

The New Deal

US History



The “Old Deal”

What?

- President Hoover's reaction to the Great Depression



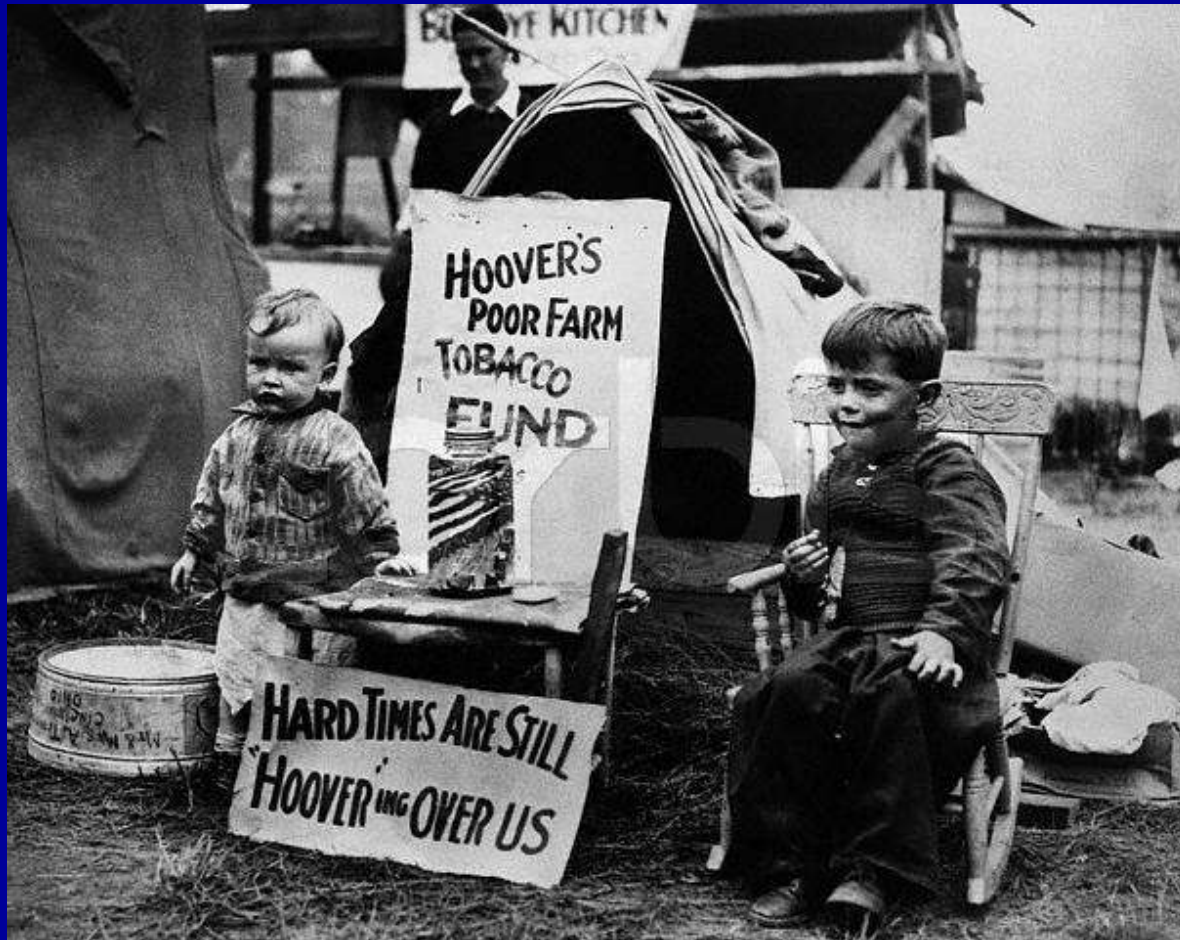
President Herbert Hoover

The “Old Deal”

What did he want to do?

- Let the business cycle take care of things

- Refused to create government programs until it was too late



Children in one of the Bonus Army Camps

The Election of 1932

What?

- Roosevelt offers a “New Deal” for America
- Wins with 60% of the vote



Roosevelt's New Deal

- **What?**

- Programs meant to help the country by getting the government involved in the economy

Meant to do 3 things

1. Relief - help people out in the short term
2. Recovery - get the economy back on its feet
3. Reform - keep this from ever happening again

Bank Holiday - First Step

- Why?



