

# *The New Deal*

## **Chapter 23**



Political cartoon from 1934, FDR and the "alphabet soup" agencies.



# **A New Deal Fights the Depression**

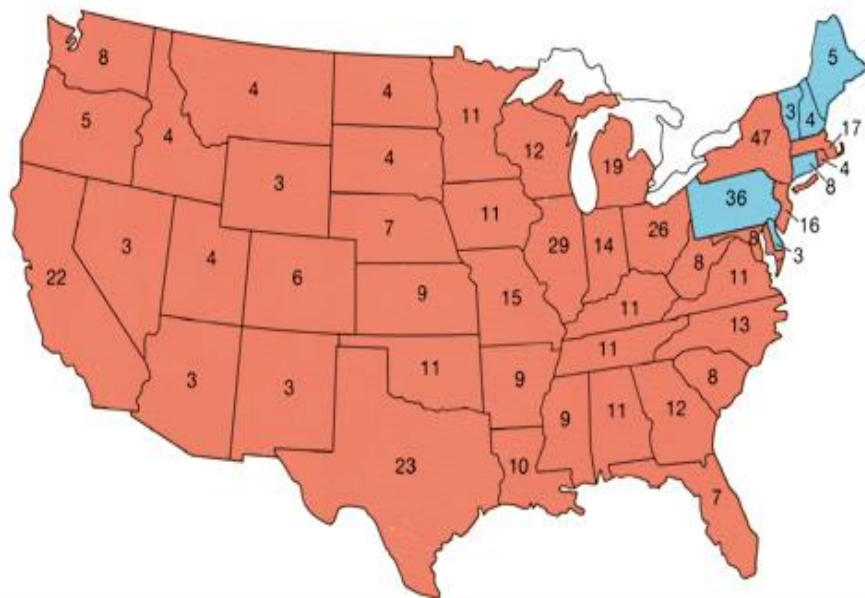
**Chapter 23, Section 1**



# The Election of 1932

**1932 Election— Franklin D. Roosevelt (Dem.) beats Hoover (Rep.)**

**FDR wins election because:**

- » many voters associated Hoover and the Republicans with difficulties of the Depression
- » voters desire to use government as an agency for human welfare
- » FDR uses radio during campaign



Candidate (Party)	Electoral Vote	Popular Vote
 Roosevelt (Democratic)	472 (89%)	22,821,857 (57%)
 Hoover (Republican)	59 (11%)	15,761,841 (40%)
Minor parties	-	1,160,615 (3%)

# Lame Duck Presidency

**Four months would elapse between Roosevelt's victory in November election and his inauguration as president in March 1933**

**Hoover was a presidential lame duck (an officeholder with little influence because term was ending) thus the nation was virtually leaderless and the banks further collapsed during this time**

**20<sup>th</sup> Amendment: changed the date of the presidential inauguration from March 4 to January 20**

# What a Man!

By Nease  
Harding



# Franklin D. Roosevelt

Roosevelt had more than 20 years political experience and was master of the art of politics

Had a warm and understanding approach to people

He reached out to the people in a series of fireside chats

He was very open and cooperative with the press which made him popular

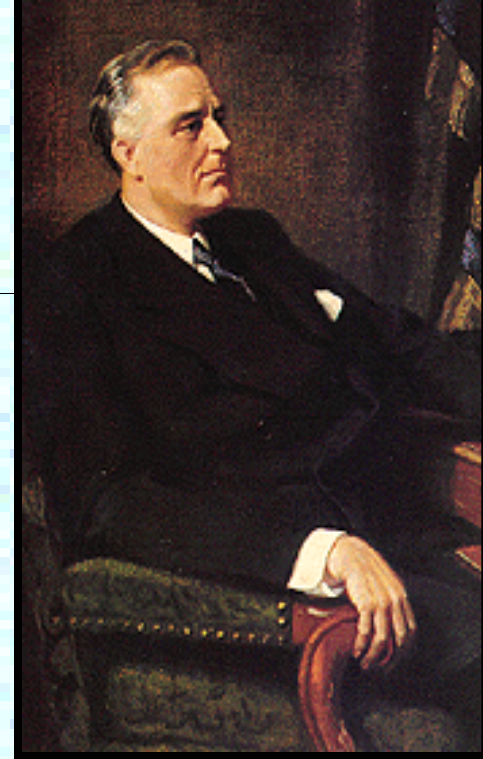


# FDR

**Had a progressive approach to solving societies problems: get conflicting opinions about a subject and decide which is best**

**His advisors (professors, lawyers, journalists, etc.)—the “brain trust”—were experts in their field**

**His cabinet represent a variety of views: Northerners, Southerners, liberals, and conservatives**





# Eleanor Roosevelt



**One of FDR's most trusted advisor—he called her his “eyes and ears”**

**She traveled the country observing the sufferings of depression and reported back to FDR**

**She spoke for people who otherwise would have been ignored—women, the poor and the underprivileged, and African Americans**



# Restoring Hope

**“I pledge myself to a new deal for the American people.” – FDR**

**New Deal had three general purposes:**

- 1. Relief** for the needy
- 2. Recovery** for the economy from the Depression
- 3. Reform** of the economic system to prevent from happening again



# First 100 Days

**Roosevelt believed that the government had to kick start the economy**

- **FDR believed that you had to pump prime the economy: pour government funds into the economy to stimulate it**
- **In order to do so the government would have to spend money it did not have—deficit spending: the government borrows money in order to spend more money than it received in order to stimulate the economy**

**First 100 days—15 major bills passed that significantly expanded the federal government's role**

- **Roosevelt submitted most of them and Congress passed them with little debate because of the overwhelming support that FDR enjoyed**

**The First New Deal focused on Recovery and Relief**

# The First New Deal (1933-1935)

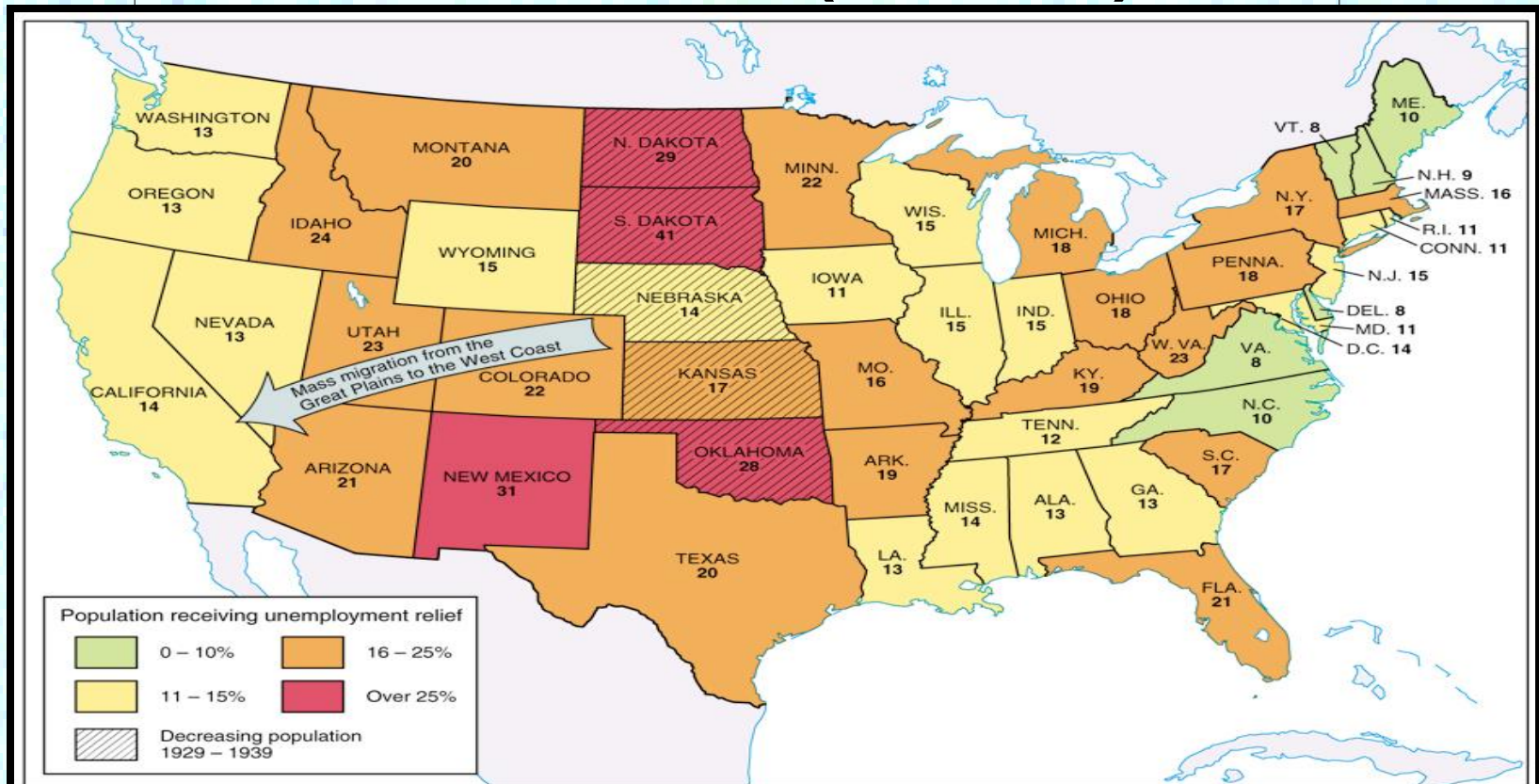


**Saving the Banks**—Banks needed depositors' funds to make loans that would help recovery

- **Emergency Banking Relief Act**
  - 4 day Bank holiday – stabilizes system
  - Treasury Department inspected banks: those that were stable--reopened
- **Federal Deposit Insurance Commission (FDIC)**
- **FDR's "fireside chats" (Radio talks) assured banks' safety**
- **The next day deposits exceeded withdrawals—faith in FDR**
- **"The only thing we have to fear is fear itself."**

