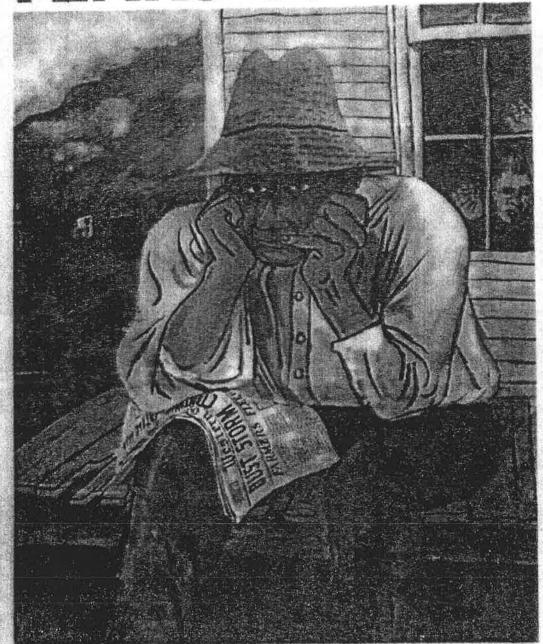
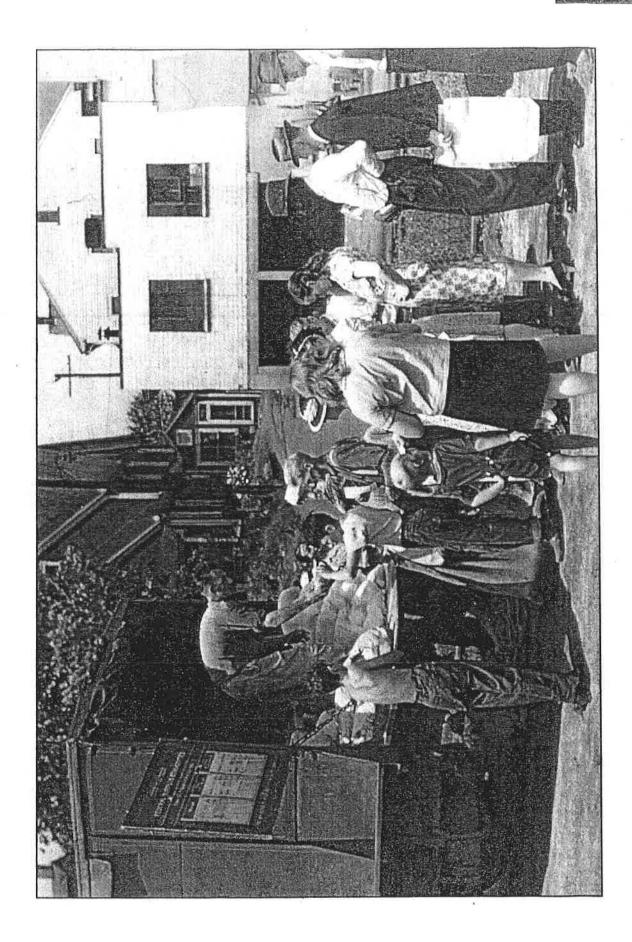
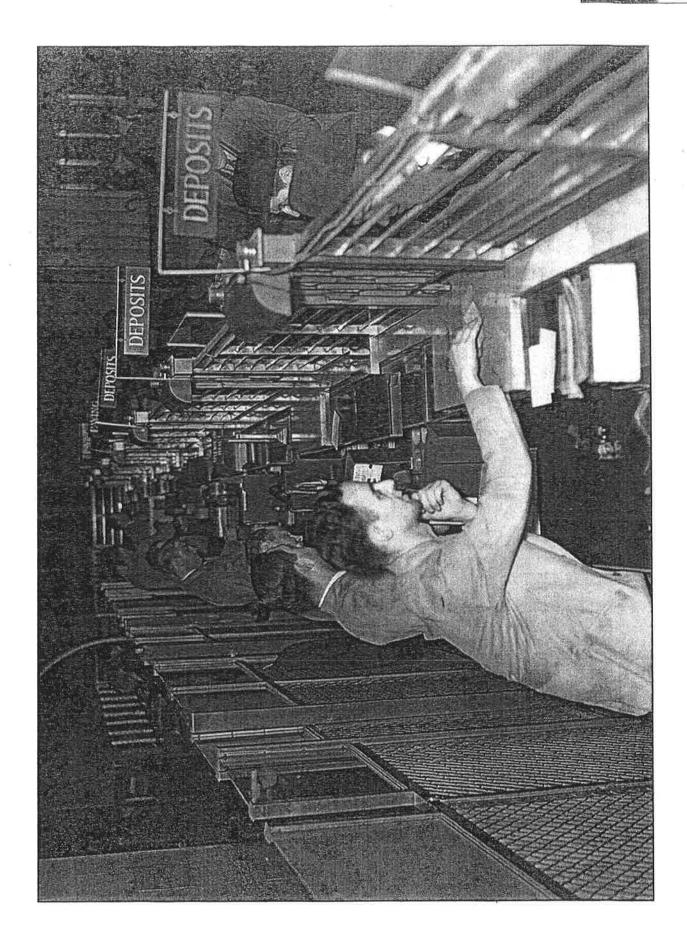