- Many banks had failed, wiping out families' savings
- People lost confidence in the banks

Depositors Congregate Outside Closed Bank

Bank Holiday - First Step

- How?



- Closed banks for four days to reorganize
- President explains in a “fireside chat”
- Confidence restored

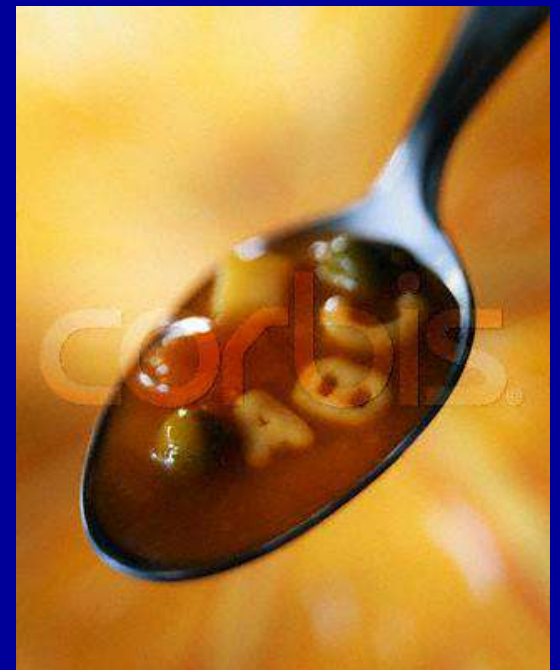
Next Step - “Alphabet Soup”

Hundred Days

- In the first 100 days of his administration Roosevelt passes tons of legislation

Alphabet Soup

- The agencies he creates (like AAA)



Next Step - “Alphabet Soup”

CCC - Civilian Conservation Corps

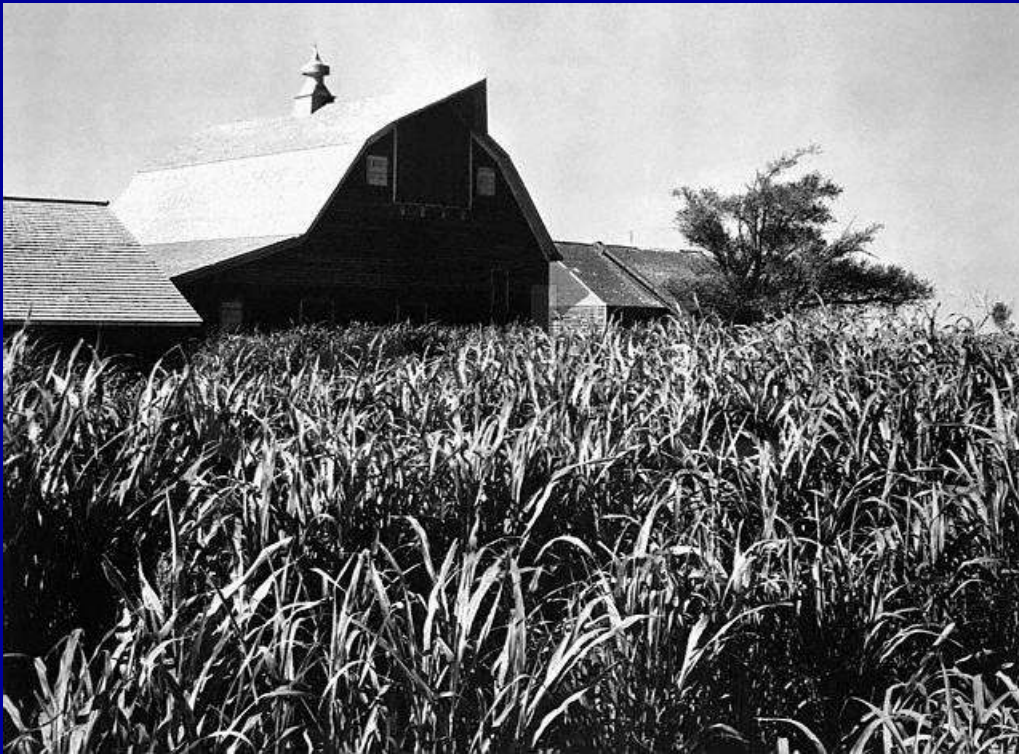


- 18-25 year old guys get jobs and send money home to their families

CCC workers in Lassen National Forest, California

Next Step - “Alphabet Soup”