# The First New Deal (1933-1935)

## Relief for the Unemployed – Government relief (welfare)



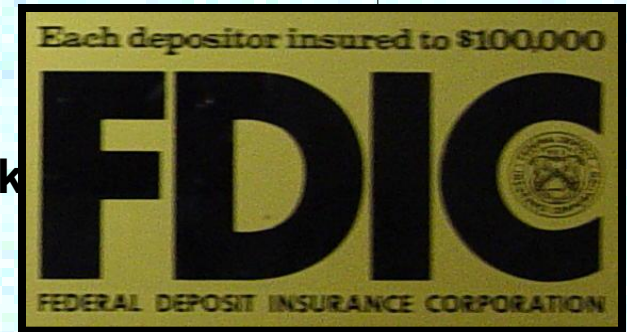




# The First New Deal (1933-1935)

## Planning for Financial Reform

- **Glass-Steagall Act**
  - Founded FDIC and separated investment banks from savings banks
- **Federal Deposit Insurance Corporation (FDIC)**
  - Insured depositors' savings
- **Securities and Exchange Commission (SEC)**
  - Established to regulate the stock market
  - Helped eliminate inflation schemes, insider trading, and other unfair trade practices
  - Companies also had to provide truthful information to stock purchasers



# 21<sup>st</sup> Amendment

## Roosevelt Repeals Prohibition

- He did not like the crime world prohibition created
- He wanted to raise government revenues by taxing alcohol
- By the end of 1933, the passage of the 21<sup>st</sup> Amendment had repealed prohibition





# The First New Deal (1933-1935)

## Rural Assistance

- Farm Moratorium—Five-Year Moratorium placed on foreclosures for farmers
  - Moratorium is official authorization to suspend payments (Example: war debt)
- Agricultural Adjustment Administration (AAA)—Lowers production to raise prices
  - Government paid farmers to reduce production
  - Funds for these payments came from taxes levied on the businesses that processed the food



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

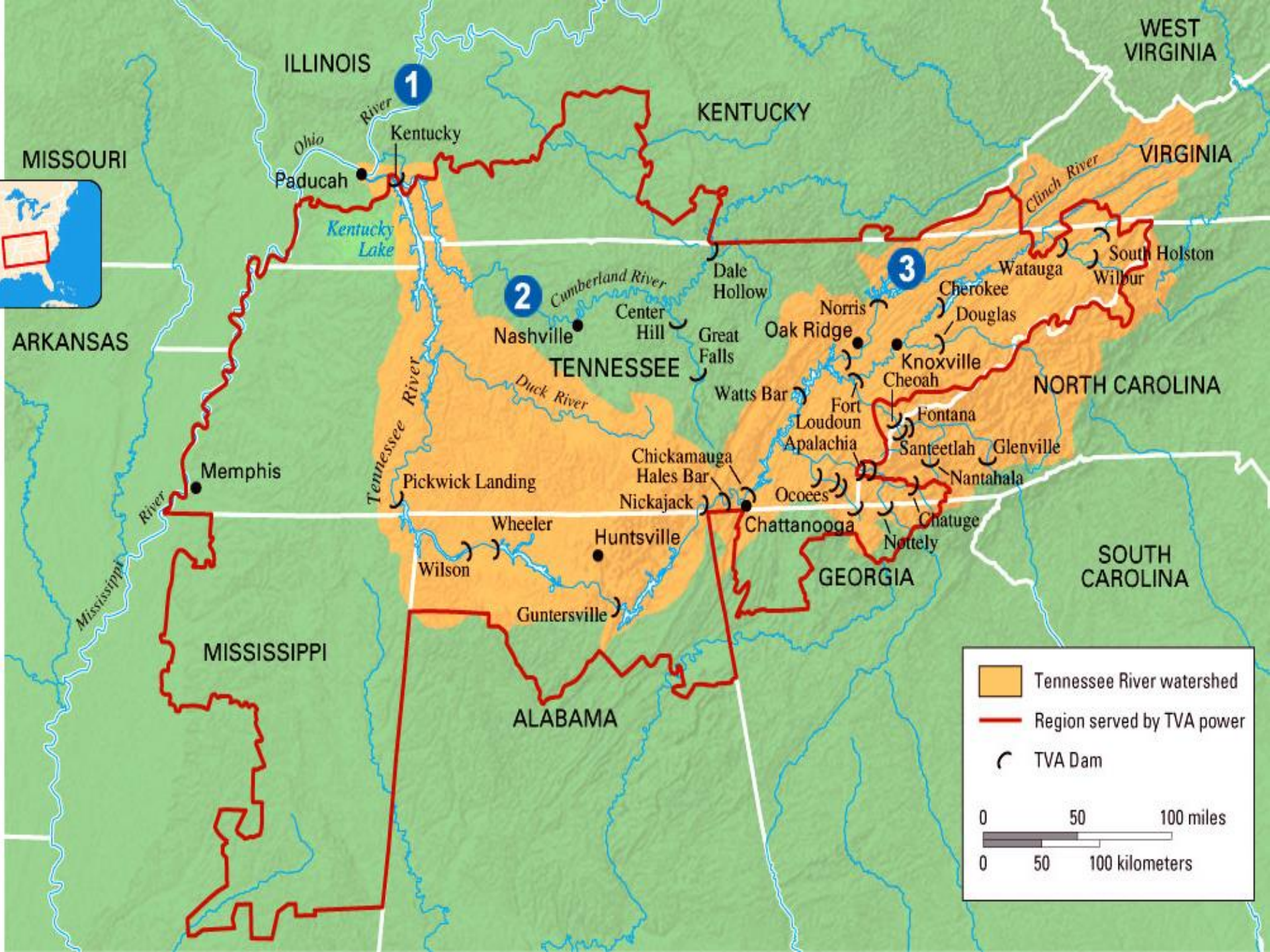
# The First New Deal (1933-1935)

## Rural Assistance

- **Tennessee Valley Authority**
  - Designed to promote the development of seven-state region
  - TVA built dams for flood control, reforested millions of acres, and built power plants to provide cheap electricity
  - Business leaders opposed it believing it would undersell private electric—Creeping Socialism

– [http://www.tva.gov/sites/sites\\_ie2.htm](http://www.tva.gov/sites/sites_ie2.htm)





