Unit 7 Glossary (The New Deal)

**Agricultural Adjustment Act (AAA)**- New Deal agency formed in 1933 in the Department of Agriculture. Its purpose was to help farmers by reducing production of staple crops, thus raising farm prices and encouraging more diversified farming. Farmers were given benefit payments in return for limiting acreage given to staple crops; in the case of cotton and tobacco coercive taxes forced (1934–35) farmers to cut the amounts that they marketed. In 1936 the Supreme Court declared important sections of the act invalid, but Congress promptly adopted (1936) the Soil Conservation and Domestic Allotment Act, which encouraged conservation by paying benefits for planting soil-building crops instead of staple crops. The Agricultural Adjustment Act of 1938 empowered the AAA in years of good crops to make loans to farmers on staple crop yields and to store the surplus produce, which it could then release in years of low yield. Soil conservation was continued, and farmers could by two-thirds vote adopt compulsory marketing quotas (as they did for cotton and tobacco). In World War II the AAA turned its attention to increasing food production to meet war needs. It was renamed in 1942 the Agricultural Adjustment Agency, and in 1945 its functions were taken over by the Production and Marketing Administration.

**Father Charles Coughlin**- (1891-1979) Roman Catholic priest who in 1930 began radio broadcasts of his sermons. These sermons gradually injected reactionary political statements and anti-Semitic rhetoric. His sermons attracted one of the first deeply loyal mass audiences in broadcast history. He attacked President Herbert Hoover and later Franklin D. Roosevelt and the New Deal. In 1942 the Catholic hierarchy ordered Coughlin to stop broadcasting.

**Civilian Conservation Corps (CCC)**- New Deal agency established in 1933 by the U.S. Congress as a measure to provide work and vocational training for unemployed single young men through conserving and developing the country's natural resources. At its peak in 1935, the organization had more than 500,000 members in over 2,600 camps. These were usually operated by the War Dept., but the men were not subject to military control. In 1939 the CCC was made part of the Federal Security Agency. Beginning in 1940, greater emphasis was placed on projects aiding national defense. Against President Franklin D. Roosevelt's request, Congress abolished the CCC in 1942.

**Deficit Spending**- When a government's expenditures exceed its revenues, causing or deepening a deficit. This excess spending needs to be financed through borrowing, likely from foreign governments. The increased government spending can help stimulate the economy as more money flows in, but the jump in borrowing can have an adverse effect by raising interest rates.

**Federal Deficit**- The amount by which the US government's spending is bigger than the money it gets from taxes in a particular year.

**Federal Deposit Insurance Corporation (FDIC)**- The U.S. corporation insuring deposits in the U.S. against bank failure. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices. Today, the FDIC will insure deposits of up to $250,000 per institution as long as the bank is a member firm.

**Federal Securities Act**- A federal piece of legislation enacted as a result of the market crash of 1929. The legislation had two main goals. One, to ensure more transparency in financial statements so investors can make informed decisions about investments. The second to establish laws against misrepresentation and fraudulent activities in the securities markets. Prior to this legislation, the sale of securities was primarily governed by state laws; however, the market crash of 1929 raised some serious questions about the effectiveness of how the markets were being governed. Because of the turmoil surrounding the investing community at this time, the federal government had to bring back stability and investor confidence in the overall system. In general, the legislation was enacted as the need for more information within and about the securities markets was acknowledged. The legislation addressed the need for better disclosure by requiring companies to register with the Securities and Exchange Commission. Registration ensures companies provide the SEC and potential investors with all relevant information by means of the prospectus and registration statement.

**Glass-Steagall Act**- Enacted in 1933, it protected bank depositors from the additional risks associated with security transactions; it prohibited commercial banks from collaborating with full-service brokerage firms or participating in investment banking activities. The act was dismantled in 1999 and consequently, the distinction between commercial banks and brokerage firms has blurred; many banks own brokerage firms and provide investment services.

**Hundred Days**- Refers to President Franklin D. Roosevelt’s first one hundred days in office in 1933. The term was coined in a July 24, 1933, radio address by U.S. President Roosevelt, although he was referring to the hundred day session of the 73rd United States Congress between March 9th and June 17th, rather than the first one hundred days of his administration. Today, this term refers to the first one hundred days of a first term presidency of a [president of the United States](http://en.wikipedia.org/wiki/President_of_the_United_States). It is used to measure the successes and accomplishments of a president during the time that their power and influence is at its greatest.