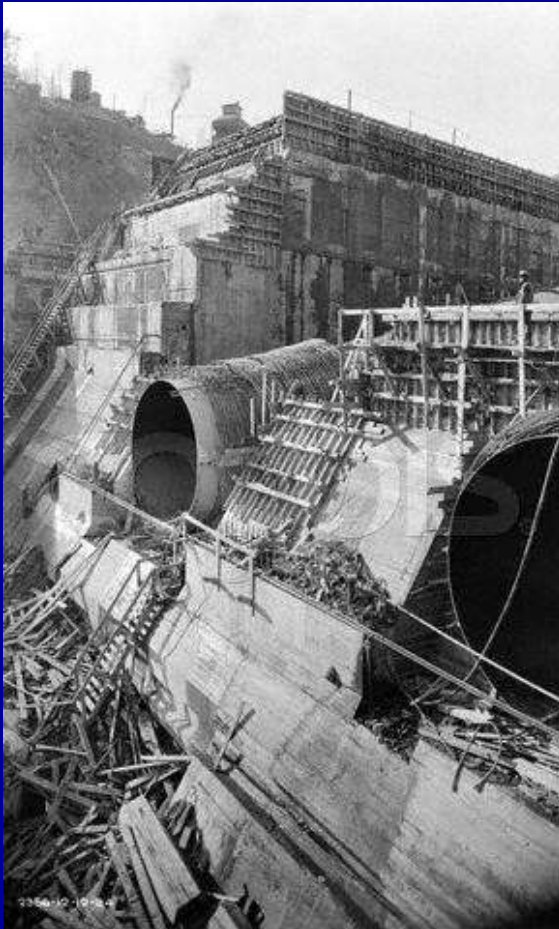
AAA - Agricultural Adjustment Administration



- Government pays farmers not to farm.
- Meant to cause prices to rise and halt overproduction

Next Step - “Alphabet Soup”