ILLINOIS

WEST VIRGINIA

KENTUCKY

VIRGINIA

MISSOURI

Ohio River  
Kentucky  
Paducah

1

Kentucky Lake

2

Cumberland River

Dale Hollow

3

Clinch River

Watauga  
South Holston  
Wilbur

ARKANSAS

Nashville

TENNESSEE

Oak Ridge

Cherokee  
Douglas

NORTH CAROLINA

Great Falls

Knoxville

Cheoah

Duck River

Watts Bar

Fort Loudoun

Fontana

Santeetlah

Glenville

Memphis

Pickwick Landing

Chickamauga

Hales Bar

Nickajack

Ocoees

Chattanooga

Chatuge

GEORGIA

SOUTH CAROLINA

Wheeler

Huntsville

Wilson

Guntersville

MISSISSIPPI

ALABAMA

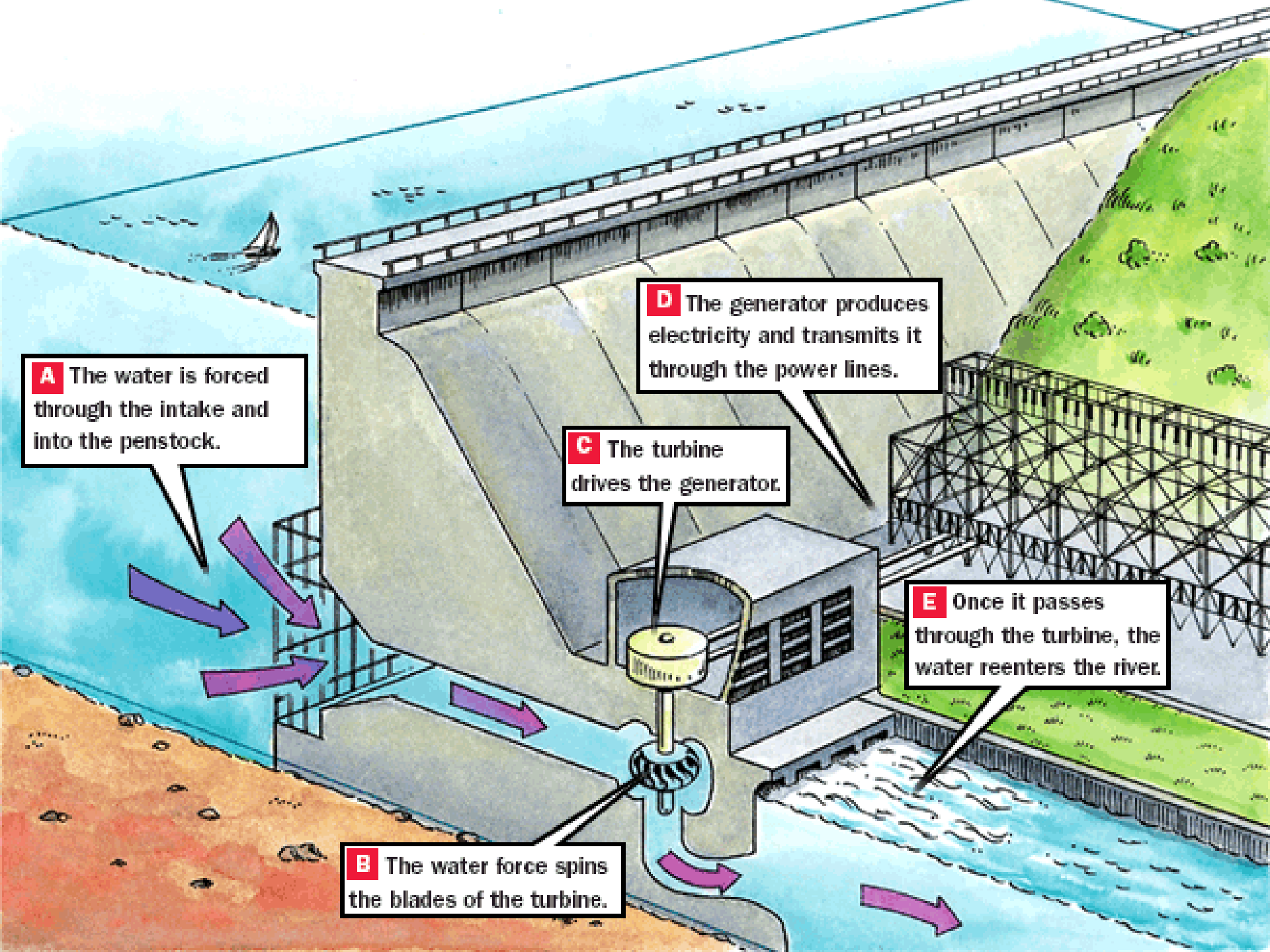
Tennessee River watershed

Region served by TVA power

TVA Dam

0 50 100 miles

0 50 100 kilometers



**A** The water is forced through the intake and into the penstock.

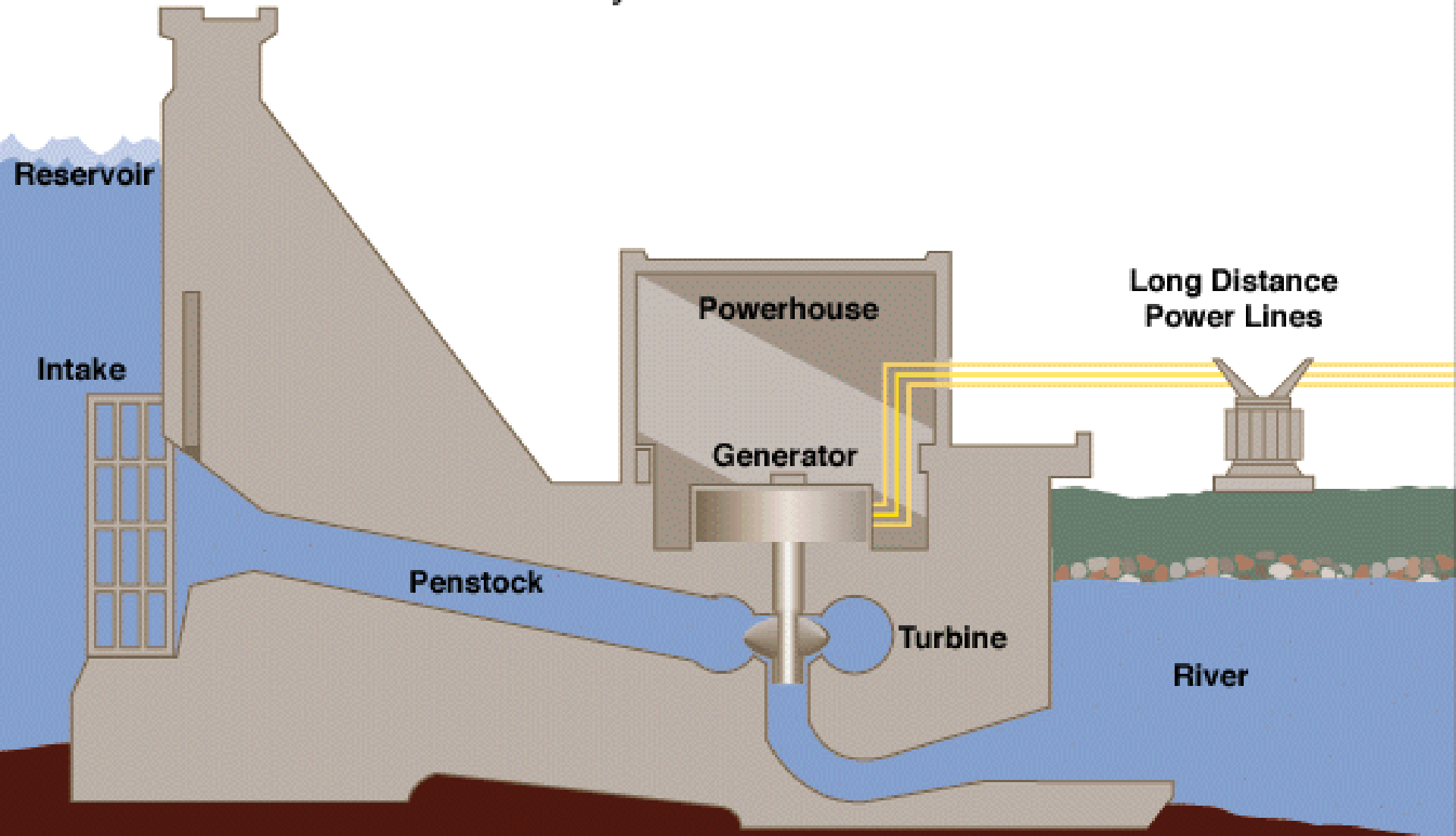
**B** The water force spins the blades of the turbine.

**C** The turbine drives the generator.

**D** The generator produces electricity and transmits it through the power lines.

**E** Once it passes through the turbine, the water reenters the river.

# Hydroelectric Dam















# The First New Deal (1933-1935)

## Work Projects

- **Civilian Conservation Corps (CCC)**
  - Offered outdoor work to unemployed men ages 18-25
  - Built roads, developed parks, planted trees, fought fires, built reservoirs, and stopped soil erosion—efforts aimed at stopping Dust Bowl scenarios
  - Received \$30 and \$25 sent home to worker's family



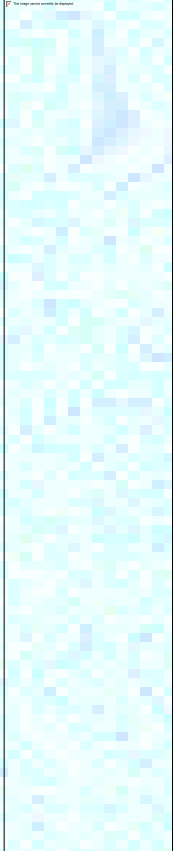


A YOUNG MAN'S OPPORTUNITY

FOR WORK PLAY STUDY & HEALTH

APPLICATIONS TAKEN BY  
ILLINOIS EMERGENCY RELIEF COMMISSION  
ILLINOIS SELECTING AGENCY

MADE BY ILLINOIS WPA ART PROJECT CHICAGO



# **The First New Deal (1933-1935)**

## **Work Projects**

- **National Industrial Recovery Act (NIRA)**
  - Established the PWA and NRA
  - attempted to stimulate industrial and business activity and reduce unemployment by stabilizing prices, raising wages, limiting work hours, and providing jobs
- **Public Works Administration (PWA)**
  - Part of NIRA, gave money to private contractors to provide funds for construction projects:
    - improving highways, and building dams, sewer systems, waterworks, schools, and other government buildings