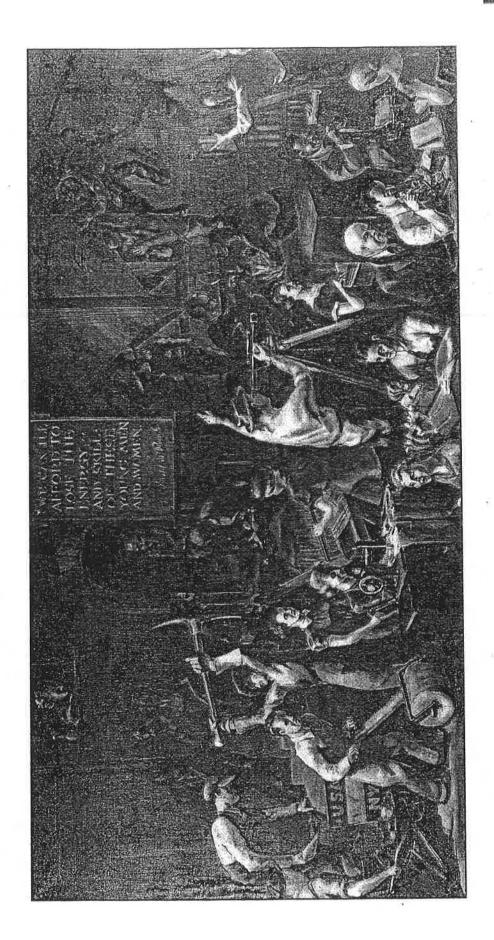
YEARS OF DUST



RESETTLEMENT ADMINISTRATION
Rescues Victims
Restores Land to Proper Use

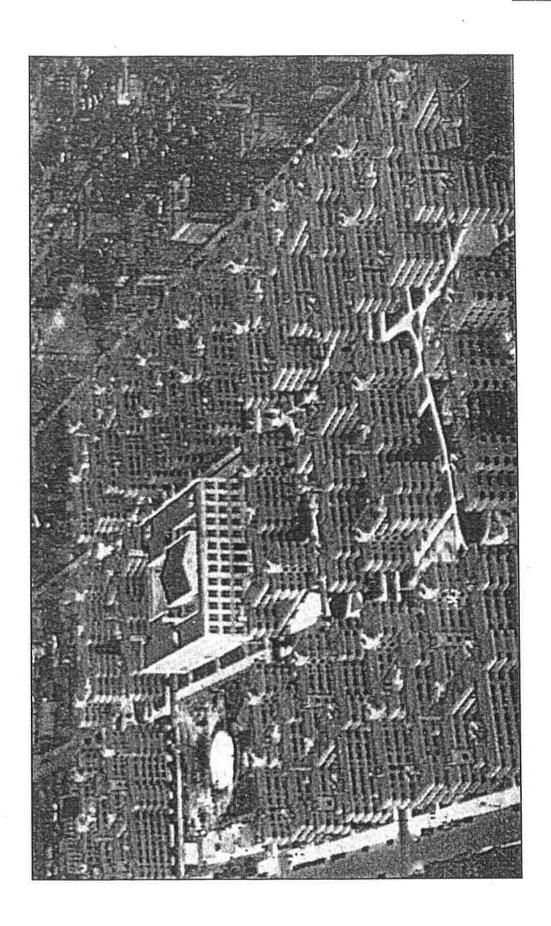


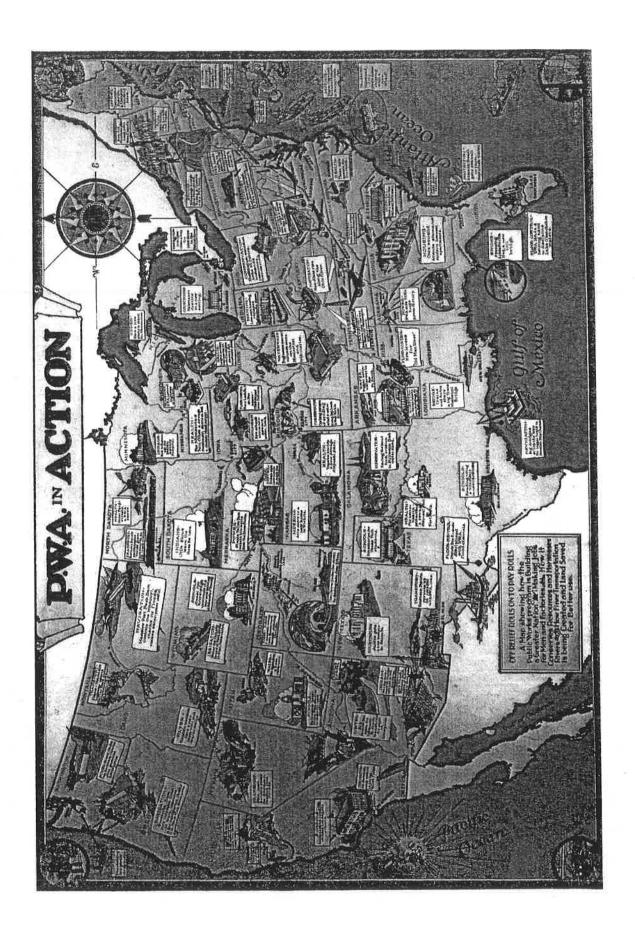


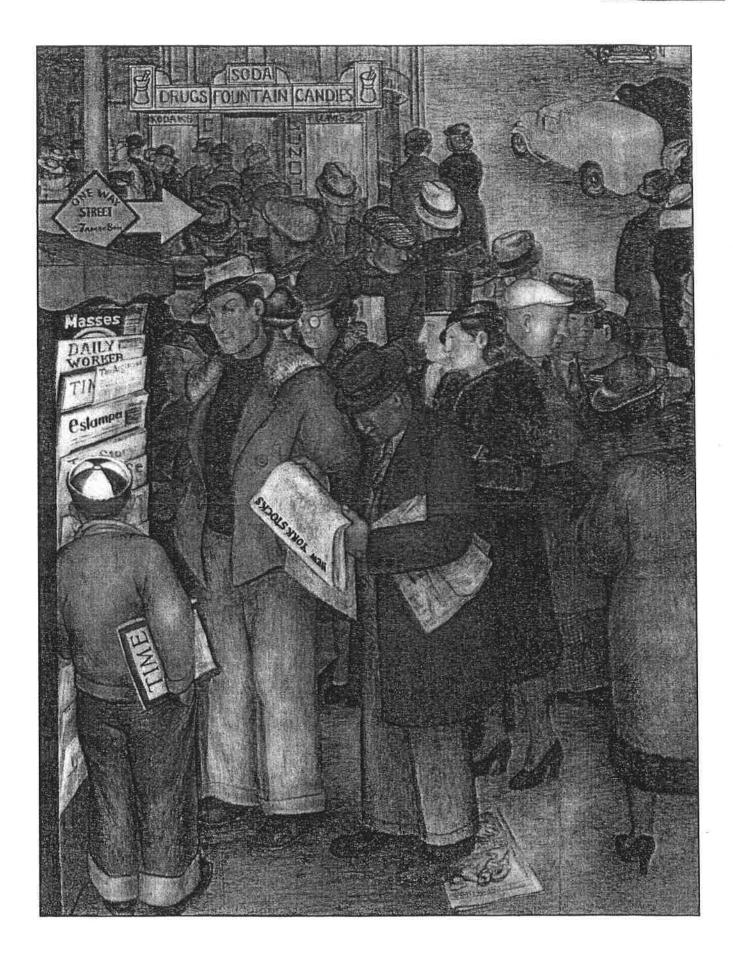


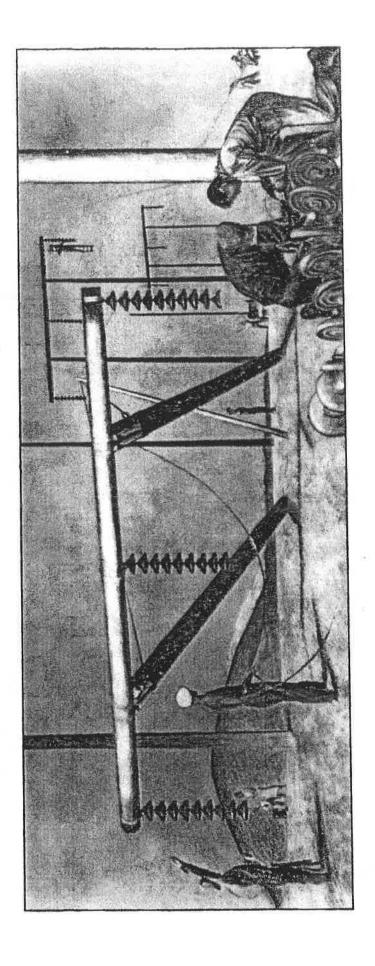














Aid to the Elderly

The New Deal provided care for the elderly under the Social Security Act, referred to by one scholar as the "most important single piece of social welfare legislation [law] in American history." The act required the federal government to provide financial support for most retired workers, ages 65 and over. The government created a pool of money from which to pay the old-age benefits by imposing a one percent social security tax on U.S. employees' wages, half of which was paid by the worker's employer. Before 1942—the year social security payments went into effect—the federal government provided up to \$15 a month in aid to the elderly poor. After 1942 social security payments ranged from \$10 to \$85 per month, depending on the wages the