TVA - Tennessee Valley Authority

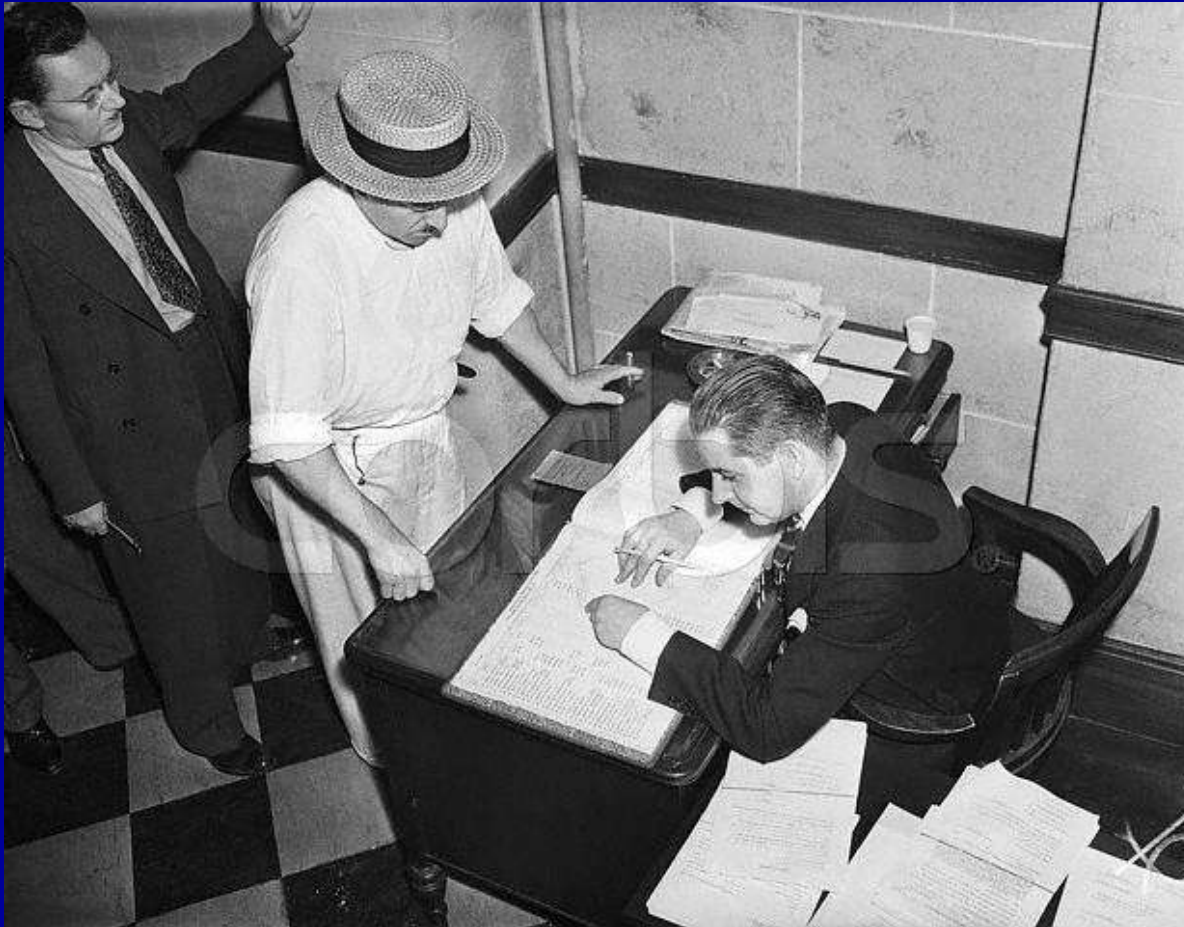


- Government runs a hydroelectric power plant
- Provides cheap power & fertilizer to the poor region

Construction at Norris Dam, which was being built by the TVA on the Clinch River in Northeastern Tennessee

Next Step - “Alphabet Soup”

FDIC - Federal Deposit Insurance Corp.

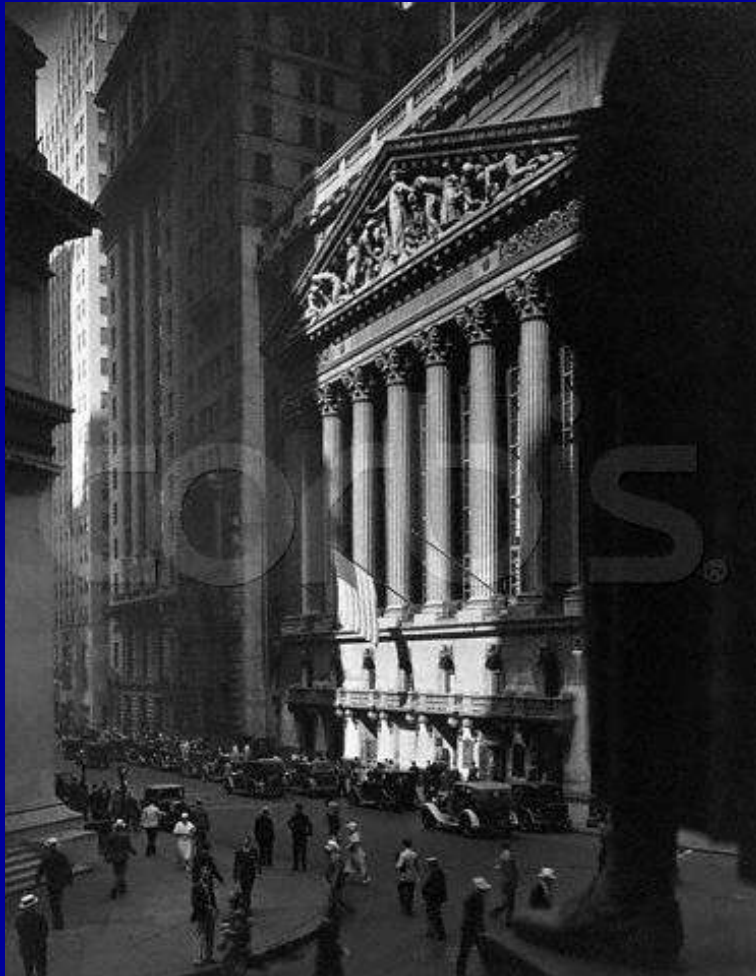


Bank Employee Checks Depositor's Account

- Insurance for the \$ you put in banks
- Protected people's savings

Next Step - “Alphabet Soup”

