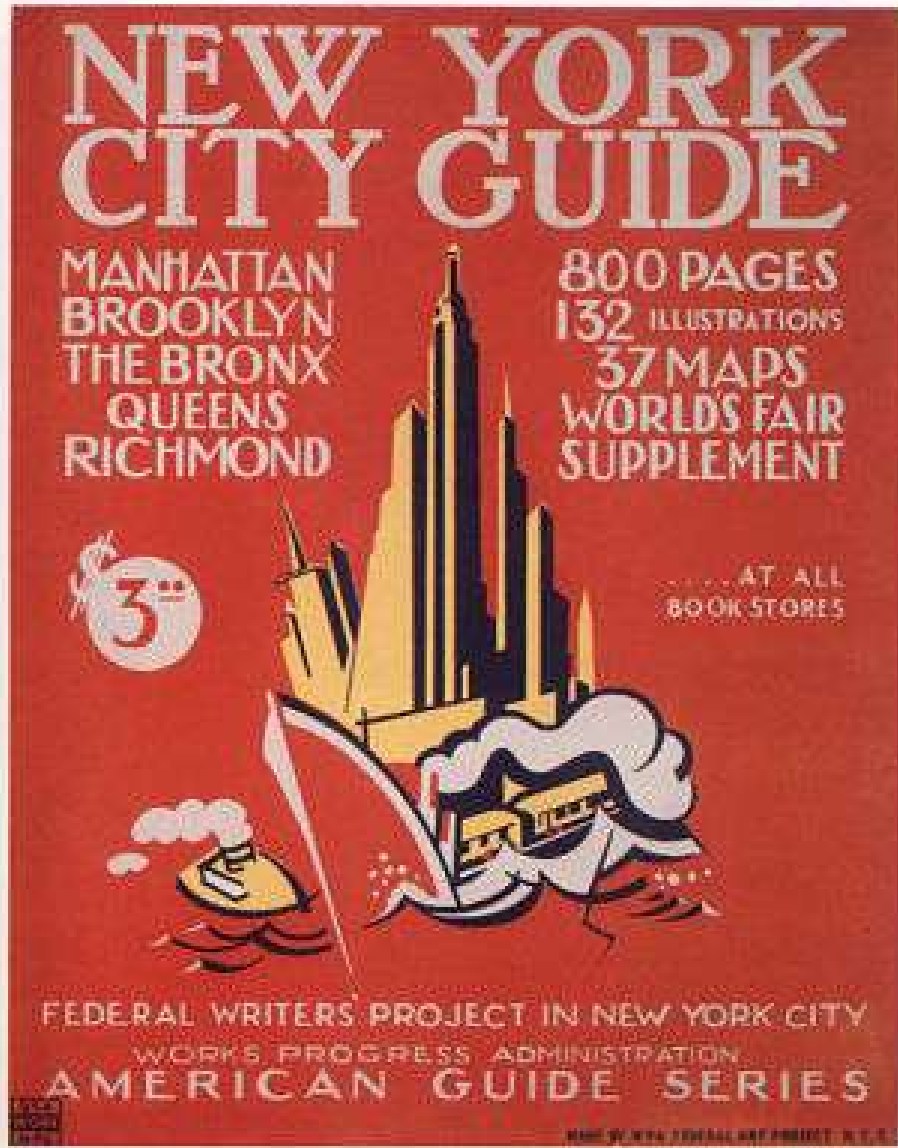
The WPA was created to provide as many as 10 million jobs for men, women, and youths in building projects...



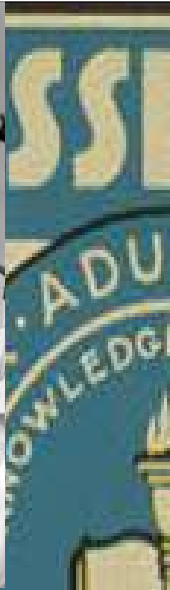
...as well as a variety of professions including artists...



...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.