employee had earned before he or she retired. The very first social security payment issued by the government was only 12¢. The Social Security Act also provided aid to the disabled, mothers and their dependent children, and the unemployed.

Most forms of social security established by the New Deal continued to exist in the United States in the 1990s, including aid to the elderly. In the late 1990s, American workers and their employees paid a social security tax of approximately 12 percent. In 1995 the maximum monthly payment for a retiree was about \$1,200.

Aid to Farmers

The New Deal included several programs intended to relieve the economic decline of America's 30 million farming families. The Agricultural Adjustment Act aimed to adjust farmers' production of goods to the country's ability to purchase and consume those goods. Through the act, the government subsidized (paid) farmers to plant fewer crops and to destroy a portion of their crops and livestock (farm animals). Twenty-two thousand government agents convinced over one million cotton farmers to destroy about 10 million acres' worth of crops. Corn farmers reduced their crops by one fifth, slaughterhouses killed six million baby pigs, and farmers killed millions of cows. At the height of the government subsidies, clerks generated over 80,000 subsidy checks per day, ranging from a few thousand dollars to as much as \$200,000. In addition, government programs moved thousands of farming families to better, more fertile farmland and irrigated (watered) millions of acres of dry land. Over 127 million trees were planted to block the terrible dust storms in the Great Plains, and the government loaned hundreds of millions of dollars to farmers to help them repay their mortgages and bank loans.

In the late 1990s, the federal government continued to pay—or subsidize—farmers to plant fewer crops in an effort to control prices and prevent soil from becoming overused and useless. In the late 1980s, the federal government paid American farmers over \$22 billion in subsidies. However, by the mid 1990s, Congress had passed legislation to eventually eliminate federal support of farmers.

