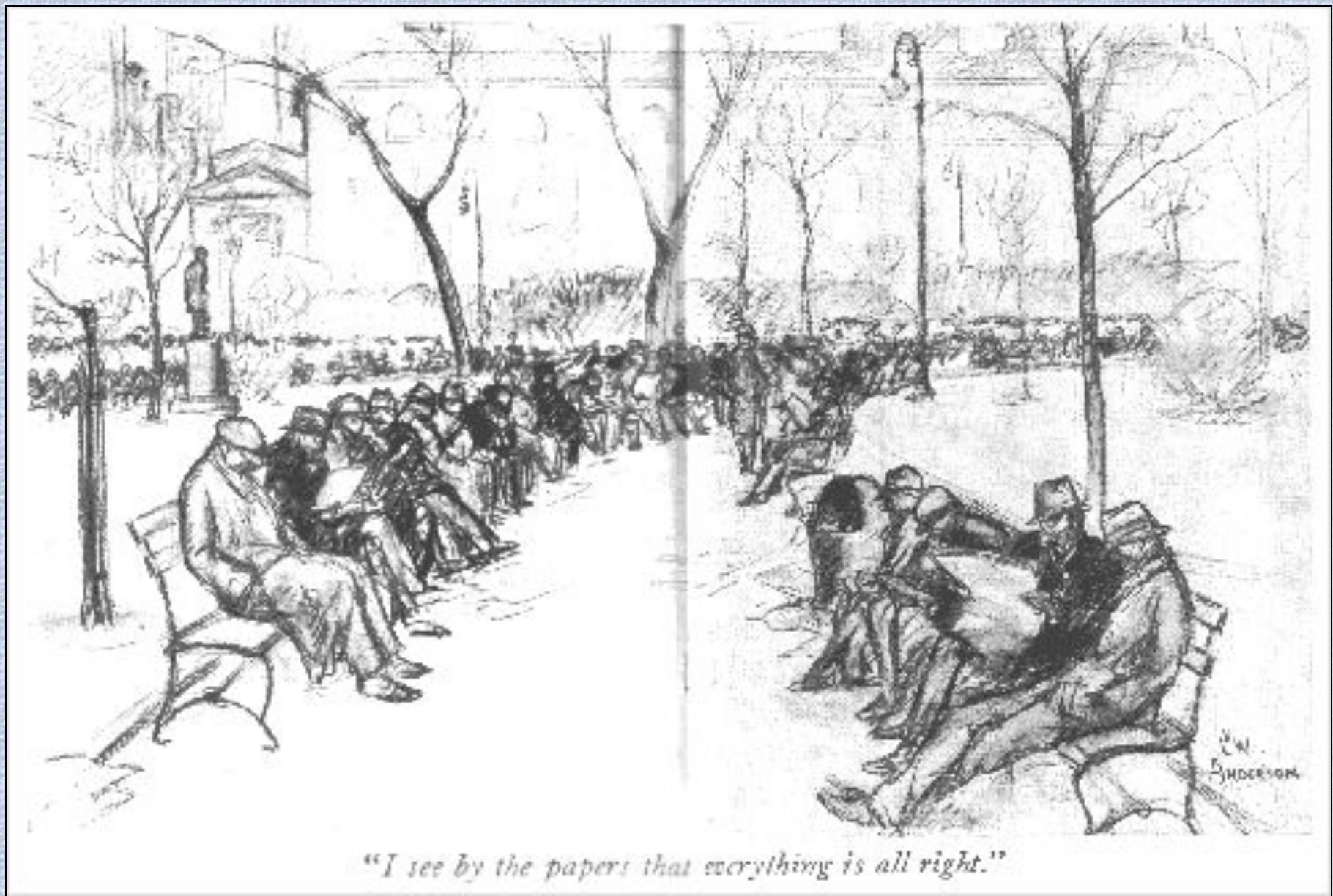


Alphabet Soup

New Deal Programs and Reforms



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



Caption: "I see by the papers everything is all right". January 1930, by Robert Brown

“In other periods of depression it has always been possible to see some things which were solid and upon which you could base hope, but as I look about, I now see nothing to give ground for hope – nothing of man.”

