

1 **FDR's New Deal**

2 **1932 Election**

- Franklin Delano Roosevelt a Democrat runs against Republican Herbert Hoover
- Republicans reluctantly re-nominate Hoover
- Roosevelt crushes Hoover
- Roosevelt takes the Presidency and brings hope
- He also brings a plan called the New Deal....

3 **New Deal**

- Was a series of 15 relief and recovery measures
- During inauguration Roosevelt said he would ask Congress for “broad executive power to wage war against emergency” if he had too
- March 5, 1933 calls Congress into special session

4 **New Deal**

- Over next 100 days Congress approves all 15 measures of New Deal program
 - Who controls congress, why so easy to pass measures?
- Roosevelt first closes all the banks calling for a bank holiday on March 6th, 1933
- They all were to close for a few days to stop massive withdrawals
- Congress passes Emergency Banking Act on March 9th, 1933
- Act authorized fed gov. to examine all banks and only ones that are financially sound can reopen

5 **Banking Reform**

- On March 12th, 60 million Americans tune in to hear Roosevelt in what would become first of many “fireside chats”
- Roosevelt urges Americans to return money to banks
- Banks began to reopen & by the end of March about \$1

billion in deposits flowed into system

6 **Banking Reform**

- Confidence grows even more when Congress created the Federal Deposit Insurance Corporation (FDIC) in June 1933
- Insured bank deposits up to \$5,000
 - Now up to \$250,000
- April 1933 Congress passed Home Owners Loan Corporation (HOLC), assists home owners who cannot make payments
- By June 1936 saved 1 million homes by offering low-interest, long-term mortgage loans

7 **More Relief**

- 1 • Roosevelt issued executive order to create Farm Credit Administration (FCA) in 1933
- Provided low-interest, long-term loans to farmers
- Allows many to buy back farms, pay back taxes, pay mortgages, buy equipment, seed, and fertilizer

8 **Federal Emergency Relief Administration (FERA)**

- May 1933 established, created to distribute \$500 million in relief to state and local agencies
- FERA provides these governments with full grants and NOT loans like Hoovers programs
- States and cities are then responsible for creating work-relief programs

9 **Aid Continues**

- By 1935 \$3 billion in direct federal aid had been distributed
 - Americans did not like handouts, wanted jobs
- Civil Works Administration created, paid \$740 million from 1933-34 for jobs like raking leaves and picking up park litter to 4 million workers
- Civilian Conservation Corps (CCC) created in 1933 for young men 18 – 25, employed 2.5 million in 10 year existence

- Planted trees, cleared underbrush, created park trails, & developed campgrounds and beaches
- Earned \$30 a month, most of it sent home to help families

10 **Recovery Not Relief**

- Relief was short-term, Roosevelt wanted recovery which was long-term
- Roosevelt wants to reform business practices, sees this as vital to economy's recovery
- Creates Securities & Exchange Commission to protect investors against stock fraud
 - SEC regulates companies that sell stocks and bonds
- To help with recovery of businesses and industries Roosevelt poured money into economy through federal loans & gov. spending
 - Called “Priming the Pump”

11 **National Industrial Recovery Act (NIRA)**

- Congress passed in June 1933 to reduce unemployment and stimulate industrial & business activity
- Created two federal agencies
 - Public Works Association & National Recovery Administration
- B/w 1933-1939 PWA spent \$4 billion on 34,000 projects like constructing roads and public buildings
- NRA was supposed to bring better wages & working conditions but does not and is declared unconstitutional in 1935 along with NIRA

12 **Agricultural Aid**

- Congress passed Agricultural Adjustment Act in 1933 to cut production and try to stabilize market
 - Led to creation of Agricultural Adjustment Administration
- AAA paid farmers to cut production, greatly helped cotton industry, money came from taxes levied on food processors

- Critics claimed it only helped large farmers out and continued to hurt small farmers
- 1936 Supreme Court strikes down AAA, claiming that tax on food processors was unconstitutional
- Shows Supreme Court's opposition to New Deal legislation

13 **Tennessee Valley Authority**

- Created 1933 to help with a 7 state region that was incredibly poor and battling diseases and bad education
- TVA built dams, power stations, educational institutions, and tried to improve regions low standard of living

14 **Race Relations**

- Depression increases racial tensions
- Roosevelt named more than 100 African Americans to posts in federal government during his terms in office
- Many of the appointments came at the request of Eleanor Roosevelt, who was a champion for civil rights
- Indian Reorganization Act passed in 1934
 - Reverses Dawes Act and tries to revive tribal rule
 - Also, provides funds to start tribal businesses and pay for college of young American Indians