SEC - Securities and Exchange Commission

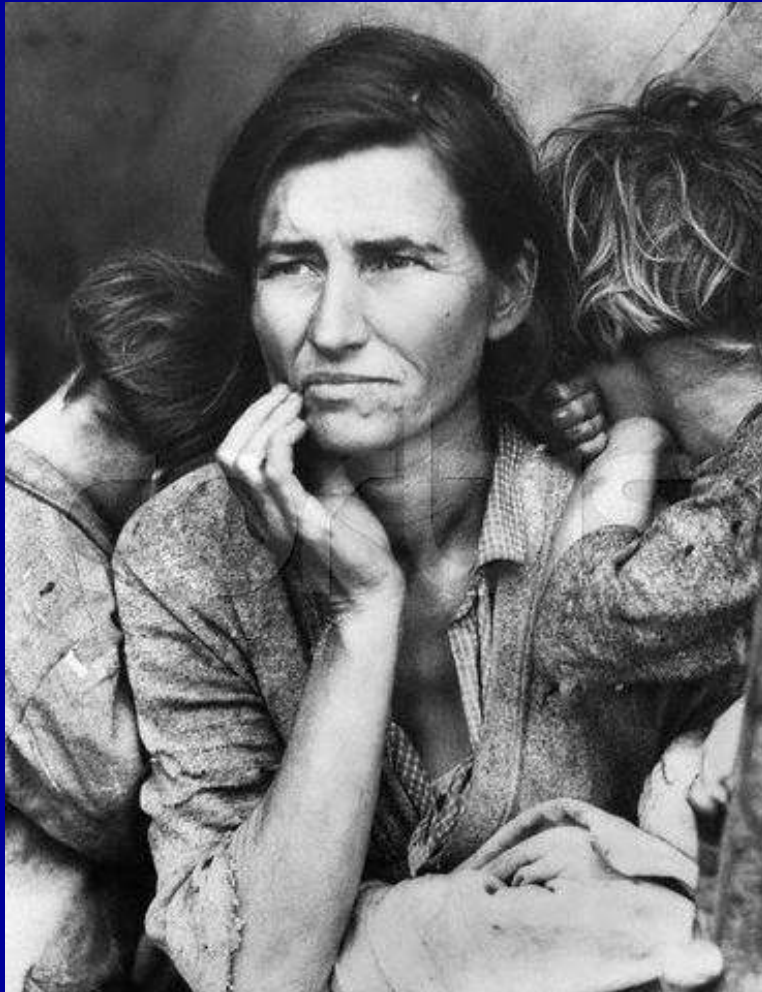


New York Stock Exchange

- Watchdog agency for the stock market

Next Step - “Alphabet Soup”

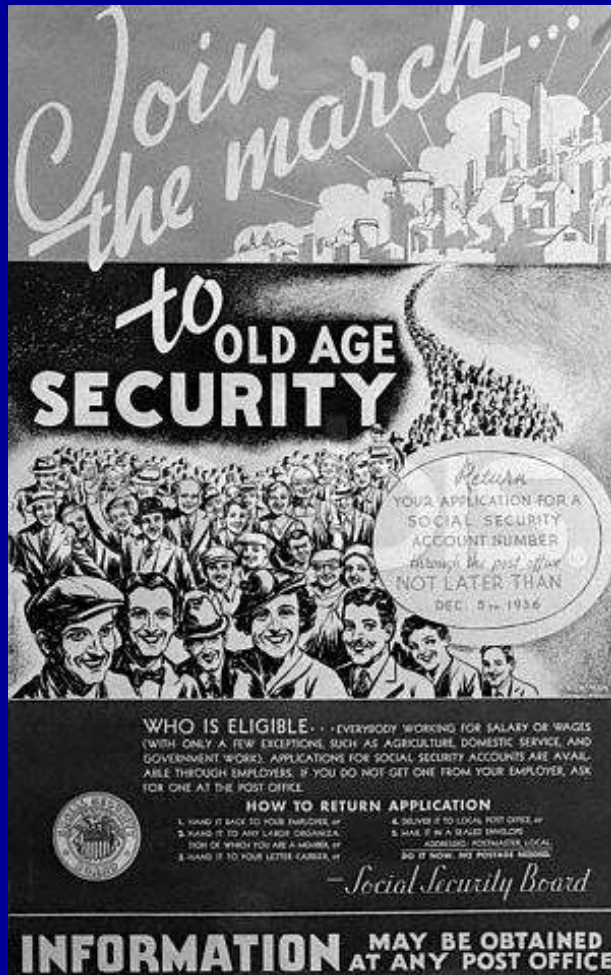
FERA - Federal Emergency Relief Admin.