- Former president Calvin Coolidge (New Year's Day 1933)



In the words of those who lived it...

- “If with all the advantages I’ve had, I can’t make a living, I’m just no good, I guess.” – an unemployed TX schoolteacher, 1933



- “3 or 4 million heads of households don’t turn into tramps and cheats overnight, nor do they lose the habits and standards of a lifetime... They don’t drink any more than the rest of us, they don’t lie anymore, they’re no lazier than the rest of us... An eighth or a tenth of the earning population does not changes its character which has been generations in the molding, or, if such a change actually occurs, we can scarcely charge it up to personal sin.” – Federal relief administrator Harry Hopkins, 1933



"Scuse me, Buddy, is this the bread-line or a run on a bank?"

- “I pledge you, I pledge myself, to a new deal for the American people.”

— FDR, accepting the Democratic Party nomination for President, 1932

- “The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But above all, try something.” — FDR, 1932



UNCLE, I'M
SURELY
EXPECTING
SOMETHING!



FDR took a 3-staged approach to the Depression:

1. relief
2. recovery
3. reform

The three stages were a natural outgrowth of one another. There was some overlap between types of programs (i.e. recovery programs were still operating when FDR passed reforms.)

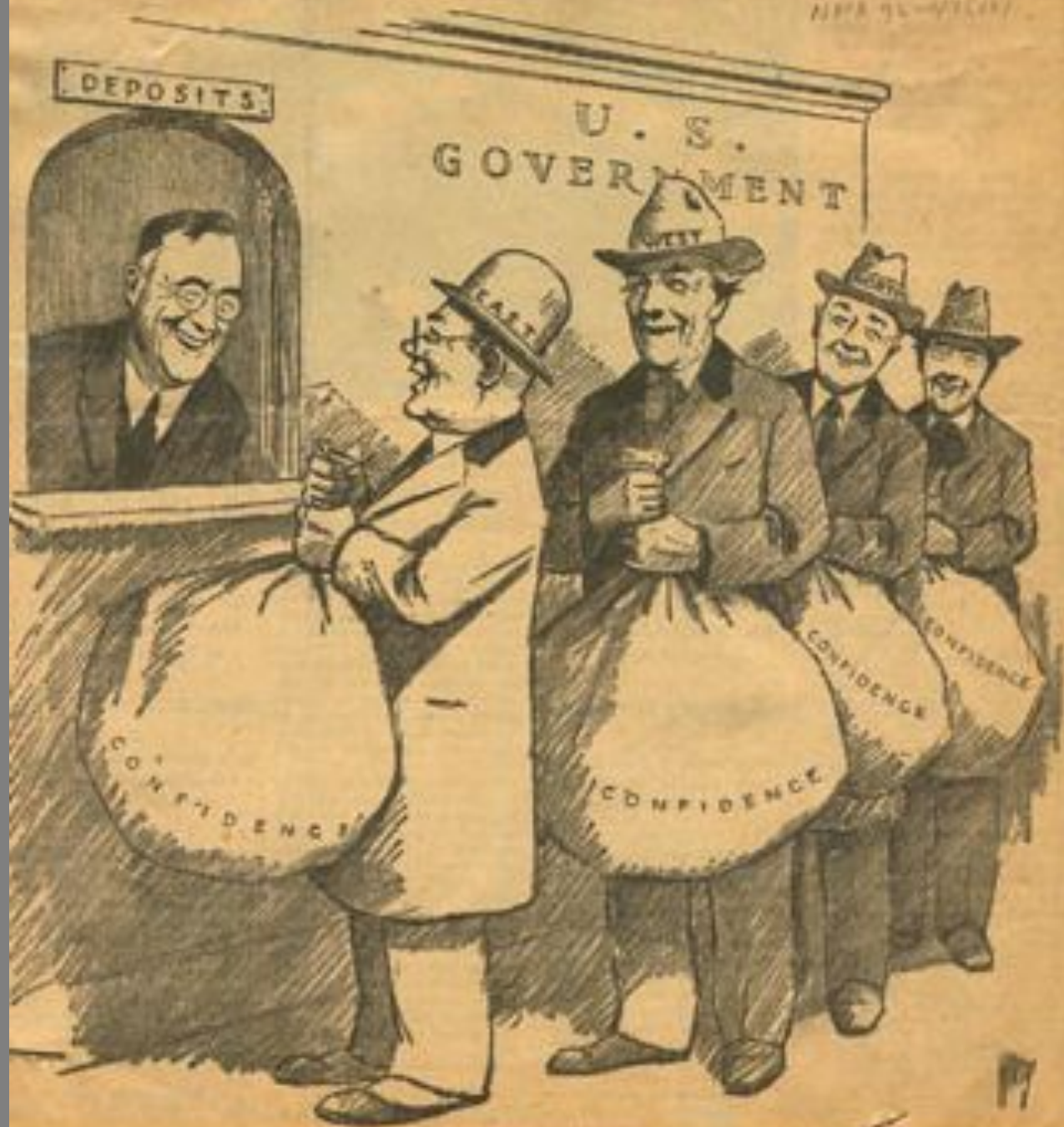
Relief: immediate action taken to halt economic deterioration.