Direct Relief

The New Deal included various measures to provide immediate, direct relief to Americans in desperate need of food, shelter, and money. Despite a long American tradition of despising "the dole"—public charity—the federal government recognized that many people needed help. Therefore, Congress passed the Federal Emergency Act, which provided \$500 million in federal grants to state and local relief agencies. States used the money to set up soup kitchens and food-distribution warehouses for the hungry, establish housing camps for homeless jobseekers, and provide families with small cash payments for their monthly living expenses. While the payments were typically quite low—about \$15 to \$20 per month—they were often double what families had previously received from relief agencies. Another form of direct relief was the conversion of farmers' extra crops and livestock (farm animals) into food for the needy. The government purchased such foods as butter, cheese, pork, and flour and had agencies distribute them to hungry families. Workers also transformed surplus cotton into blankets and mattresses for those in need. As one historian has noted, direct relief under the New Deal was intended to be "local, minimal, and temporary." Therefore, the federal government eventually favored other forms of relief, such as government-created jobs, or work relief.

In the 1990s, the government continued to provide direct relief to American families in need through federal and state welfare programs. Public assistance programs included monthly payments to poverty-stricken families, low-cost or free healthcare, and food stamps.

Insured Bank Deposits

The New Deal instituted federal regulations over banking practices and set up the Federal Deposit Insurance Corporation (FDIC) to protect bank depositors' money should their banks fail. The agency's mission was "to maintain stability and public confidence in the nation's banking system." The FDIC regularly monitored banks to ensure their practices were both "profitable and fair." Most importantly, the FDIC guaranteed that the depositors of federally approved banks would not lose all of their money should their banks close their doors. The FDIC initially insured depositors' money up to \$2,500, but it quickly raised the amount to \$5,000. By 1940 depositors' accounts were insured for up to \$15,000. To obtain insurance for its depositors' funds, a bank had to prove to the FDIC that it was economically stable and able to meet all of its financial obligations. For example, a bank had to have an adequate amount of money on reserve to minimize the chance of collapse due to a lack of immediately available funds. The FDIC created a pool of money from which to pay insurance claims by charging banks premiums (fees) for the insurance it provided and making safe investments.

In the late 1990s, the FDIC continued to operate, insuring bank depositors' money for up to \$100,000. It had over \$27 billion in reserve funds and was authorized to borrow up to \$30 billion from the U.S. Treasury if necessary. Since its foundation in the 1930s, the FDIC has never had to borrow money from the government, and it has successfully reimbursed all insured depositors whose banks have failed.

Investment in Youth

As part of the New Deal, the federal government established the National Youth Administration (NYA) to oversee work programs and educational grants (financial gifts) that catered to men and women ages 16 to 25. At the time the NYA was founded, one in seven youths was poverty-stricken and receiving relief payments, and over 4.5 million youth were unemployed. The goal of the NYA was to provide financial and work assistance to unemployed youth and to help high school and college students continue their education. The NYA paid young men and women from \$10 to \$25 per month to perform a variety of jobs. Youth workers—including African Americans, whites, and in smaller numbers, Native Americans—built public swimming pools, cleaned and landscaped public parks, cooked food in local cafeterias, sewed garments, watched over children, built summer camps, performed office work, created geographical maps, participated in archeological digs, and worked in libraries, museums, science labs, and hospitals. In addition, the NYA provided financial assistance and part-time jobs—also known as work-study—that helped over 600,000 students pay for college and 1.5 million students stay in high school. Other NYA programs trained young people to work in a trade, such as construction or farming.

In the late 1990s, the government continued to support a variety of programs dedicated to providing youth with a solid future. For example, financial aid programs provided college students with educational grants and work-study opportunities, and job-training programs gave young people the skills they needed to make a living.

Jobs Programs

The New Deal provided economic relief to America's approximately 12 million unemployed workers by establishing various job programs, such as the Civilian Conservation Corps, the Civil Works Administration, and the Works Progress Administration. Over their lifetimes, these jobs programs employed over 13 million people—primarily white men—and spent over \$15 billion in federal funds. A vast majority of work-relief jobs involved construction: workers built or renovated over 125,000 public buildings—such as gyms, hospitals, libraries, offices, prisons, and schools—650,000 miles of roads, 120,000 bridges, 8,100 parks, 2,000 swimming pools, and 800 airports. Workers also built sidewalks, golf courses, tennis courts, wells, lakes and ponds, bird sanctuaries, wilderness trails, and irrigation (water) canals and ditches. Other workers—particularly women—produced over 300 million pieces of clothing for those in need, as well as millions of mattresses, rugs, brooms, and blankets. Jobs programs also employed thousands of childcare workers, doctors, nurses, and teachers for public assistance projects. Other, more unusual work projects included archeological digs at Native American sites and the creation of Jewish dictionaries by unemployed rabbis.