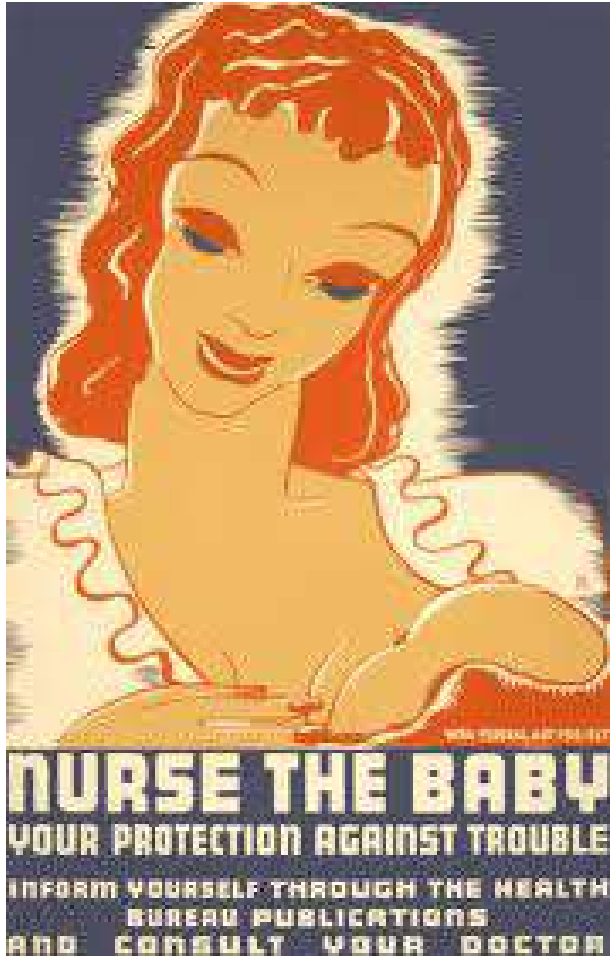
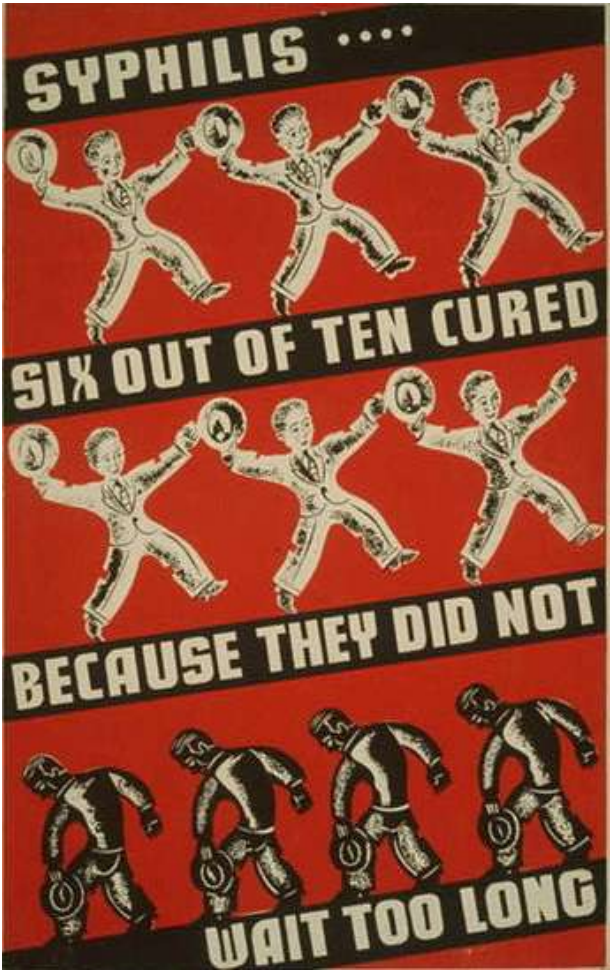
# COMMUNITY CENTER