Quick fix – like putting a Band-Aid on the wound to stop the bleeding (i.e. feeding starving people.)

- FDR announced a four-day bank holiday to begin on Monday, March 6. During that time, FDR promised, Congress would work on coming up with a plan to save the failing banking industry.
- By March 9, Congress passed the Emergency Banking Act of 1933, which closed failed banks and only reopened the financially viable ones.
 - By month's end, $\frac{3}{4}$ of the nation's closed banks were back in business.
 - The first day the banks reopened, deposits exceeded withdrawals.

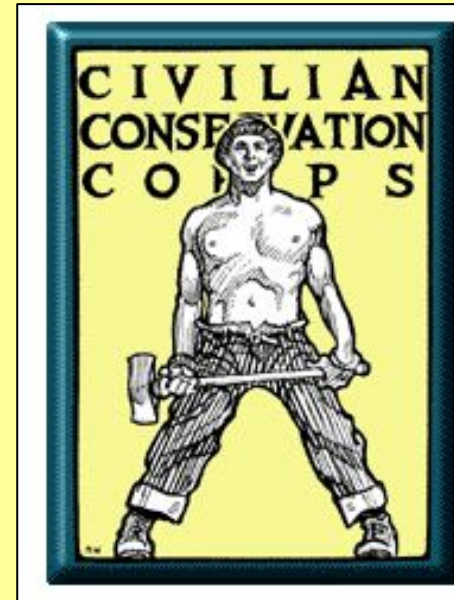


APR 25 - 1934



Civilian Conservation Corps. (CCC): (April 1933) provided temporary jobs to unmarried single white adult males (ages 18-25) in reforestation, road construction, prevention of forest erosion, and help in disaster type situations. Participants were provided barracks-type housing as part of their job.

[Criticism: *At first, the CCC did not hire women & African-Americans. After a few years running, they began hiring African-Americans, who were housed in separate, segregated barracks and they worked in segregated units.]*



CCC Motto: "Save the Soil, Save the Forests, Save the Young Men."