- Gave direct relief (\$) to those who needed it
- Beginnings of a welfare program

Next Step - “Alphabet Soup”

Social Security Act



- Taxed people working now to give payments to the elderly

Social Security Information Poster

Next Step - “Alphabet Soup”

Other Programs

Civil Works Administration-CWA

Public Works Administration-PWA (Grand Coulee & The Dalles)

Home Owners Loan Corporation-HOLC

Works Progress Administration-WPA

Farm Security Administration-FSA

Thinking Slide:

Which program was most controversial and why?

FDR's Greatest Mistake

Packing the Supreme Court

What?

- Increase the # of Supreme Court justices from 9 to 15

Why?

- Kept declaring his programs unconstitutional (including NRA, AAA, SEC, etc.)

His Greatest Mistake

Packing the Supreme Court



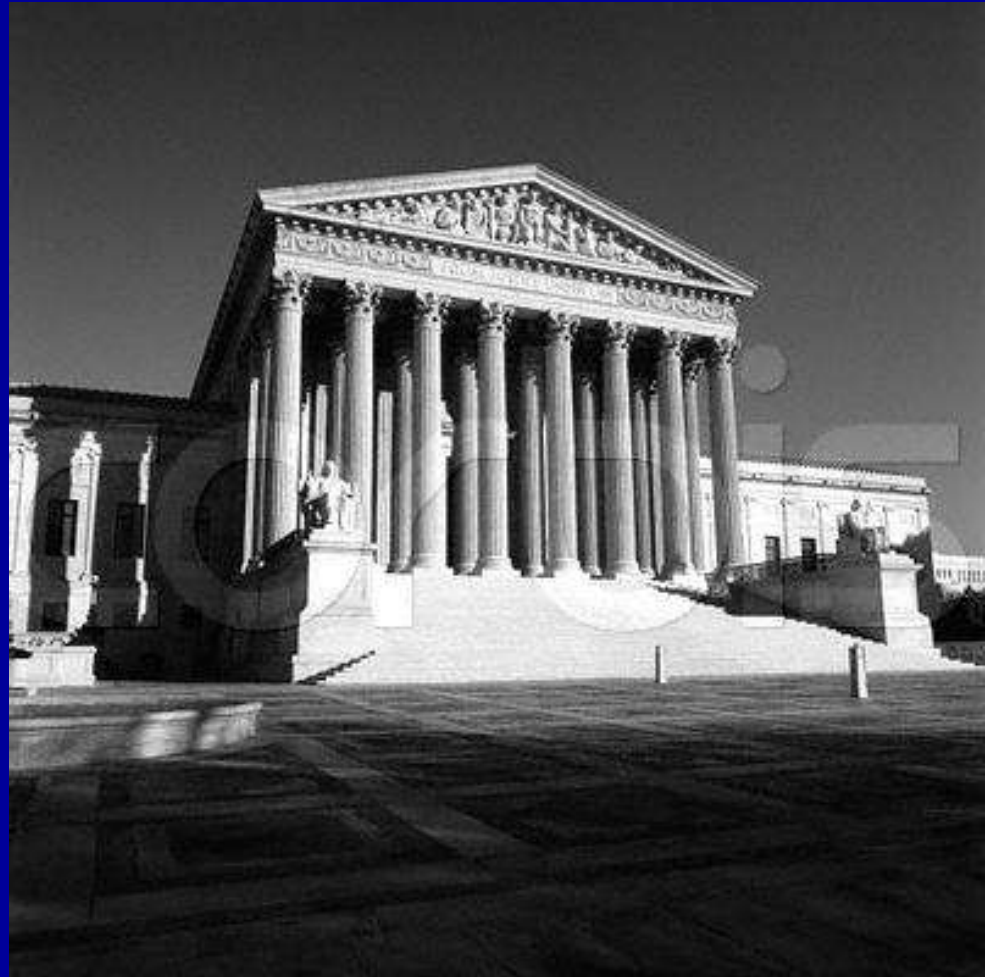
What did this cartoonist think about the Supreme Court?

February, 1937, Richmond (Virginia) Times Dispatch, "Fall In!"

FDR's Greatest Mistake

Packing the Supreme Court Results?

- Public grew angry (FDR taking too much power)
- FDR passed much less legislation after this
- The Roosevelt Recession



Supreme Court Exterior

The New Deal - Pros and Cons

Pros

- Restored optimism and hope to Americans
- Provided necessary relief to many

Cons

- Left the nation with much debt
- Left people too dependent on government (?)