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

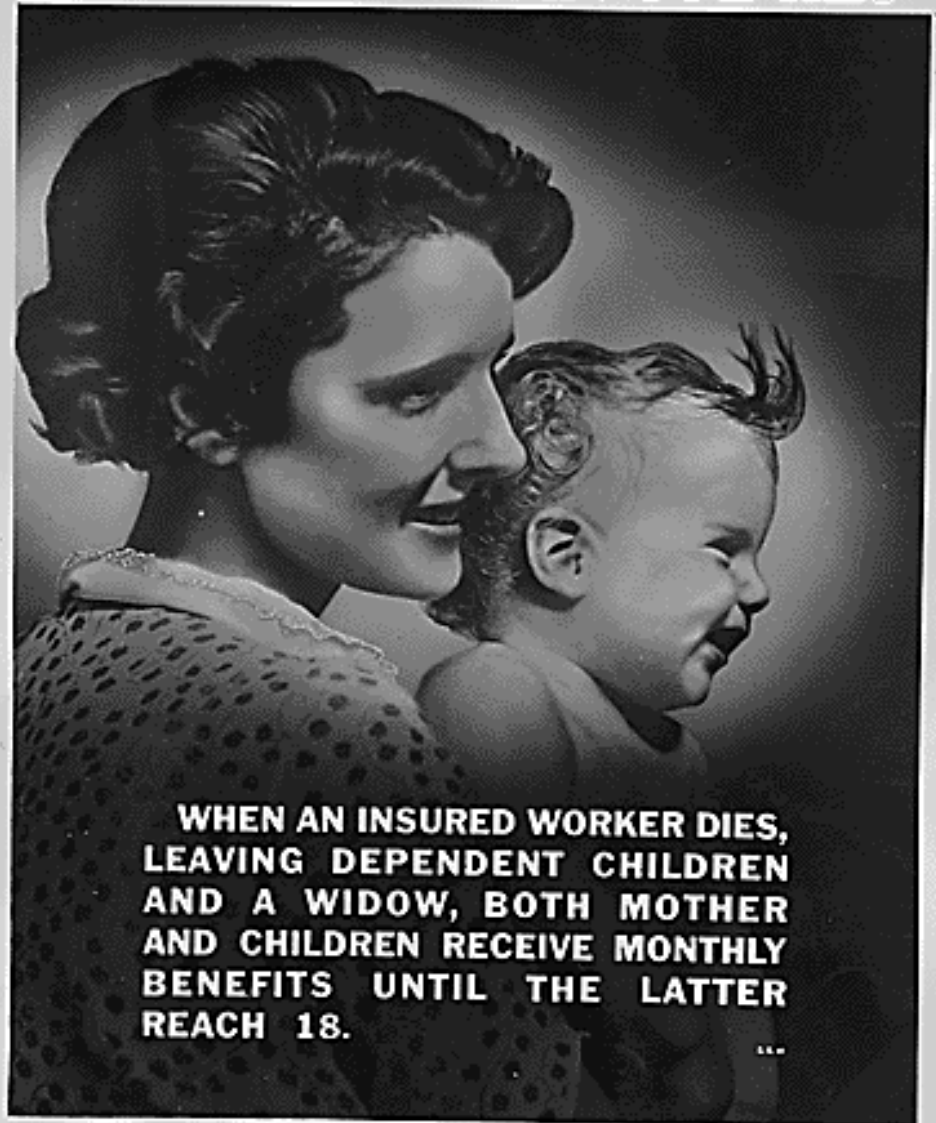


To combat poverty among the elderly and disabled, Congress created the *Social Security Act*

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 Fair Labor Practices Commission to regulate unfair practices used by companies to discourage union membership

