

The New Deal

1. The Presidential election of 1932

- FDR was elected president with 472 electoral votes to Hoovers' 59 electoral votes.
- US was entering the fourth year of the Great Depression
- 25% unemployment rate
- City workers earned 1/3 less and farmers earned 2/3 less during the GD.
- Value of the Stock Market dropped from \$89.7 billion to \$15.6 billion
- To forget their problems, Americans turned to movies, the radio, and sporting events.

2. The Rise of FDR

- Studied at Harvard University and became a lawyer.
- From father he learned about honesty, hard work, and compassion.
- From his mother he learned about the importance of helping others.
- He had polio and was paralyzed from the waist down.
- Governor of NY and he focused on creating jobs, pensions, unemployment benefits, and direct relief.
- FDR was popular because he had charisma

3. The Beginning of the New Deal

- Bank Holiday – banks were closed to insure that Americas would not withdraw their money. By summer of 1933, ¾ of the banks reopened.
- **Emergency Banking Relief Act** and the **Economic Act** balanced the federal budget.
- **National Industrial Recovery Act (NIRA)** – created jobs building roads, tunnels, and housing projects. \$1 billion.
- Set fair wages, hours, and working conditions.
- **Federal Emergency Relief Administration (FERA)** – provided grants to the unemployed (\$500 million)
- **Agricultural Adjustment Administration (AAA)** – pay farmers to destroy their crops and kill their livestock to raise prices.
- **Tennessee Valley Authority (TVA)** – built dams along the river which provided cheap electricity. Also helped with flood control, new factories and jobs, and brought in professionals to rural areas.
- ND was successful because both parties worked together, FDR got advice from his “Brain Trust,” and he delivered Fireside Chats which informed Americans about ND programs.

4. Work Programs

- **Civilian Conservation Corps (CCC)** – 2.5 million men (17 – 24) with jobs.
- Men worked planting trees, built trails, repair park facilities.
- Men earned \$30 a month
- Only 10% of the men were African-American
- **Fair Labor Standards Act** – eliminated child labor, minimum wage, and higher overtime pay.
- Women and minority groups did not receive fair wages
- **National Industrial Recovery Act (NIRA)** – monitored big business to ensure that worker’s rights were not violated and gave workers the right to bargain collectively for better working conditions.

5. Critics of the New Deal

- **The American Liberty League** – a group of business that opposed the ND because they believed that government was getting too involved in businesses and protecting labor unions.
- Members of FDR’s cabinet criticized the AAA because it destroyed crops and livestock and hurt poor farmers.
- **Dr. Townsend** criticized the ND because he felt like it did not help the elderly – his plan was give the elderly \$200 a month. (this would cost too much)
- Senator **Huey Long** – “Share Our Wealth” called for giving families a house, car, \$2,000 a year and free college education.
- Long is assassinated before he runs for the presidency.
- **Father Coughlin** claimed that FDR was on the side of big business. He formed the **Union Party** but failed to get enough support.

6. The Legacy of the New Deal

- **Second Hundred Days** – social security, grants to artists and writers.
- Supreme Court declared ND programs unconstitutional – FDR responded with a plan to “pack the court” with 6 judges – this suggestion upset everyone and he lost popularity.
- Legacy of ND
 1. Made the office of presidency more powerful
 2. Changed the relationship between government and the people. Gov. played a bigger role in the lives of Americans.
 3. Women received more opportunities (ex. Secretary of Labor, Francis Perkins)
- WWII ended the Great Depression – unemployment went down to 1.9% and the Gross National Product increased by 200%.