Government-created jobs programs existed in some form until the 1970s. However, during the 1980s and 1990s, jobs programs were all but eliminated as conservative politicians pushed for a reduction in government-sponsored relief programs. In the 1990s, most federal jobs programs were refashioned into small, "workfare" programs, in which welfare recipients worked at low-paying, low-skill jobs in return for benefits.

Promotion of Workers' Rights

The federal government established the first national labor policy in U.S. history under the New Deal. Prior to the mid 1930s, workers' attempts to form labor unions—organizations that protect workers' rights and interests—received little support from the government. As a result, most unions were unable to hold effective strikes or secure significant gains for their members. The New Deal's National Labor Relations Act (also known as the Wagner Act) injected new life into the U.S. labor movement. The act declared that workers had the right to organize labor unions, elect union representatives to fight for their interests, and bargain with employers collectively (as a single group). The act also established a federal labor board to enforce labor laws, monitor businesses to ensure they were not using illegal or brutal means to stamp out union activity, and prosecute employer labor violations. Consequently, labor unions increased dramatically in size and strength during the 1930s. Union membership jumped from 3 million in 1932 to 10 million in 1941. By the late 1940s, over 35 percent of the labor force was enrolled in a union. In addition, worker strikes tripled in the first year the act went into effect. At the height of labor unrest in 1937, workers held over 4,700 strikes, 80 percent of which were settled in their favor.

A federal labor board continued to operate in the 1990s, enforcing labor laws and investigating both employers and unions, as necessary. The board no longer had the power to prosecute labor violations, and served primarily in a judicial (judging) capacity. By the mid 1990s, unions still had collective bargaining power, but national membership had declined to a little over 15 percent of the labor force.

Public Housing

The New Deal addressed the need for affordable, quality housing in several ways. Under the Public Works Administration (PWA), workers demolished slums and built low-rent housing in their place. In its first few years alone, PWA workers completed 51 housing projects containing 21,700 dwellings in 36 communities. About half of the public housing projects were on former urban slum sites and were inhabited by an equal mix of African-American and white families. The new housing was a vast improvement over the filthy, run-down tenements (substandard apartments) in which the urban poor typically lived. The new public housing projects had a sufficient number of windows to provide light, adequate space, landscaped areas with trees and grass, and community rooms where tenants could gather to relax or socialize. For example, the Williamsburg Housing Project in Brooklyn, New York, contained 20 buildings, small lawns, and a community room painted with colorful murals. New Deal programs also helped renovate and build farm housing—80 percent of which was substandard, according to one report—and built camps for migrant (traveling) workers and other homeless jobseekers. The federal and state migrant camps were not luxurious by any means, but they were usually clean and provided decent food and shelter to those in need.

A federal agency devoted to community and housing development still existed in the 1990s. Some responsibilities of the Department of Housing and Urban Development included funding low-income housing projects and providing financial help to private home builders.

Public Works

The New Deal promoted public works projects (government-funded construction projects) and created millions of construction-related jobs under the Public Works Administration (PWA). The PWA had a variety of goals: to provide jobs to unemployed Americans, to encourage industrial growth, and to improve the landscape by building impressive public monuments. The PWA ran its own construction projects, as well as provided building grants (financial gifts) and loans to state governments and private corporations. Over the life of the PWA, the agency spent about \$6 billion on hundreds of thousands of building projects. It generated almost five billion hours' worth of work for men around the country, most of whom were African American or white. Under the PWA, workers built bridges, canals, dams, parks, power plants, public buildings, roads, seaports, train stations, tunnels, and water systems. In Wisconsin, workers straightened out a curve in the Milwaukee River, and in Washington they built the largest structure every constructed by humankind, the Grand Coulee Dam. By 1940 the PWA had built 70 percent of the nation's schools; 65 percent of its city halls and courtroom buildings; 65 percent of its sewage systems; 35 percent of its public health facilities, such as hospitals; and 10 percent of its transportation structures, such as bridges, roads, and subways.