Due to the Wagner Act, union membership in the USA increased

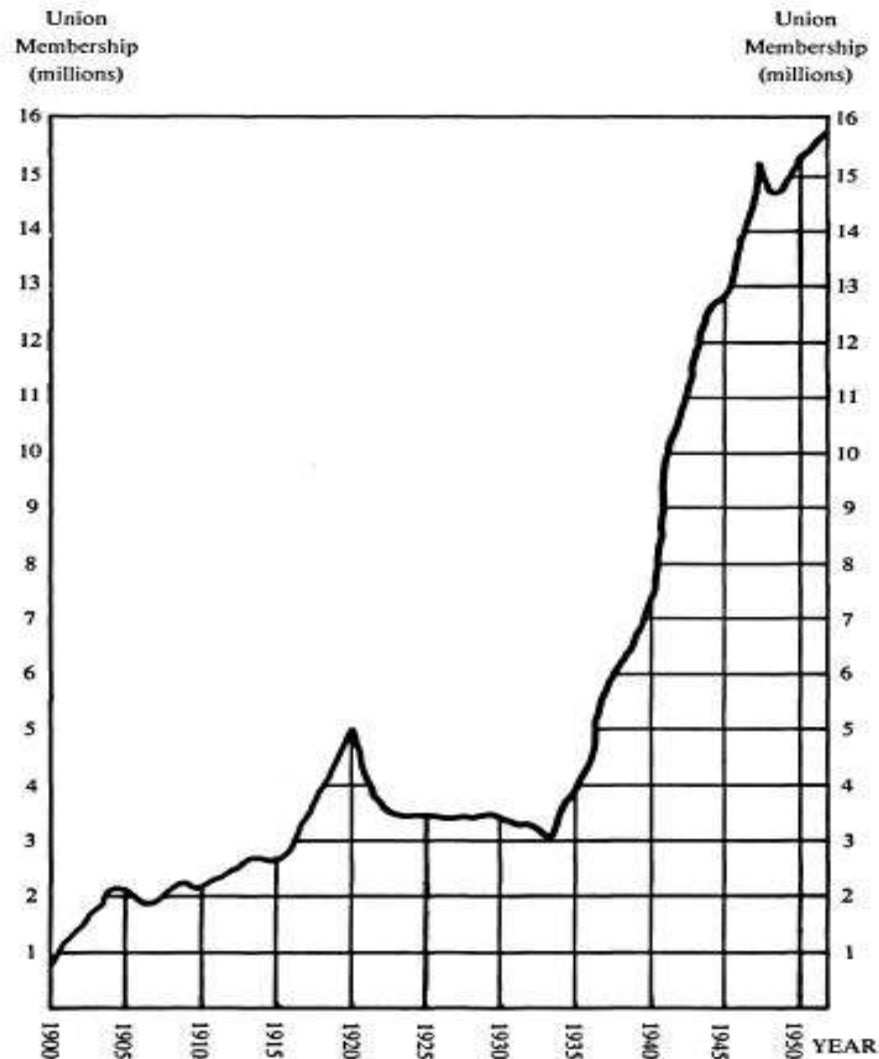
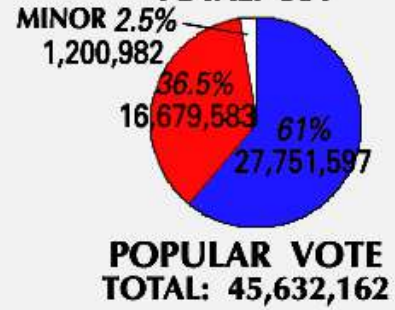
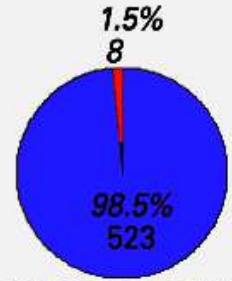
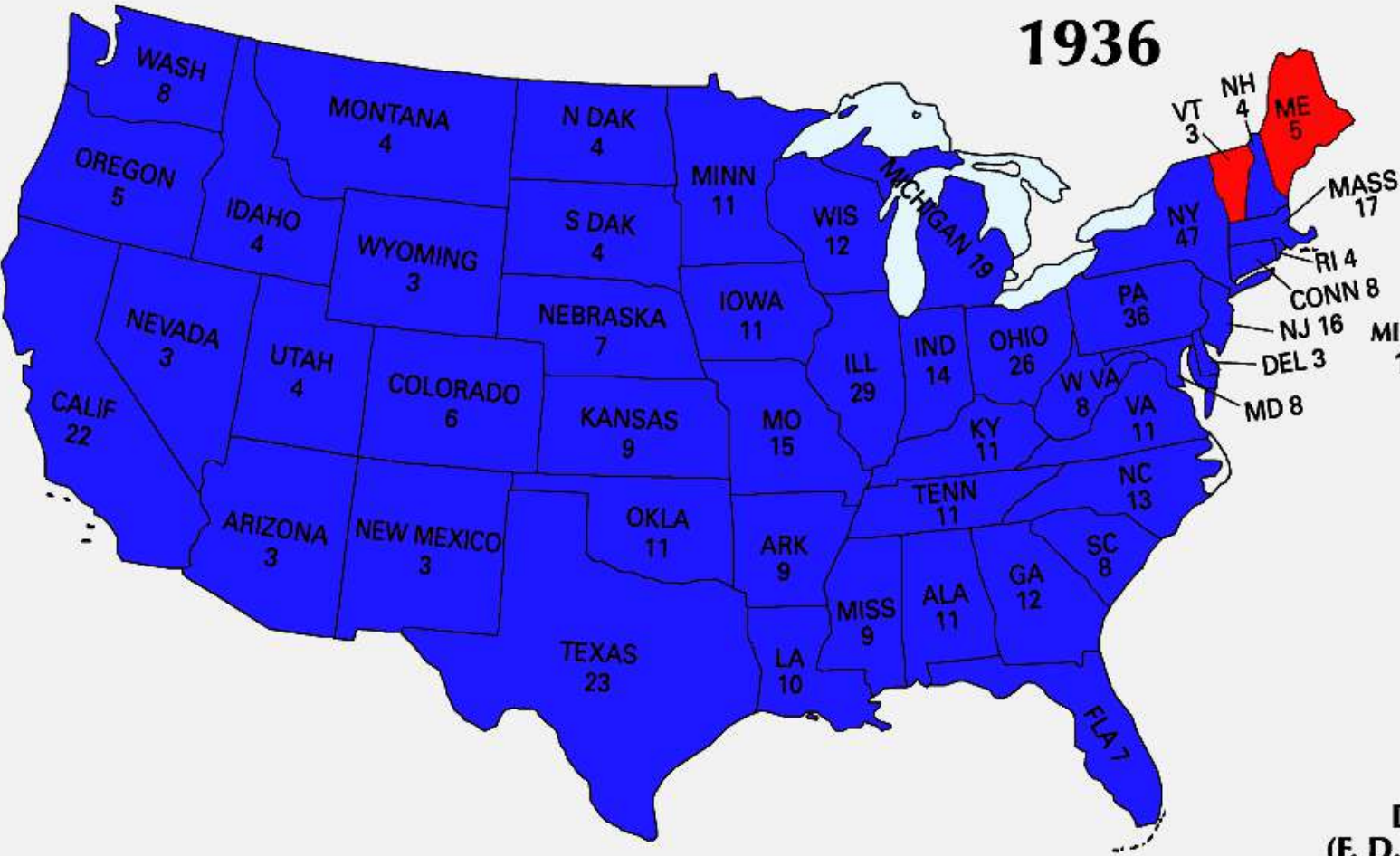


Figure 5-1. Union Membership, 1900-51, NBER figures (Canadian membership included). (Source: U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*, pp. 176-77.)


