



Accepting the Democratic nomination for President in 1932, Franklin Delano Roosevelt promised the American people a "new deal." Once elected, he delivered on his promise.

In his inaugural address on March 4, 1933, he declared: "This nation asks for action and action now." With the famous phrase, "the only thing we have to fear is fear itself," he promised to exercise "broad executive power to wage war against [the Depression]." What followed was a dizzying array of initiatives. Roosevelt immediately gathered a "Brain Trust" of economic advisors and instructed his staff to "take a method and try it. If it fails, try another. But above all try something."

In his first hundred days in office, Roosevelt called Congress into emergency session and launched a record fifteen major pieces of legislation. Between 1933 and 1938 the administration and Congress created dozens of federal programs collectively known as the New Deal, and often referred to as the "Alphabet Agencies."

### The Three R's: Relief, Recovery, Reform

Briefly stated, the New Deal sought relief for the needy, economic recovery, and reform of American capitalism. The three-R objectives often overlapped and sometimes conflicted with one another. (For example, the Agricultural Adjustment Act was primarily a relief measure for farmers, but it also aided recovery, and it had the unintended consequence of exacerbating the unemployment problem.) In the first two years, relief and immediate recovery were the primary goals. Most of the bolder relief and reform programs emerged in the Second New Deal (1935-1936).

Some programs worked better than others; most were designed to last no longer than the crisis; but the legacy of the New Deal is a lasting one. "The many programs of the New Deal--home loans, farm subsidies, bank deposit insurance, relief payments and jobs, pension programs, unemployment insurance, aid to mothers with dependent children, rural electrification, western water management--touched the lives of ordinary Americans, made them more secure, and formed the outlines of the new welfare state" (Davidson, Lytle, et al., *Nation of Nations: A Narrative History of the American Republic*).

Below is a partial list of New Deal "alphabet agencies" and their primary function (relief, recovery, or reform).

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#### AGRICULTURAL ADJUSTMENT ACT (Recovery)

Created in 1933, he [AAA](#) paid farmers for not planting crops in order to reduce surpluses, increase demand for seven major farm commodities, and raise prices. Farm income rose, but many tenants and share-croppers were pushed into the ranks of the unemployed. In 1936 the Supreme Court voided the AAA.

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#### CIVILIAN CONSERVATION CORPS (Relief)

Created in 1933, the CCC took unmarried men aged 18-25 from relief rolls and sent them into the woods and fields to plant trees, build parks, roads, and fight soil erosion on federal lands. [Young men](#) sent their \$30 a month home to their families and left a legacy of outdoor recreation areas (including the Blue Ridge Parkway). The CCC provided jobs for 2.5 million young men during its ten years.

CIVIL WORKS ADMINISTRATION (Relief)	Created in 1933, the CWA employed four million people--paid an average of \$15 a week--many in useful construction jobs such as repairing schools, laying sewer pipes, building roads. Some CWA jobs, however, were criticized as useless (e.g., leaf raking). Roosevelt disbanded the program after less than a year.
FAIR LABOR STANDARDS ACT (Reform)	The last major piece of New Deal legislation (1938), this important labor law set minimum wage (25 cents an hour) and maximum hour standards (establishing the 40-hour work week). It also severely curbed the use of child labor.
FARM SECURITY ADMINISTRATION (Relief)	The FSA was created in 1937 (formerly called the Resettlement Administration in 1935) to aid sharecroppers. The FSA set up temporary housing for "Okies" and "Arkies" (Dust Bowl refugees from Oklahoma and Arkansas) who <a href="#">migrated</a> to California in hope of finding work.
FEDERAL DEPOSIT INSURANCE CORP. (Reform)	To restore confidence in banks and encourage savings, Congress created the FDIC to insure bank customers against the loss of up to \$5,000 their deposits if their bank should fail. Created by the Glass-Steagall Banking Reform Act of 1933, the FDIC is still in existence.
FEDERAL EMERGENCY RELIEF ADMIN. (Relief)	Created in 1933, FERA supported nearly five million households each month and funded thousands of work projects for the unemployed. It also provided vaccinations and literacy classes for millions of poor people.
FEDERAL HOUSING ADMINISTRATION (Recovery)	The FHA was created in 1934 to stimulate the building industry by providing small loans for home construction. A related program, also created in 1934, was the Home Owners' Loan Corporation (HOLC).
INDIAN REORGANIZATION ACT (Reform)	The Indian Removal Act of 1934 (called the "Indian New Deal, reversed the forced-assimilation policies in effect since the Dawes Act of 1887. The IRA tried to stop the loss of Indian lands and encouraged Native American tribes to establish local self-government and to preserve their native crafts and traditions.
NATIONAL LABOR RELATIONS ACT (Reform)	The NLRA (also called the Wagner Act) of 1935 created the National Labor Relations Board to protect the rights of organized labor to organize and collectively bargain with employers.
NATIONAL RECOVERY ADMINISTRATION (Recovery)	The National Industrial Recovery Act of 1933 created the NRA to promote economic recovery by ending wage and price deflation and restoring competition. The NRA set business codes and quotas. Under its symbol of a <a href="#">blue eagle</a> and slogan ("We Do Our Part"), the NRA temporarily restored investor confidence and consumer morale, but it failed to stimulate industrial production. In 1935 the Supreme Court declared the NIRA unconstitutional.
NATIONAL YOUTH ADMINISTRATION (Relief)	Created under the Emergency Relief Act of 1935, the NYA provided more than 4.5 million jobs for