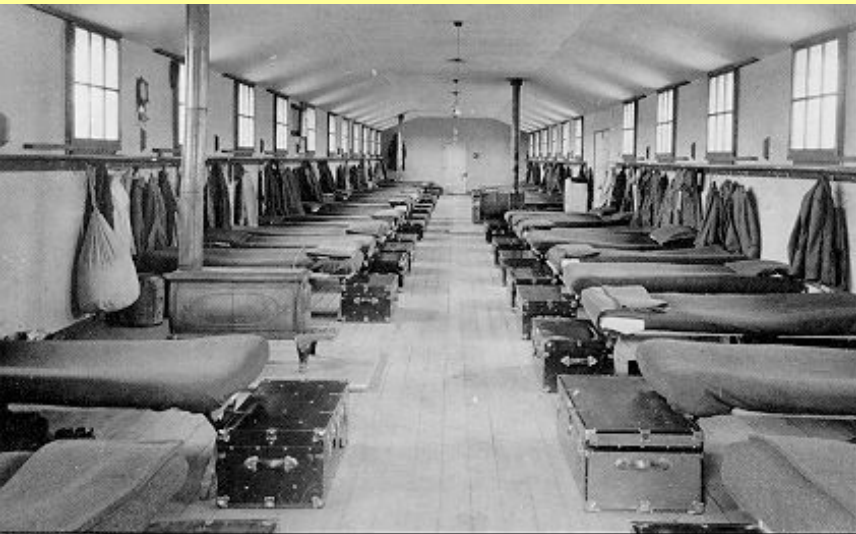
Often called "Roosevelt's Tree Army" because of its focus on reforestation efforts, the CCC did much more than plant trees. 3,000

fire towers were constructed, 97,000 miles of fire roads were built. Over 4 million man-hours were devoted to fire fighting.

Erosion was arrested on more than twenty million acres. At its peak, in 1935, there were 500,000 enrollees working in 2,600 camps across the U.S..



Many CCC projects were arduous. At top, black enrollees construct wooden grids to stop soil erosion on the Pere Marquette River. At bottom, enrollees work near the Platte River.



Each Civilian Conservation Corps camp had four or five barracks similar to these at Camp Manistee River near Brethren. Camp buildings were of simple construction with wooden floors and poor interior lighting.

Federal Emergency Relief Act (FERA): (May 1933) gave immediate help to those that needed it in the form of cash payments. Gave money directly to the states to distribute to the needy. Otherwise known as a form of “direct relief.”

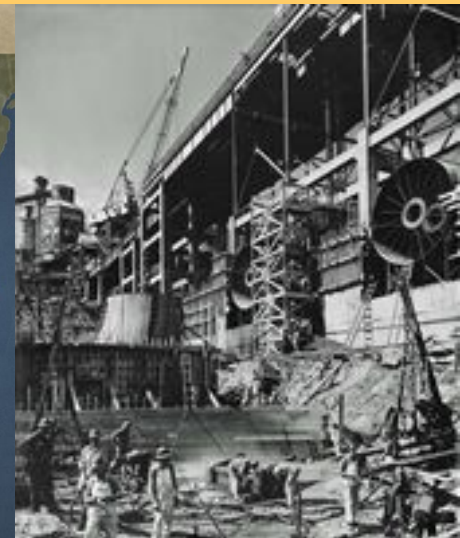
President Franklin Roosevelt appointed Harry L. Hopkins as its chief administrator. By the end of his first day on the job, Hopkins had issued grants totaling more than \$5 million.



Recovery: temporary programs to restart flow of consumer demand

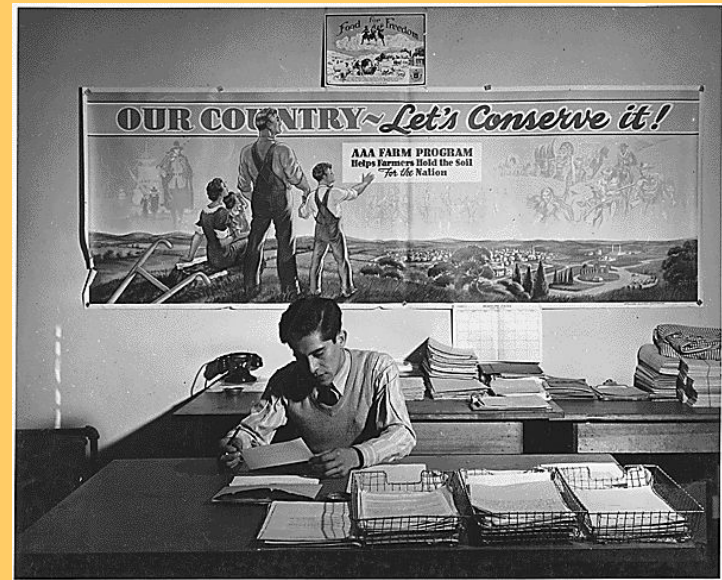
[Designed to get the country back on the road to healing (once people had food thanks to the relief programs, recovery programs helped them get a job so they could get back on their feet.)]