# **The First New Deal (1933-1935)**

## **Fair Practice**

- **National Recovery Administration (NRA)**
  - Part of NIRA, set prices of many products and established standards
  - Effort to control wages, falling prices, layoffs, forty-hour workweek, end child labor, etc.
  - Doesn't work well and is eventually found unconstitutional by Supreme Court (1935)



# The First New Deal (1933-1935)

## Food, Clothing, and Shelter

- **Foreclosure**
  - bank seizure of property when the borrower fails to make payments on the mortgage
- **Home Owners Loan Corporation (HOLC)**
  - Created to assist home owners who could not meet their mortgage payments—granting refinancing with low-interest, long-term mortgage loans
- **Federal Housing Administration (FHA)**
  - insured bank loans for building and repairing homes
- **Federal Emergency Relief Administration (FERA)**
  - made outright grants to states and municipalities to distribute as they choose:
    - 1/2 provided a dole: direct gifts of money, food, clothing, etc.
    - 1/2 was to establish work relief programs



# Voices of Protest

- **Supreme Court rules NRA and AAA unconstitutional**
- **Roosevelt responds with “court packing” bill**
  - **add a judge for every justice over the age of 70 (at this time, six new justices)**
  - **Bill was rejected and alarmed many citizens— FDR seen as undermining system of checks and balances**
- **1937, a justice retired and Roosevelt appointed a liberal—shifting the balance of the court**

WHAT NEXT?





# Voices of Protest



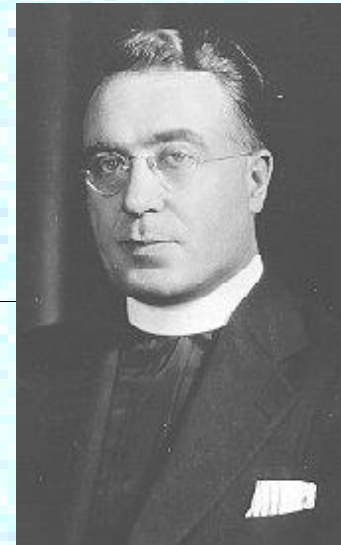
## American Liberty League

- Organization formed by strong conservative opponents of the New Deal
- They believed that the New Deal violated respect for the rights of individuals and property
  - » Creeping Socialism—Conservatives believed that many of the New Deal programs were beginning to resemble socialistic programs (i.e.—government owned business, setting prices, welfare system [guaranteed income])
  - » Against Deficit Spending—The government is spending more money than it is bringing in—the government borrows money in order to spend more money than it received in order to stimulate the economy
  - » Also Against pump priming— pouring government funds into the economy in the hope of stimulating recovery

# Voices of Protest

## Father Charles E. Coughlin

- “Radio Priest” who accused Roosevelt of turning the New Deal into a “raw deal”
  - Called for such socialistic measures as heavy taxes on the wealthy and a guaranteed annual income for everyone
  - Extremely popular, but anti-Semitic views eventually cost him support



# Voices of Protest



## Dr. Francis Townsend

- A former public health official who was shocked by the plight of American workers
  - He proposed that the federal government pay all Americans over age 60 a pension of \$200 per month and they had to spend the pension check within 30 days
  - He had strong support from elder, thus undermining Roosevelt
  - His idea would become the basis for the Social Security Act





# Voices of Protest

## Senator Huey Long

- Louisiana senator who had a powerful backing of the rural poor
  - Share-Our-Wealth (“Every Man a King”)—confiscate the property of rich and give every family a home, \$2,000 a year, food, clothes, and a free college education for their children
  - Long was assassinated by a lone gunman







# **The Second New Deal Takes Hold**

**Chapter 23, Section 2**

# Roosevelt's Second Administration



## The Election of 1936

- Republicans—Alfred Landon the Governor of Kansas
- Democrats—Franklin D. Roosevelt
- Roosevelt won and Democrats won large majorities in both houses
  - Labor unions vote Roosevelt/Democrats
  - African Americans vote Democrat for 1<sup>st</sup> time
    - FDR pushes through a federal anti-lynching law
    - FDR appoints some (few) African Americans to public office