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

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

1936



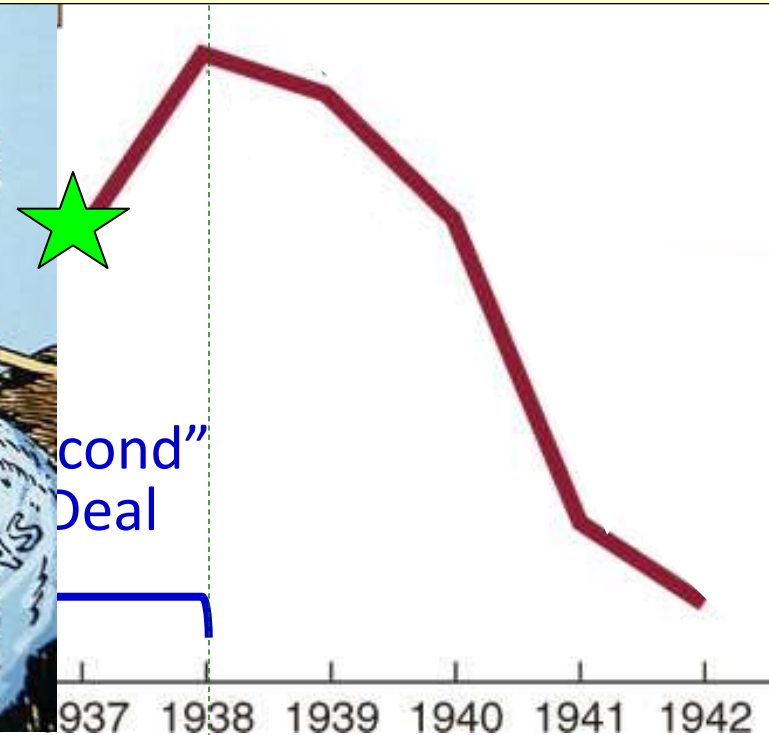
**Democratic (F. D. Roosevelt)** 

**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

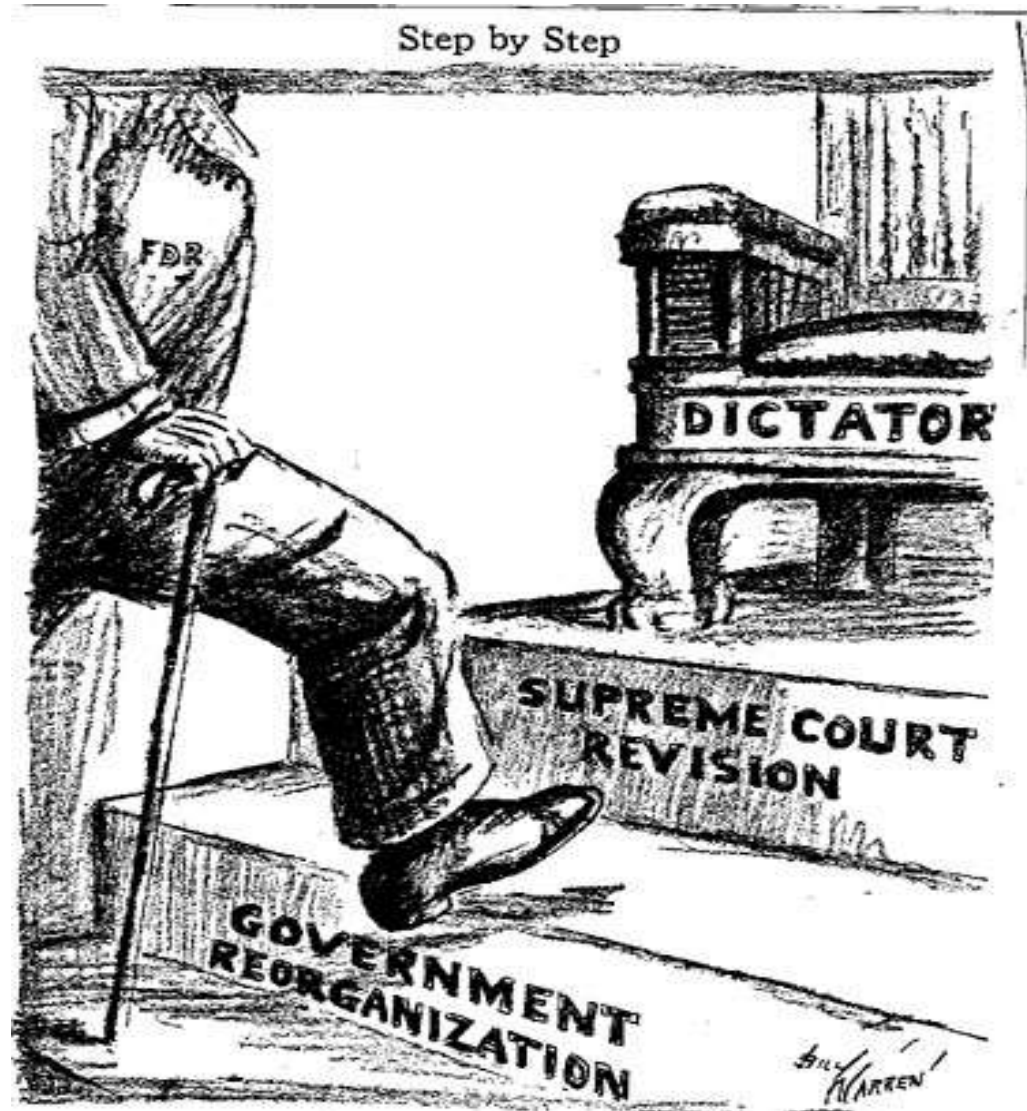


In addition, two New Deal recovery programs (*AAA and NRA*) were declared *unconstitutional* by the Supreme Court