Tennessee Valley Authority (TVA): (May 1933) a federally run hydroelectric power program. TVA employees built dams, produced and sold fertilizer, reforested the Tennessee river valley, and developed recreational lands. In the short term, this provided much needed jobs. Long term, the dams provided more stable irrigation and cheap hydro-electric power to the 7 states in the TN valley.





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

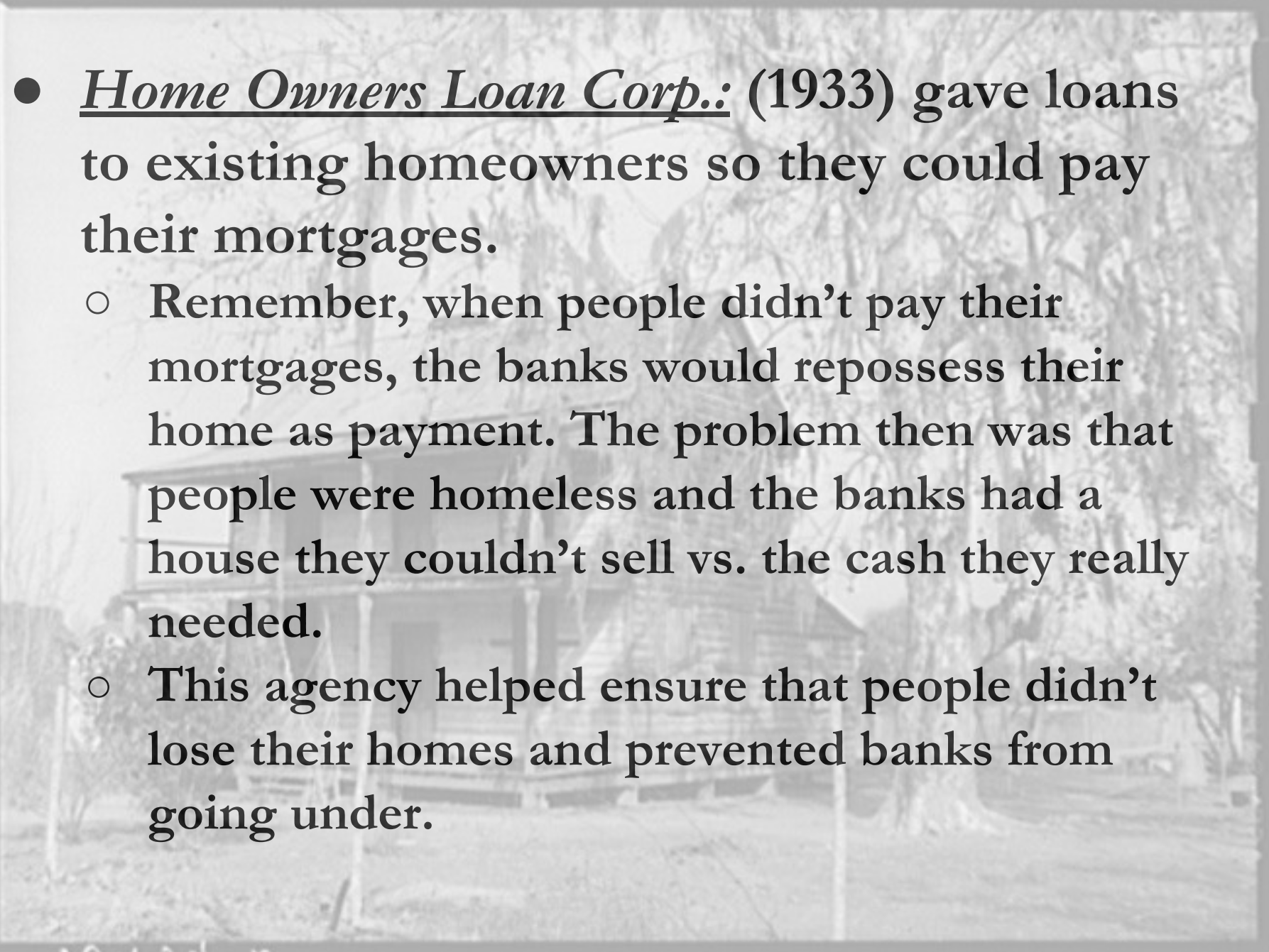


Agricultural Adjustment Act (AAA): (1933) designed to combat overproduction by controlling the supply of 7 “basic crops” (corn, wheat, cotton, rice, peanuts, tobacco and milk.) The AAA paid farmers to NOT grow food. Offered cash payments to farmers in return for taking some of their land out of cultivation (i.e., not planting a crop.) This decreased supply so crop prices would go up.