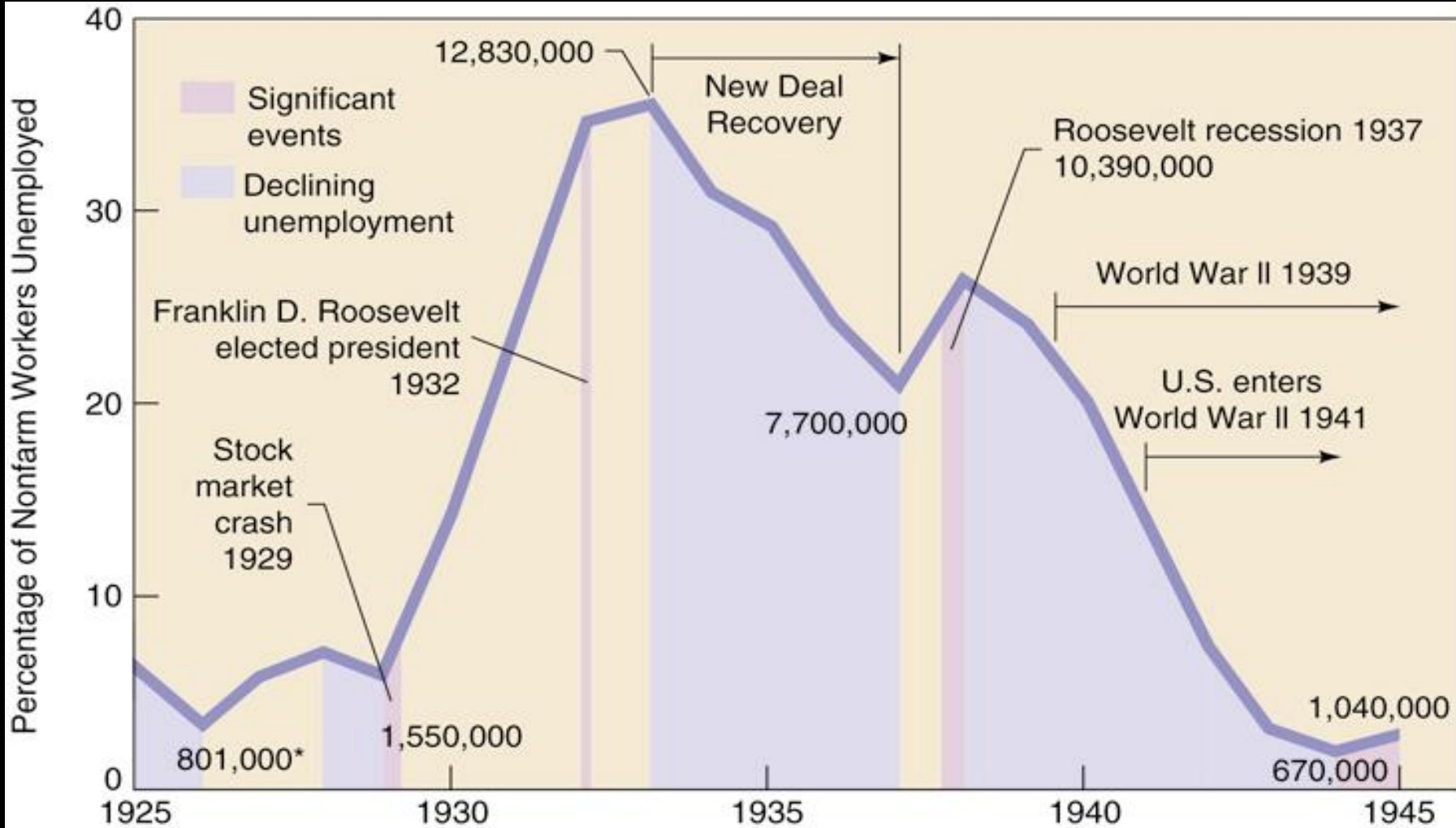


# **“Roosevelt Depression”**

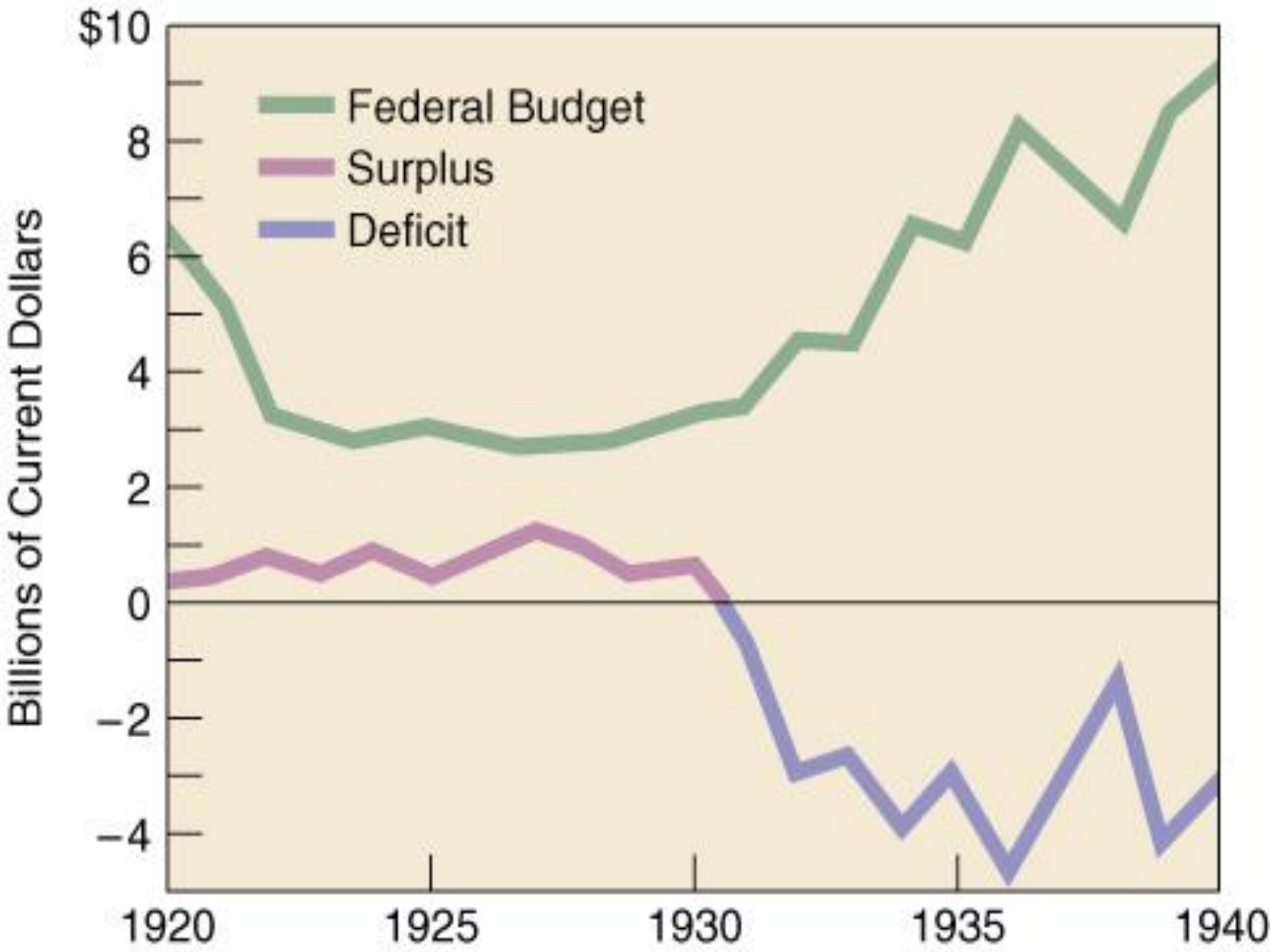
## **Recession of 1937— “Roosevelt Depression”**

- **Recession— downturn in the nation’s economy marked by reduced economic activity**
- **In 1936 Roosevelt, in response to criticism of excessive deficit spending, began cutting back on New Deal relief and public-works programs**
- **Industry was not strong enough to support economy without government help**
- **By fall of 1937, factories were closing and unemployment was rising**
- **Roosevelt and Congress again increased deficit spending**
- **By the fall of 1938, unemployment had once again declined**

# A Second New Deal



\*Unemployed totals for entire labor force.



# A Second New Deal (1935)

## Helping Farmers

- **Soil Conservation and Domestic Allotment Act—replaced the unlawful AAA**
  - Paid farmers for cutting production of soil depleting crops and rewarded farmers for practicing soil conservation methods
- **Agricultural Adjustment Act II**
  - Contained many features of the first AAA but excluded a processing tax to pay for the farm subsidies—this was the part that was originally unconstitutional
- **Farm Security Administration (FSA)**
  - formed to give loans to help tenants purchase land
  - FSA hired photographers such as Dorothea Lang, Ben Shahn, Walker Evans, Arthur Rothstein, and Carl Mydans to document the hardships of sharecroppers, tenant farmers, and migrant farmers





JUST MINDIN' HIS BUSINESS AND GOIN' ALONG!

# A Second New Deal (1935)

## Work Progress Administration (WPA)

- Work relief for the jobless
- Built buildings, airports, schools, roads, etc.
- Creates jobs for writers, artists, historians, etc.
  - Collect historical narratives, paint murals on public buildings, perform in theater troupes, etc.

## National Youth Administration (NYA)

- Created to provide education, jobs, counseling, and recreation for young people
  - Provided student aid to high school, college, and graduate students in return for required part-time position at their schools

# A Second New Deal (1935)

## National Labor Relations Act (NLRA)—Wagner Act

- Replaced concepts (collective bargaining) of the unconstitutional NIRA
- Section 7a—Gave workers power to unionize: guaranteed workers the right to organize unions and to bargain collectively with their employers
  - could arbitrate grievances and strike
- Prohibits unfair labor practices
  - order employers to stop anti-union activities (threatening or firing union members)
  - reinstate workers fired for supporting unions
- Established a board (NLRB) to hear testimony about:
  - unfair practices and to hold secret elections in factories to find out whether workers wanted to unionize

# A Second New Deal (1935)

## National Labor Relations Act (NLRA)—Wagner Act

- **Fair Labor Standards Act**
  - Set maximum work week at 44 hours per week (reduced to 40 hours two years later)
  - Set minimum wages at 25 cents per hour (raised to 40 cent in 1945)
  - Set rules for workers under 16 and banned hazardous work for those under 18
- **Types of Unions**
  - **Craft Unions**—Unions where all members shared the same skill
  - **Industrial Unions**— unions that represented every worker in a single industry regardless of his or her job



# A Second New Deal (1935)

## National Labor Relations Act (NLRA)—Wagner Act

- **NLRB v. Jones and Laughlin Steel Corp**

- **ORIGINS:**

- In 1936, the Jones and Laughlin Steel Corporation was charged with intimidating union organizers and firing several union members

- The National Labor Relations Board (NLRB) found the company guilty of “unfair labor practices” and ordered it to rehire the workers with back pay

- **The Ruling:**

- The Supreme Court ruled that Congress had the power to regulate labor relations and confirmed the authority of the NLRB.



Choosing to work despite the strike, a storekeeper at the Jones and Laughlin Steel Corporation tries to pass through picket lines

# A Second New Deal (1935)

## Social Security Act (SSA)

- Three major parts:
  - Old-age insurance for retirees 65 or older and their spouses
    - Pension fund with half provided by worker and half from the employer
  - Unemployment compensation system
    - Funded by a federal tax on employers and administered at state level
  - Aid to families with dependent children and the disabled
    - Aid paid for by federal funds and made available to states

## Revenue Act of 1935 (Wealth tax)

- Raised tax rates on the wealthy and corporations

# A monthly check to you -

FOR THE REST  
OF YOUR LIFE  
-- BEGINNING  
WHEN YOU ARE  
65



GET YOUR  
SOCIAL SECURITY  
ACCOUNT NUMBER  
promptly

Apply for it now. Ask for it  
and you'll get it at once.

**WHO IS ELIGIBLE**  
Persons who have worked for some time in jobs covered by Social Security, or who have worked for a certain number of years in certain occupations, are eligible for Social Security benefits. For information on how to apply for Social Security benefits, call the Social Security Administration, Washington, D.C. 20310, or write to the nearest Social Security office.

**HOW TO OBTAIN APPLICATIONS**  
Applications for Social Security benefits are available at Social Security offices, and at many public libraries, post offices, and other community centers. For more information, call the Social Security Administration, Washington, D.C. 20310, or write to the nearest Social Security office.



*Social Security Board*

**INFORMATION** MAY BE OBTAINED  
AT ANY POST OFFICE

A Social Security poster proclaims the benefits of the system for those who are 65 or older.

