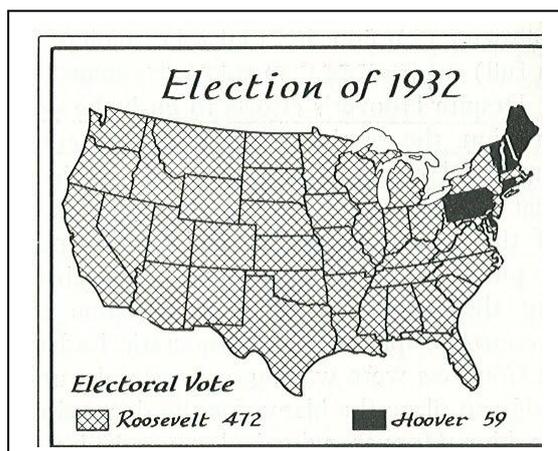


The 1930s Depression & the New Deal

In the November 1932 election, Roosevelt promised 'a new deal for the American people' if they elected him. The result was a landslide – Roosevelt won 42 of the 48 states, the biggest election victory of all time.



Roosevelt said that his 'New Deal' had three related steps:

- **Relief** (helping the poor and unemployed to survive)
- **Recovery** (getting the economy going again) and
- **Reform** (changing things so a depression could never happen like that again).

Roosevelt's New Deal had **two parts**. First, he set about **offering relief and trying to get the economy to recover**. After 1935, however, he set about a much more radical agenda of **social reform**.

First, however, he was faced by a crisis. Before he came into office (March **1933**), the economy declined further, culminating in a **banking crisis**. At the beginning of March, millions of people marched into their banks and demanded their money – as they were allowed – in gold. It was impossible; banks in 34 states closed. **The entire financial system of the USA was in the verge of collapse.**

The First New Deal

Roosevelt persuaded Congress to give him emergency powers from 9 March to 16 June 1933 (the 'Hundred Days'). Although many of Roosevelt's ideas were not new, 1933 saw a burst of legislation to tackle the Depression like never before.

1. **Confidence.** Roosevelt undertook a series of measures to keep the American people on his side, like abolishing prohibition (restoring faith in the government because it stopped the humiliation of the government's laws being openly ignored), bank holidays until the government checked all banks to restore people's confidence –to return their money to banks-, new rules for the Stock Exchange.
2. **Finance and economy.** Roosevelt believed that he had to make sure that the economy was strong, controlling the budget (not spend more than it gathered in taxes), had gold deposited in banks, etc.
3. **Alphabet Agencies.** FDR set up what came to be called the 'alphabet agencies' because their names were reduced to acronyms. The main ones were:
 - a. **CCC (Civilian Conservation Corps)** provided paid conservation work to give unemployed young men jobs
 - b. **FERA (Federal Emergency Relief Administration)** provided matched funding to help states organise payments to the unemployed and homeless.
 - c. **WPA (Works Progress Administration)** ran projects which provided work for the unemployed, e.g. building airports, schools, hospitals or bridges – millions earned a small wage and felt valuable.

The Second New Deal

In 1935, Roosevelt's New Deal was still hugely popular with the people, but it was running into opposition. The most important elements of this opposition were:

1. The Supreme Court, which ruled the NRA and the AAA illegal, because they took away the right of states to run their own affairs.
2. Some businessmen, who attacked and ignored the NRA saying that it was expensive and wasteful.

Therefore, in the run up to the **1936** election and after it, **Roosevelt followed a much more radical 'reform' agenda.**

Source A

Dear Mr. President: This is just to tell you that everything is all right now. The man you sent found our house all right, and we went down to the bank with him and the mortgage can go on for a while longer. You remember I wrote you about losing the furniture too. Well, your man got it back for us. I never heard of a President like you.

Letter to the President from an old man and his wife, (summer, 1933)

Source B

But here is the challenge to our democracy: In this nation I see tens of millions of its citizens - a substantial part of its whole population - who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life...

I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children.

I see one-third of a nation ill-housed, ill-clad, ill-nourished...

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

2nd Inaugural Address (1937)

1. **National Labour Relations Act (1935)** protected workers' right to join a trade union and set up the *National Labour Relations Board (NLRB)* to prevent employers from abusing workers.
2. **Soil Conservation Act (1935)** allowed the government to continue subsidising farmers.
3. **Social Security Act (1935)** provided America's first *system of social welfare*: it set up a national system of old-age pensions, it gave help to people with physical disabilities, it gave help to children in need and set up a national system of unemployment insurance.
4. **National Housing Act (1937)** provided loans to buy houses and reduced excessive rents.
5. **Fair Labour Standards Act (1938)** set hours and conditions of work and fixed a minimum wage.

Source C 1934 that mural sees Roosevelt as the protector and friend of the working man



Source



- 1) Label + analyse the source (cut the image and paste in your notebook):
 - a. What does it tell you about FDR?
 - b. What information does it provide about the New Deal?
 - c. Who would oppose FDR's ideas and ND? Why?



- 2) Draw a diagram explaining how the New Deal worked.
- 3) Summarise the outcomes of the New Deal (slides)
- 4) Complete the chart (copy it on a separate sheet) using the information provided on the slides.

Was the New Deal a success?	
Yes because...	Did everyone agree with the New Deal?
No because...	

- 5) What would these people say about the New Deal? (c+p the pictures) Give reasons in each case.