One critique of the AAA was that sharecroppers, many of whom were black, were forced off their land by thanks to the AAA. Landowners were paid to NOT grow, which meant they didn't need as many people to farm their land. They sent hired farm-hands packing and kept the govt. check for themselves.

The AAA was declared unconstitutional in 1936.

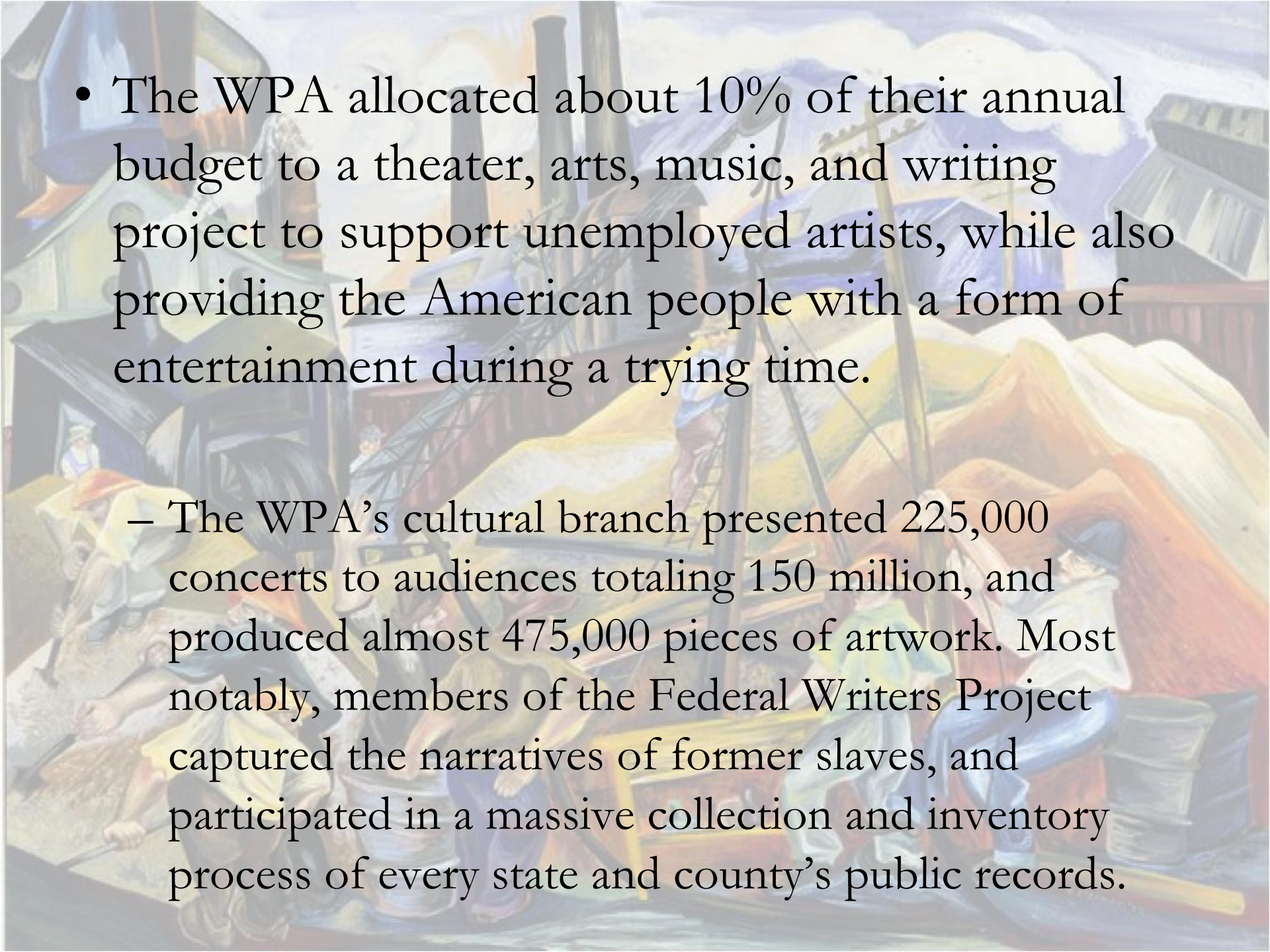
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- *Home Owners Loan Corp.:* (1933) gave loans to existing homeowners so they could pay their mortgages.
 - Remember, when people didn't pay their mortgages, the banks would repossess their home as payment. The problem then was that people were homeless and the banks had a house they couldn't sell vs. the cash they really needed.
 - This agency helped ensure that people didn't lose their homes and prevented banks from going under.