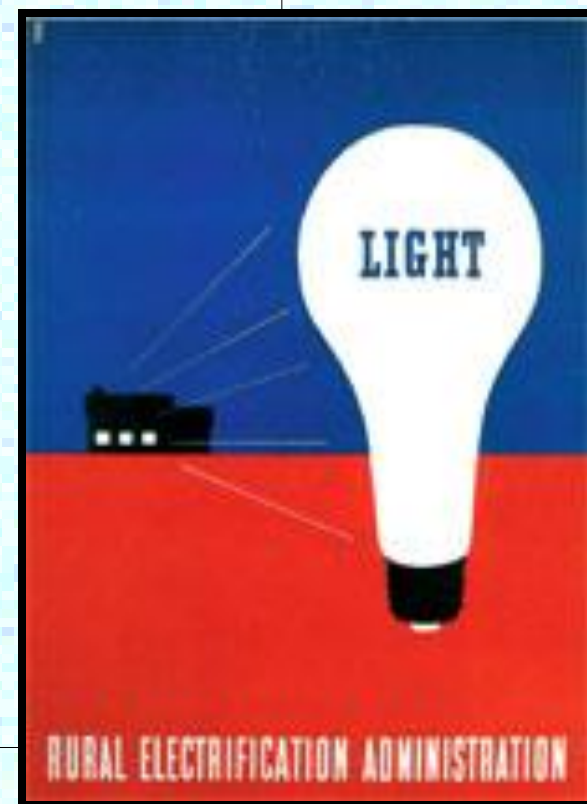
# A Second New Deal (1935)

## Rural Electrification Administration (REA)

- provided electricity to rural areas lacking public utilities
  - In 1930s, 30% of America's farms had electricity; by 1945, 48%; by 1949, 90%

## Public Utility Holding Company Act

- Aimed at correcting financial corruption in the public utility industry
  - Outlawed the ownership of utilities by multiple holding companies—practice known as the pyramiding of holding companies







# **The New Deal Affects Many Groups**

**Chapter 23, Section 3**

# New Deal: Women

## Women Make their Mark

- Eleanor Roosevelt's opinion greatly affect FDR's approach to women
- Frances Perkins, secretary of labor, is first female cabinet member
- FDR also appoints 2 women as diplomats, 1 as federal judge
- New Deal still caused some discrimination
  - NRA sets some lower minimum wages for women
  - Federal work programs hire far fewer women than men
- Only slight increase in overall % of women working for wages



# **New Deal: African-Americans**

## **African Americans Take Leadership Roles**

- **A. Philip Randolph continues his activism**
  - Previously founded first all-black trade union (Brotherhood of Sleeping Car Porters)
  - lays groundwork for what would become the civil rights movement
- **FDR appoints more than 100 African Americans to government**
  - Mrs. Roosevelt plays key role
- **Educator Mary McLeod Bethune heads Division of African American Affairs of NYA**
  - She worked to ensure that the NYA and other programs hired African-Americans
  - She helped organize “Black Cabinet”—board made up of influential African American advisors which gave Roosevelt an instrumental point of view
- **Daughters of American Revolution refuse Marian Anderson concert**
  - Mrs. Roosevelt resigns; arranges for Lincoln Memorial concert



**Mary McLeod Bethune, a close friend of Eleanor Roosevelt, was a strong supporter of the New Deal.**



**Marian Anderson sang from the steps of the Lincoln Memorial on April 9, 1939.**



# **New Deal: African Americans**

## **The President Fails to Support Civil Rights**

- **FDR was afraid of upsetting powerful white Southern Democrats (Dixiecrats) and Southern voters**
  - Refuses to approve antilynching law, end to poll tax
- **New Deal agencies discriminate against African Americans**
  - pays African Americans favored those who owned land and most African Americans were tenant farmers
- **African Americans help organize Southern Tenant Farmers Union**
- **African Americans generally support Roosevelt administration and the New Deal seeing it as their best option**

# New Deal: Mexican-Americans

## Mexican Americans Under FDR

- Mexican Americans generally support New Deal
- Many come to U.S. in 1920s, settle mainly in Southwest
  - work on farms thus were unprotected by state and federal laws
- The CCC and WPA helped some Mexican Americans
  - However, these and other agencies discriminated by disqualifying migrant workers



# New Deal: Native Americans

## Native Americans and the New Deal

- 1924, Native Americans receive full citizenship
- John Collier, commissioner of Indian affairs, changes policies
- Indian Reorganization Act—  
Going from Assimilation (Americanizing) to  
Reservation Life (Indian Culture)
  - lands belong to entire tribe; government can't sell unclaimed areas
  - children can attend schools on reservations
  - tribes elect tribal councils to govern reservations



John Collier talks with Chief Richard, one of several Native American chiefs attending the Four Nation Celebration held at Niagara Falls, New York, in September 1934.

# New Deal: Labor Unions

## Labor Unions Flourish

- Pro-labor legislation leads unions to donate money for FDR reelection
- 1933–1941, union membership grows from 3 million to over 10 million
- American Federation of Labor traditionally craft unions only
- Committee for Industrial Organization organizes industrial unions
- Expelled by AFL, becomes Congress of Industrial Organizations (CIO)

## Labor Disputes

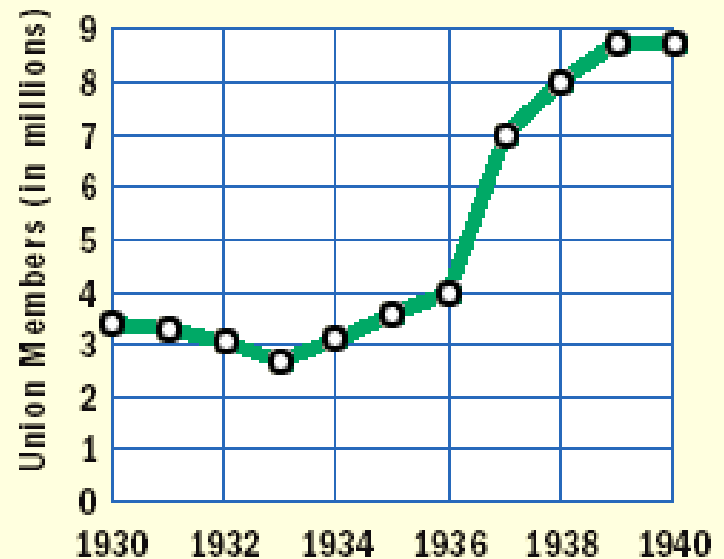
- Sit-down strike important bargaining tactic of 1930s
  - Instead of walking off their jobs, workers remained inside their plants, but they did not work
  - This prevented the factory owners from carrying on production with strikebreakers, or scabs
- NLRB forces Republic Steel to negotiate after clash with strikers



# New Deal: Labor Unions



**The Growth of Union Membership, 1930-1940**



Source: *Historical Statistics of the United States*

# 1936 Election

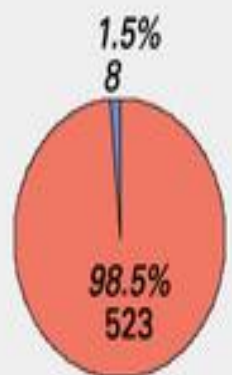
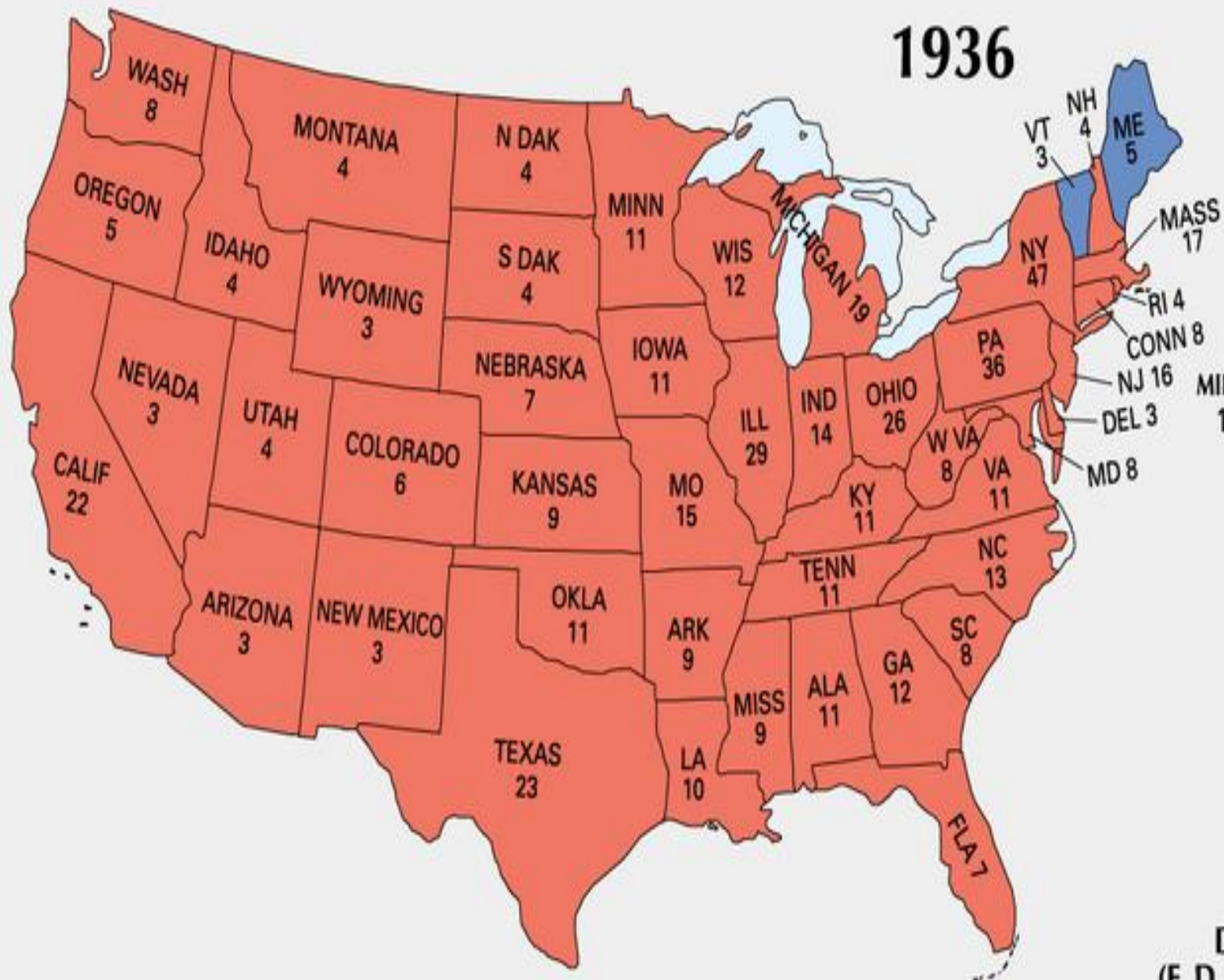
## The New Deal Coalition