young people.

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PUBLIC WORKS ADMINISTRATION  
(Relief/Recovery)

Established by the NIRA in 1933, the PWA was intended both for industrial recovery and unemployment relief. Eventually over \$4 billion was spent on 34,000 [construction](#) projects including public buildings, highways, bridges (e.g., San Francisco's Golden Gate Bridge), and [dams](#) for water and power.

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RURAL ELECTRIFICATION  
ADMINISTRATION  
(Reform)

Before the New Deal, only 10 percent of the country outside cities and towns had electricity. The REA (1935) gave low-cost loans to farm [cooperatives](#) to bring power into their communities. By 1941, the REA succeeded in raising to 40 percent the number of farms with electricity.

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SECURITIES AND EXCHANGE  
COMMISSION  
(Reform)

The SEC was created in 1934 to serve as a federal "watchdog" administrative agency to protect public and private investors from stock market fraud, deception and insider manipulation on Wall Street. The SEC is still in existence [its reputation was tarnished a bit by the Enron collapse in 2001-02].

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SOCIAL SECURITY ADMINISTRATION  
(Reform)

The Social Security Act of 1935 established the SSA to administer a national pension fund for retired persons, an unemployment insurance system, and public assistance programs for dependent mothers, children, and the physically disabled. The pension was financed by a payroll tax to begin in 1937. It exists to this day as the nation's most important and expensive domestic program, covering over 40 million Americans and accounting for about one-fourth of the federal budget.

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TENNESSEE VALLEY AUTHORITY  
(Reform)

Perhaps the most ambitious undertaking of the New Deal, the [TVA](#) was a comprehensive federal agency created in 1933 for the economic development of the Tennessee River watershed. The TVA built twenty [dams](#) to control flooding, generate hydroelectrical power, increase agricultural production, and revitalize the Tennessee Valley region. The TVA also provided jobs, low-cost housing, reforestation and other services.

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WORKS PROGRESS ADMINISTRATION  
(Relief)

Established under the \$4.8 billion Emergency Relief Appropriation Act of 1935, the [WPA](#) lasted until 1943 and employed at least 8.5 million people at an average of \$2 a day. They built thousands of roads, bridges, schools, post offices and other public construction projects. In addition, under the WPA's Arts Program, thousands of unemployed writers, musicians, artists, actors, and photographers temporarily went on the federal payroll, producing public projects ranging from murals to national park guidebooks.\*

\*The WPA's Arts Program included the Federal Writers Project (FWP), which produced nearly a thousand publications; the Federal Music Project (FMP) commissioned musical compositions and funded touring orchestras; the Federal Art Project (FAP) funded sculptures, illustrations, and paintings--most notably murals on the walls and ceilings of thousands of post offices and other public buildings; the Federal Theater Project (FTP) funded plays [many of which were so controversial that the House Un-American Activities Committee and Congress shut down the project in 1939].

<http://www.vw.vccs.edu/vwhansd/HIS122/NewDeal.html>