Works Progress Administration (WPA):

(April 1935-1943) provided govt. jobs building or improving schools, roads, bridges, etc. & participating in other public works projects.

- The program employed more than 8.5 million individuals across the nation at \$41.57/mo.
- 75% of employment and expenditures went to public facilities (highways, public buildings, parks, etc.)
 - The WPA built 650,000 miles of roads, 78,000 bridges, 125 buildings, and 700 miles of airport runways.





- The WPA allocated about 10% of their annual budget to a theater, arts, music, and writing project to support unemployed artists, while also providing the American people with a form of entertainment during a trying time.

- The WPA's cultural branch presented 225,000 concerts to audiences totaling 150 million, and produced almost 475,000 pieces of artwork. Most notably, members of the Federal Writers Project captured the narratives of former slaves, and participated in a massive collection and inventory process of every state and county's public records.

National Youth Administration (NYA): (June 1935) set up as part of the WPA to address the educational & employment needs of 16-24 year olds (who, because of their age, were not allowed to apply for the WPA.)

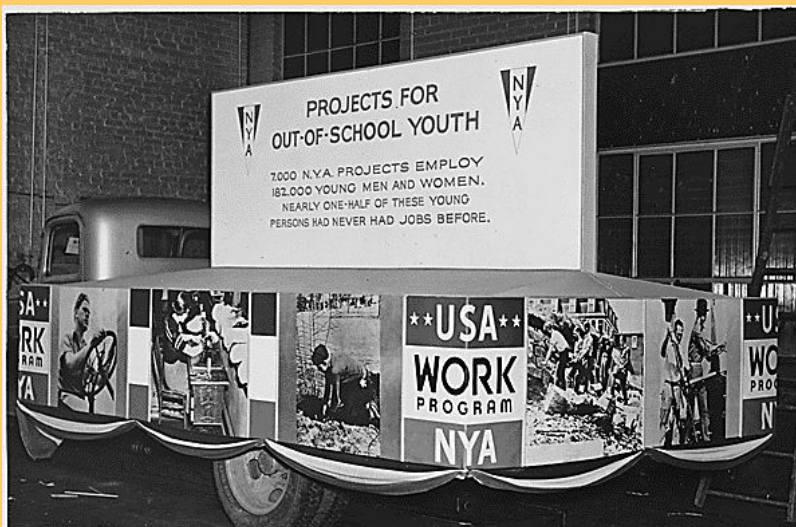


Table 11-9. Persons employed on NYA work programs (in thousands)

OCTOBER OF	TOTAL	OUT-OF-SCHOOL WORK PROGRAM	STUDENT WORK PROGRAM
1935	184		184
1936	507	166	341
1937	367	123	244
1938	542	220	322
1939	600	238	362
1940	584	232	352
1941	561	288	273

Sources: Social Security Board, *Social Security Bulletin*, February 1941, pp. 68-70, April 1942, pp. 28-29.