- **New Deal Coalition—different groups that support Democratic Party**

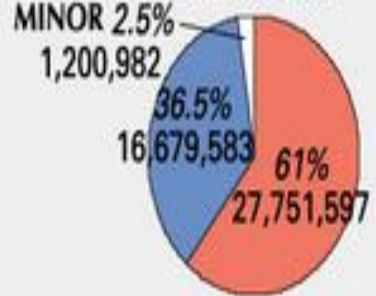
## FDR Wins in 1936

- **Political organizations in large Northern cities support FDR**
- **Urban, religious, ethnic groups also support FDR**
  - **FDR appoints officials of urban-immigrant background**

# 1936



**ELECTORAL VOTE  
TOTAL: 531**



**POPULAR VOTE  
TOTAL: 45,632,162**

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



# **Popular Culture in the 1930s**

**Chapter 23, Section 4**



# Movies are a Hit

## Movies are a Hit

- About 65% of population goes to movies once a week
  - “Talkies”—Films with sound
- Films offer escape from reality—they tend to show wealth, romance, and fun
  - *Gone With the Wind*—perhaps most famous film of era
    - Written by Margaret Mitchell
    - Other Notable films include: *The Wizard of Oz* and *Snow White and the Seven Dwarfs*
    - Musicals—live action or animated—way to forget problems
- Comedies and realistic gangster movies were especially popular
- Several films presented New Deal policies in positive light



Clark Gable and Vivien Leigh starred in *Gone With the Wind*, a sweeping drama about life among Southern plantation owners during the Civil War.

# Radio Entertains

## Radio Entertains

- 90% of households had a radio—families would listen together every day
- Dramas and variety shows play in evening
- Orson Welles—actor, director, producer, writer
  - *The War of the Worlds*
    - On October 30, 1938, radio listeners were stunned by a special announcement: Martians had invaded Earth
    - Panic set in as many Americans became convinced that the world was coming to an end.
    - Of course, the story wasn't true: it was a radio drama based on H. G. Wells's novel *The War of the Worlds* narrated by Welles
    - [www.youtube.com/watch?v=Xs0K4ApWI4g](http://www.youtube.com/watch?v=Xs0K4ApWI4g)
- Soap operas for homemakers were broadcast in middle of day
- Children's shows were after school hours
- Immediate news coverage became customary

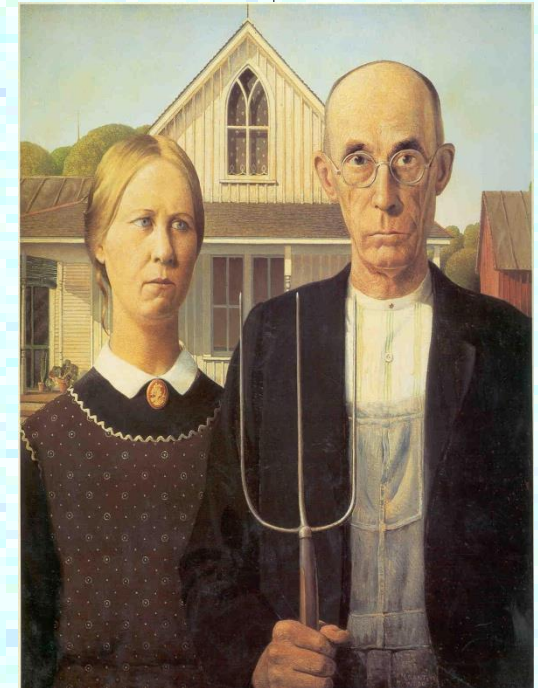


# The Arts in Depression America

Theatre, Literature and Arts during the depression showed grim times and portrayed realistic themes about human suffering

## Artists Decorate America

- Federal Art Project payed artists to make art and teach it in schools
- Aimed to promote art appreciation and positive image of America
- Murals typically portrayed dignity of ordinary people at work
- Many outstanding works were painted by artists, including Grant Wood
  - Wood—American painter whose work includes the famous painting *American Gothic* (famous painting of farmer and daughter to portray life in the Midwest during the Great Depression)



**Federal Theater Project—put together theater productions that played around the country**

- Hired actors to perform plays
- artists to provide stage sets and props



# The Arts in Depression America

## Woody Guthrie Sings America

- Woody Guthrie was a singer and songwriter who sang about the plight of poor



## Diverse Writers Depict American Life

- Theatre, Literature and Arts during the depression showed grim times and portrayed realistic themes about human suffering
- Federal Writers' Project supported many who become major writers
- Richard Wright, African-American author, wrote *Native Son*
- John Steinbeck wrote *The Grapes of Wrath*
  - depicted a family who left Oklahoma in the dust bowl and headed to the migrant labor camps of California
- Some writers examined difficulty of life in 1930s
- Others showed dignity of ordinary people, values of small-town life







# **The Impact of the New Deal**

**Chapter 23, Section 5**

# **New Deal Reforms Endure**

## **The New Deal Ends**

- **By 1937, economic improvement convinced many Depression is ending**
- **Congress wanted to cut back programs and by 1939 the New Deal was over**

## **Supporters and Critics of the New Deal**

- **Conservatives thought FDR made federal government too large**
  - **stifled free enterprise and individual initiative**
- **Liberals thought FDR didn't do enough to socialize economy and end inequalities**
- **Supporters believed FDR did help country recover from economic difficulties**

# New Deal Reforms Endure

## Expanding Government's Role in the Economy

- FDR expanded power of federal government and the power of the president
- Federal Deposit Insurance Corporation (FDIC) regulated banking
- Securities and Exchange Commission (SEC) regulated investment
- New Deal did not end Depression but did reduce suffering and gave hope
- Federal government went deeply into debt to create jobs and give aid
- Massive spending on equipment and supplies for WW II ended the Depression

## Protecting Worker's Rights

- New Deal laws set standards, banned child labor, and permitted unions
  - established policies followed today
- National Labor Relations Board (NLRB) still mediates labor disputes today

## Banking and Finance

- SEC still monitors stock market, enforces laws on stock, bond sales
- FDIC still protects individual investors in case of bank failure

# Social and Environmental Effects

## Social Security

- Federal government took responsibility for citizens' welfare
- Provided for aged, disabled, and needy