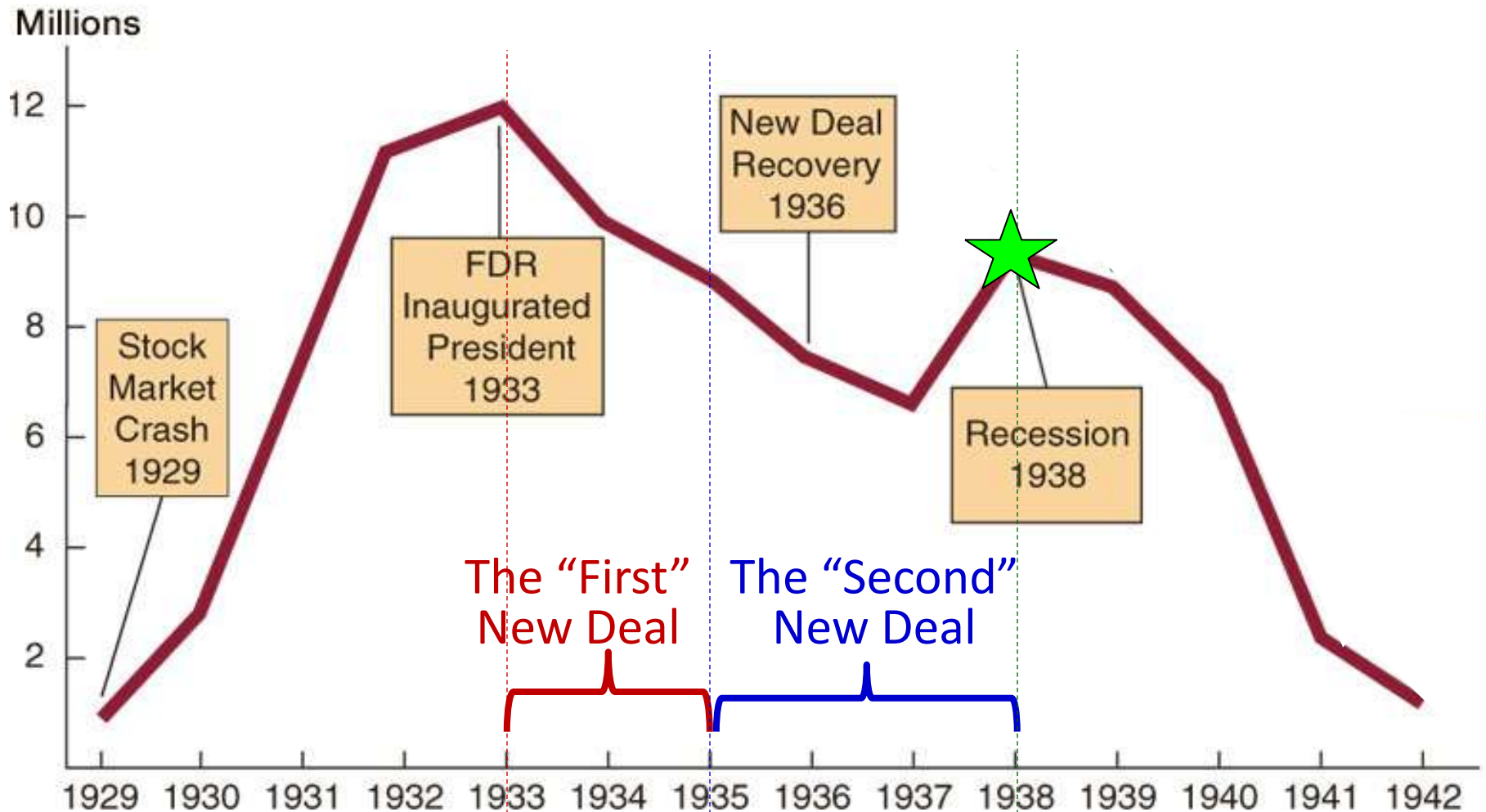
FDR feared that the Supreme Court would weaken the New Deal

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

People were outraged as FDR appeared to be overstepping his Constitutional powers