- The NYA worked on two levels:
 - A student work program: provided students with odd jobs that paid them enough to stay in school.
 - An out-of-school program: set young people up with various jobs ranging from house painting to cleaning local parks, and eventually came to include vocational training.

- By 1938, the NYA student work program served 327,000 high school and college youth, who were paid from \$6-40 a month for “work study” projects in their schools.
- Another 155,000 boys and girls were paid \$10 to \$25 per month for part-time work that included job training.
- NYA youth typically lived at home while going to school and working part-time.



Reform: permanent programs to avoid another depression and insure citizens against economic disasters

[Reforms were designed to make sure nothing like this depression ever happened again. Goal was to pass laws & regulations to ensure a depression wouldn't reoccur.]

- Federal Deposit Insurance Corporation (FDIC): (June 1933) passed as part a larger banking reform act. Set up the FDIC, a permanent agency designed to maintain stability and public confidence in the nation's financial system.

- It provides insurance for deposits people make in savings banks & supervises financial institutions to ensure safety & soundness.
- Originally insured up to \$5000 per depositor, today it has increased to \$250,000.



Securities and Exchange Act: (1934) set up the Securities & Exchange Commission (SEC), a permanent agency whose job is to monitor the stock market and prevent abuses (for instance, insider trading, watering stock, etc.)

The SEC has the power to license & regulate the stock exchange, the companies who trade on the stock exchange, and the brokers and dealers who conduct the trading.

Social Security Administration:

(August 1935) permanent agency designed to ensure that older Americans would always have enough money to survive. SS was/is still financed through a payroll tax.

[Criticism: Did not cover domestic service workers or contract laborers (jobs dominated predominantly by women and African-Americans) These groups therefore did not have a safety net in place when they retired.]

**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

Fair Labor Standards Act (FLSA):
(1938) set a minimum wage (.40
per hour), and a maximum
number of hours required per
week (40).

It also outlawed child labor & set
the minimum age at 14 for
working outside of school hours
in non-manufacturing jobs, at 16
for employment during school
hours, and 18 for hazardous
occupations.



WORKERS



RIGHTS

National Labor Relations Act

(NLRA): (July 1935)

helped unions and thus helped workers. This act created the Nat. Labor Relations Board, which enforced labor laws and made sure that fair business practices were upheld. It also outlawed blacklisting by business owners and encouraged collective bargaining and the formation of unions.



Criticism of the New Deal

Political Conservatives:

- Tended to be comprised of wealthy, white Americans who wanted to maintain the current system and power structure
- Opposed to higher taxes on the rich (had trouble with their tax dollars being used to help the poor)
- Wanted people to take responsibility for themselves (vs. the government taking care of them)

Women:

- Men & boys got preference over women in relief and work programs
- Social Security Act excluded domestic service workers. There was also no govt. regulation of domestic service – largest female occupation.
- There were some positive gains made by women during FDR's presidency (More women occupied high government positions than in any previous administration.)

Criticism of the New Deal

African-Americans:

- Black unemployment rate was TRIPLE that of whites and because of discrimination on the state level, blacks often received less per person in welfare payments.
- Blacks were denied professional level jobs & relief programs (especially in the South) reinforced discrimination & racial segregation
 - Segregation on public works projects
 - Blacks were paid less than whites and not allowed to do skilled jobs on dam and electrical power projects
 - Social Security excluded farmers and domestic service workers = ignored 2/3 of working blacks
 - CCC segregated black and white workers
 - AAA policies often pushed blacks off the land in the South