## The Rural Scene

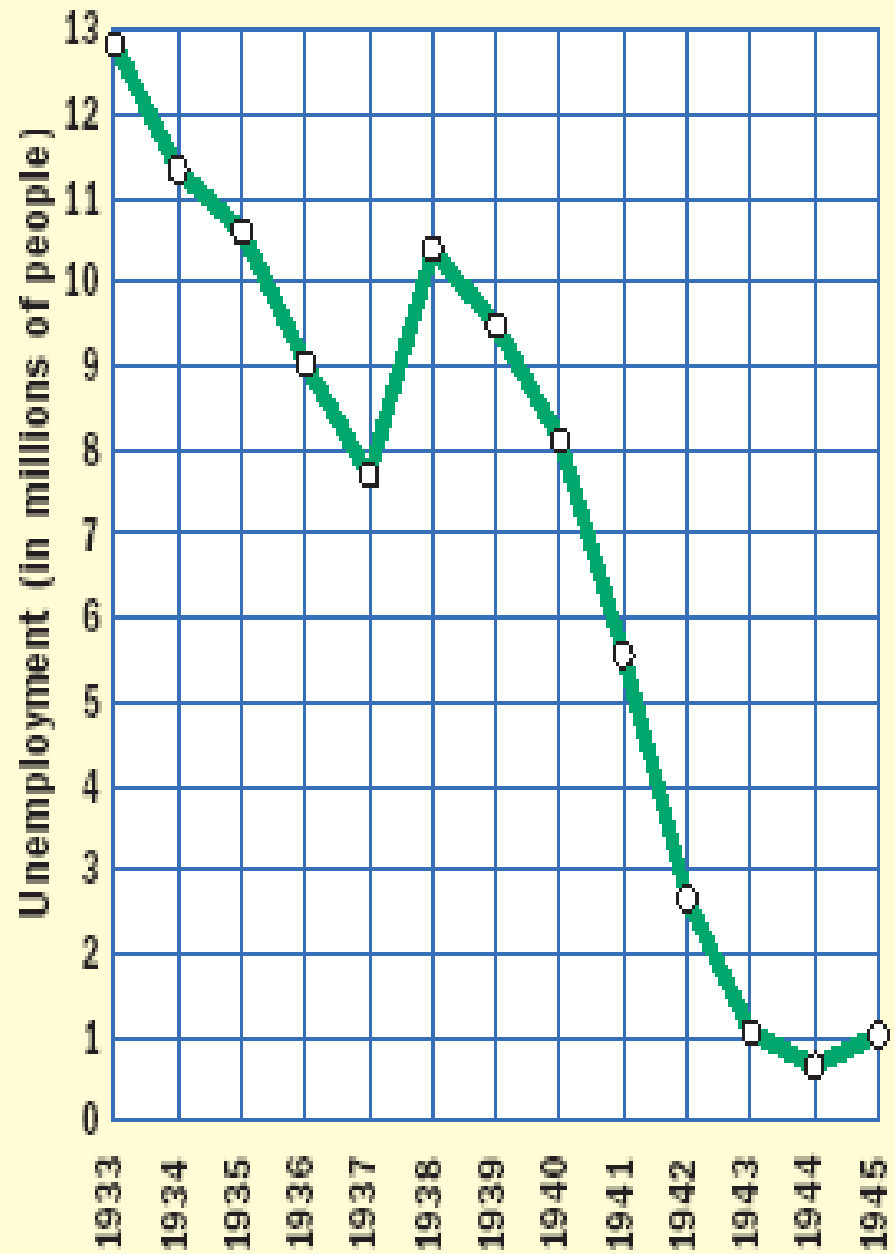
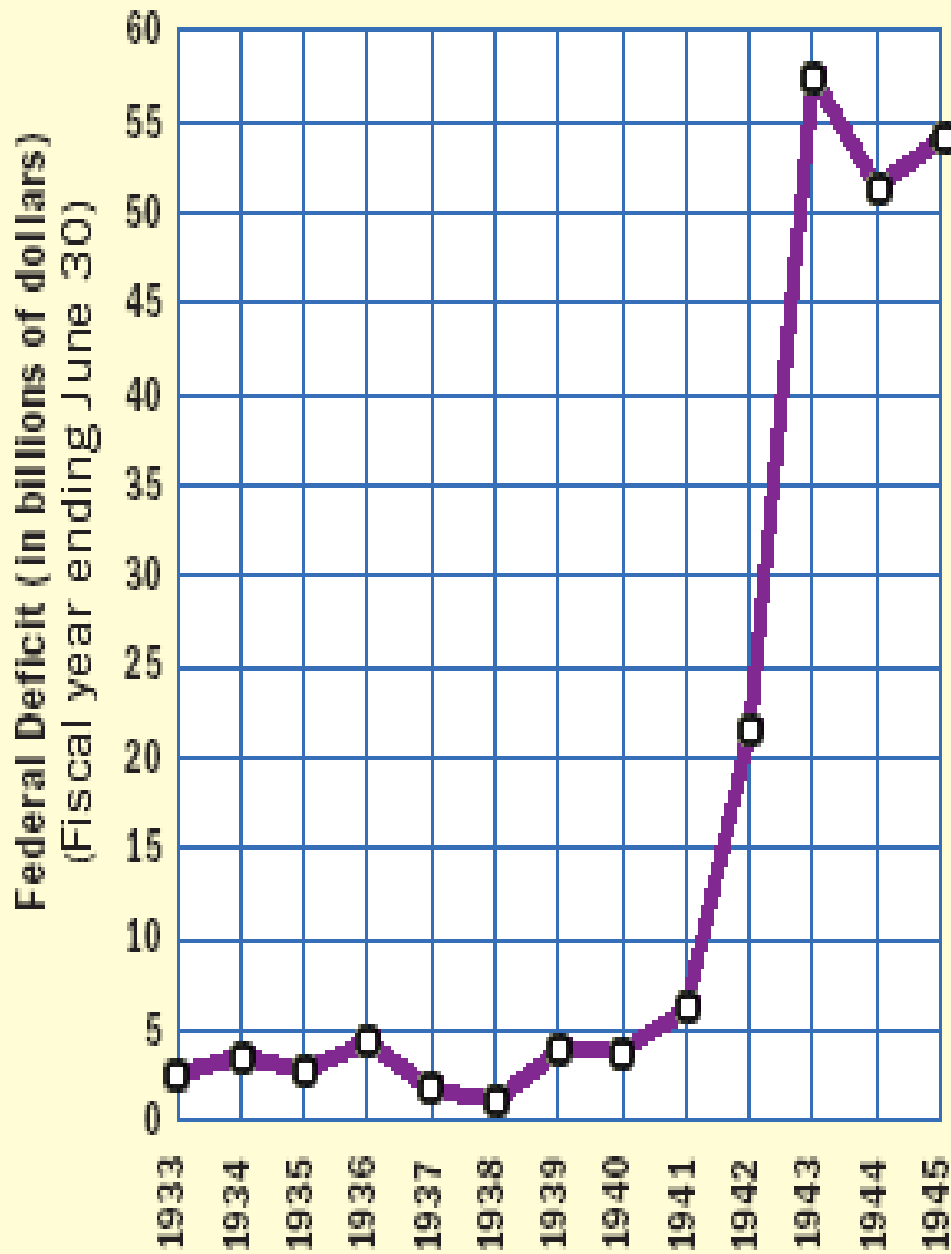
- Commodity Credit Corporation makes loans to farmers
  - based on amount of farmer's surplus and parity price
- Parity price—price intended to keep farmers' income steady
- Agricultural price supports set precedent of federal aid to farmers

## The Environment

- CCC planted trees, built hiking trails, and fire lookout towers
- Soil Conservation Service taught methods to preserve soil
- Taylor Grazing Act reduced grazing on public lands
- Tennessee Valley Authority (TVA) created electricity and prevented floods then and now
- Government added national parks, wildlife refuges, and wilderness areas
- Some negatives were that the Government sponsored strip-mining and coal burning which caused environmental damage



# Federal Deficit and Unemployment, 1933-1945



# Significant Events

- 1928 Herbert Hoover elected president
- 1929 “Great Crash” of stock market
- 1930 Smoot-Hawley tariff chokes off world trade
- 1931 Temporary Emergency Relief Administration
- 1932 Reconstruction Finance Corporation created  
Bonus Army marches on Washington
- 1933 Roosevelt inaugurated; Hundred Days  
legislation enacted
- 1934 SEC created
- 1935 Social Security Act and Wagner Act passed
- 1937 Roosevelt announces his court-packing plan
- 1939 War in Europe breaks out

# 2009 Obama Stimulus Package Comparison to New Deal

	1929	2009
<b>Reasons for The Recession</b>	<ul style="list-style-type: none"> <li>• Tariffs and war debt +War—5 Trillion</li> <li>• A crisis in the farm sector</li> <li>• Availability of easy credit</li> <li>• Unequal distribution of wealth</li> <li>• Stock Market Crash</li> <li>• Bank Failures</li> </ul>	<ul style="list-style-type: none"> <li>• Tariffs and war debt +War—6 Trillion</li> <li>• Availability of easy credit +\$20,000 per house hold</li> <li>• Unequal distribution of wealth</li> <li>• Stock Market Dip</li> <li>• Bank Failures</li> </ul>
<b>Status of Banks</b>	<ul style="list-style-type: none"> <li>• Closing</li> <li>+Invest in Stock Market</li> <li>+People withdrew their savings</li> <li>+Defaults: Mortgages and Buying on Margin</li> </ul>	<ul style="list-style-type: none"> <li>• Closing</li> <li>+Defaults:               <ul style="list-style-type: none"> <li>-Sub-Prime Lending</li> <li>-Arm Loans</li> </ul> </li> <li>+People withdrawing their savings</li> </ul>
<b>Unemployment</b>	25%	7.6%
<b>Federal Portion of Economy</b>	15%	31%
<b>Foreclosures...Why?</b>	See "Status of Banks"	See "Status of Banks"
	<ul style="list-style-type: none"> <li>• <b>Public Works Administration (PWA)</b> improving highways, and building dams, sewer systems, waterworks, schools, bridges, road, and</li> </ul>	