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

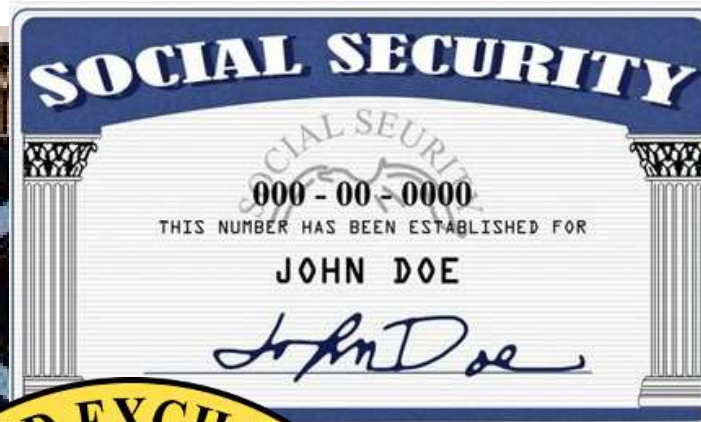


# FDR's New Deal dramatically changed America

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

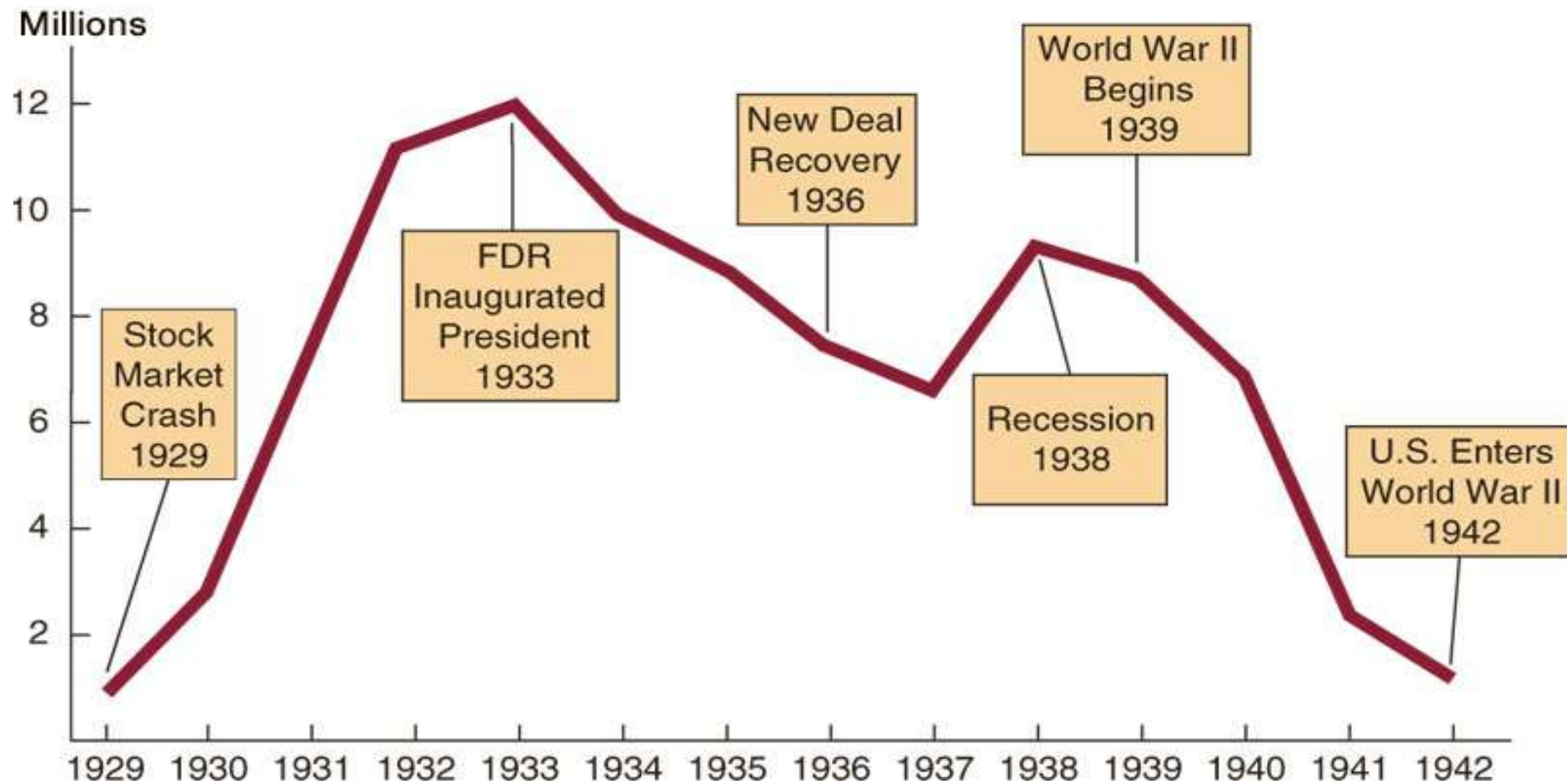
**FDIC**

# 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



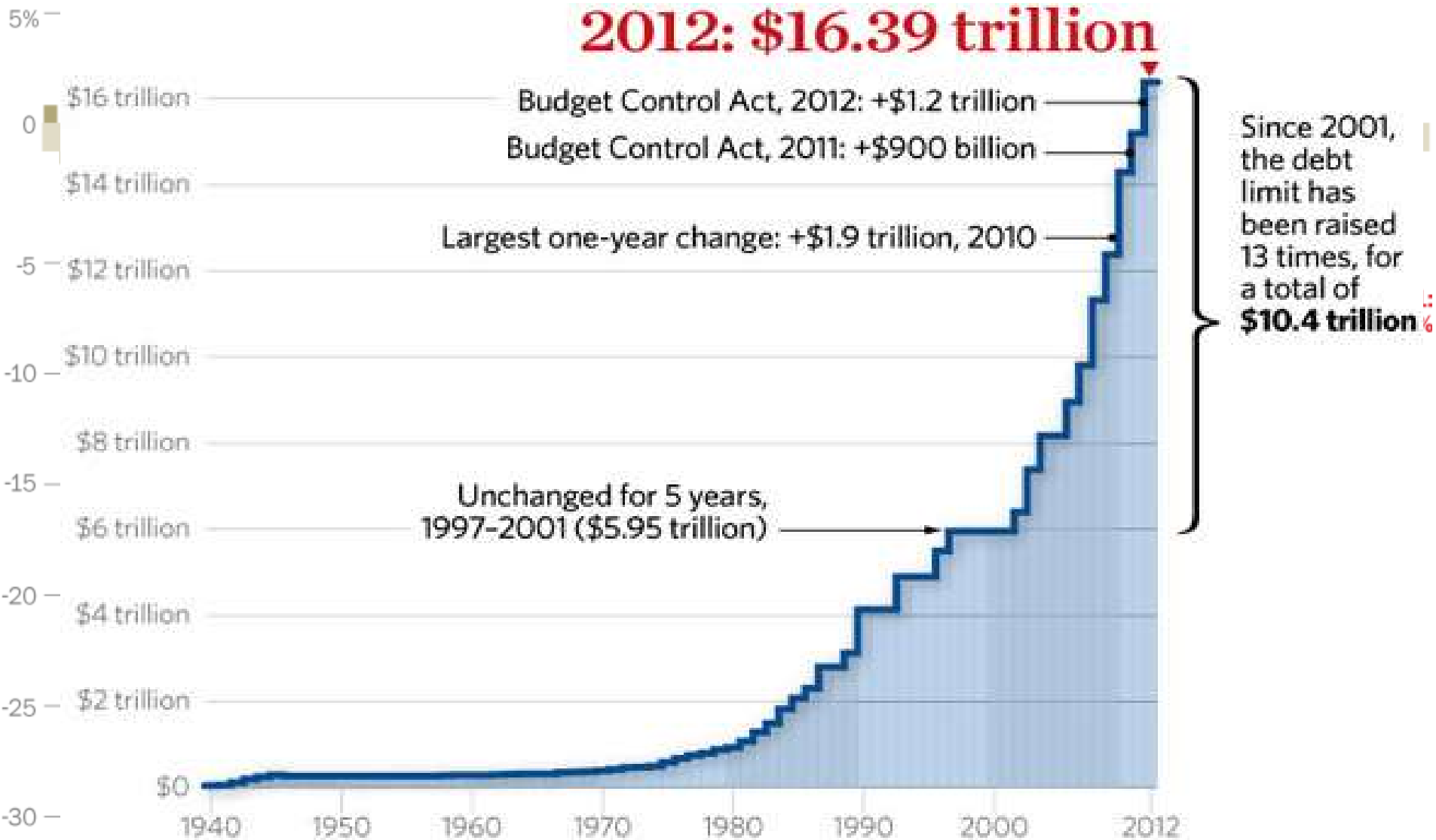
FDR's charisma and active involvement in the economy in changed the role of the presidency and expectations of gov't

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

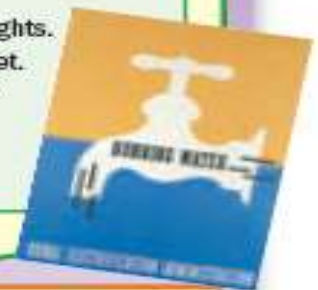
- Industries and farms failed.
- U.S. stock market crashed and banks closed.
- Bankrupt businesses
- Unemployment
- Homelessness

## 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.

# Success

or

# Failure?

1. Reduced unemployment by 7 million
2. Soil conservation schemes.
3. The Stock Market and banks recovered.
4. Transformed the Tennessee valley.
5. Roosevelt was re-elected.

1. Still 6 million out of work in 1941.
2. The numbers fell due to enlistment and rearmament in WWII
3. Segregation still existed.
4. Women were excluded from the New Deal.
5. Tennessee benefited but many areas were still suffering.