The PWA was dissolved in the 1940s and never revived. However, in the 1990s, the federal government continued to provide funding for a wide range of public works projects, including funds for highways, dams, bridges, and public housing.

Regulated Stock Market

The New Deal established federal regulation over the stock market by passing a series of laws and forming the Securities and Exchange Commission (SEC) to enforce the laws. The main goal of the SEC was to police the stock market and scrutinize all companies and their stocks. For instance, the SEC required all stock-issuing companies to register themselves with the U.S. government, and disclose (reveal) all of their assets—such as cash and property—the state of their finances, and the identities of their controlling investors. In addition, the SEC required companies to submit regular financial reports and fully disclose all stock transactions. It also set limits on how much credit banks could extend for the purchase of stocks, thereby limiting the amount of borrowed money invested in the stock market. Finally, the SEC investigated wrongdoing in the stock market, including fraud and theft. Overall, the SEC's mission was to preserve financial order and protect stock market investors. One writer, commenting on an upcoming SEC inspection of the New York Stock Exchange, declared that on the commissioners' arrival, "The Marines will have landed on Wall Street."

The function of the SEC has remained virtually unchanged since the New Deal. In the 1990s, the Commission continued to regulate the stock market and investigate unethical conduct by stock brokers and investors.

Rural Electrification

The New Deal radically transformed southern rural families' lives under the Tennessee Valley Authority (TVA). The TVA implemented a far-reaching set of plans to bring electrical power and economic recovery to impoverished farmers living in seven southern states along the 650-mile-long Tennessee River. The TVA built and improved waterways to prevent flooding, developed the use of fertilizer to stimulate crop growth, preserved natural resources such as timber and soil, planted trees, and taught farmers better planting methods. The TVA's most important contribution to rural life, however, was creating cheap, water-generated electrical power. When the TVA was created, 90 percent of farmers had no electrical power, because private power companies did not serve poor farmers in remote locations. Using local labor, the TVA built dams, power lines, and power plants to bring electricity to hundreds of thousands of rural homes. New Deal workers built similar power facilities in other parts of the country, such as the massive 726-foot-high, 1,244-foot-long Hoover Dam on the Arizona-Nevada border. Government-sponsored rural electrification brought comfort and economic growth to rural regions across the country. It also forced private utilities companies to lower their rates to compete with the government's cheap public power.

In the 1990s, the TVA continued to operate much as it did during the New Deal, remaining one of the nation's largest and cheapest suppliers of power. Dams completed during the New Deal also continued to supply power and water to regions that would be sparsely populated without them, such as desert communities in Arizona, Nevada, and southern California.

Support for the Arts

The New Deal established the Federal Art Project, which used over \$27 million to fund projects in fine art, literature, music, and theater. The art programs employed over 40,000 professionals: actors, architects, dancers, historians, librarians, musicians, painters, photographers, playwrights, sculptors, and writers. From coast to coast, in large cities and in small towns, federally sponsored artists brought their works to millions of Americans. Over 7,500 writers created nearly 380 guidebooks describing U.S. cities and states, artists created thousands of illustrations of American handicrafts and historical buildings, and over 12,000 actors and stagehands put on free shows. Composers wrote over 5,000 new musical pieces, and 15,000 musicians presented 150,000 music programs, reaching over 100 million Americans. Other art projects included African-American theater, circuses, murals, music and painting lessons, operas, performances of plays, photography exhibits, radio programs, "Living Newspapers" in which performers acted out current events, and vaudeville shows. Many of the projects celebrated American life or praised aspects of the New Deal. While the government occasionally censored (banned) politically or socially controversial material, overall, New Deal artists had a remarkable amount of creative freedom.

In the 1990s, the federal government continued to support the arts through the National Endowment for the Arts (NEA). The NEA provided grants (financial gifts) to a variety of artists, and funded museums, theaters, student art programs, and projects to preserve American art, such as traditional crafts and folksongs.

Notes on New Deal Programs

Directions: At each station, carefully read the information about the New Deal program. Then summarize the information in the appropriate space. Finally, discuss with your partners and record the ways in which the program influenced American society during the Great Depression and in contemporary times.

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