**Huey P. Long**- (1893-1935) A political leader during the 1920’s and 1930’s. He served as Governor of Louisiana (1928-1931) and as U.S. Senator of Louisiana (1930-1935). He used emotional speeches and wanted to create a program called “Share our Wealth” by spreading the spreading the nation’s wealth among the people. Long proposed capping personal fortunes at $50 million each (roughly $600 million in today's dollars) through a restructured, progressive federal tax code and sharing the resulting revenue with the public through government benefits and public works. In subsequent speeches and writings, he revised his graduated tax levy on wealth over $1 million to cap fortunes at $5 - $8 million (or $60 - $96 million today). This promised everyone a home, car, pension, education, etc. He was seen as a demagogue and nicknamed “Kingfish”. Meanwhile he himself got rich through dishonest business deals. He had planned to run for president was assassinated before doing so.

**National Industrial Recovery Act (NIRA)**- One of the first acts passed under the New Deal in 1933. It specifically allowed workers to organize into unions and to engage in collective bargaining without interference from firms. This act, going by the acronym NIRA, was declared unconstitutional in 1935. Yet, while it was in force it gave a big boost to labor unions and membership. The National Labor Relations Act was created in 1935 to replace the NIRA.

**National Labor Relations Board (NLRB)**- An independent regulatory commission created in 1935 by the National Labor Relations Act (Wagner Act), with five members appointed by the president subject to confirmation by the Senate. The NLRB is intended to protect employees' rights to unionize, prevent abuses by employers or unions, and oversee union and organizing elections.

**National Youth Administration (NYA)**- New Deal agency established in 1935 within the Works Progress Administration. In 1939 it was transferred to the Federal Security Agency and was placed in 1942 under the War Manpower Commission. Created in a period of widespread unemployment, the NYA at first engaged in obtaining part-time work for unemployed youths. As unemployment decreased and war approached, emphasis was gradually shifted to training youths for war work. In early 1942, all NYA activities not contributing to the war effort were dropped. Its activities ceased late in 1943.

**New Deal**- The domestic programs of the Franklin D. Roosevelt administration during 1933 to 1941. The New Deal consisted of sets of programs and policies designed to promote economic recovery and social reform.

**Eleanor Roosevelt**- (1884-1962) Considered by many the most influential First Lady and one of the most significant American women of the 20th century, Anna Eleanor Roosevelt married her cousin Franklin Delano Roosevelt in 1905. Eleanor was timid and not involved in politics and competed with her mother-in-law for the attention of her husband. Her approach changed when FDR was struck by polio in 1921. Thereafter she and FDR’s campaign advisor Louis Howe coordinated efforts to cast Mr. Roosevelt as a national leader. She realized the importance of the role of women in politics, organizing the Democratic national campaign for women in 1928 as her husband competed for the governorship of New York state. She politicized the plight of African-American men and women and working-class whites, supported reform causes of Jane Addams and others, and promoted the political careers of women. During World War II she continued striving for civil rights, believing that people of all races have inviolate rights and that democracy in the United States could not exist as long as democracy was not extended to African-Americans. President Harry S. Truman appointed her as a delegate to the United Nations. She chaired the Human Rights Commission which drafted the Universal Declaration of Human Rights, adopted on December 10, 1948. President John F. Kennedy appointed her to the United Nations and she chaired his Commission on the Status of Women.

**Franklin D. Roosevelt**- (1882-1945) Born in New York to a wealthy family, Franklin Roosevelt entered politics in 1910 as a Democratic candidate to the U.S. Senate. He was a member of Woodrow Wilson’s administration and was unsuccessful in a bid for the vice-presidency in 1920. In 1921 he contracted polio but struggled to overcome the physical limitations and maintain a public, political career. In 1932 he opposed Republican incumbent President Herbert Hoover and soundly defeated him. He began the New Deal in the first 100 days after his inauguration. His reforms, proposed to counteract the effects of the Great Depression, affected four areas: finance, industry, agriculture and relief (welfare). He strengthened government work programs. His executive orders and sponsorship of legislation in the national interest supported the weak economy and remained viable years after his death. Yet, critics worried that his growing executive authority might undermine the checks and balances of the three branches of government. This concern derived from Roosevelt’s attempts to pack the Supreme Court with his own appointees. Congress eventually passed a court reform bill but it did not support Roosevelt’s ideas. Conservatives in Congress reacted by passing few New Deal reforms after 1937.

By 1939, Roosevelt transferred his efforts from the New Deal to a new diplomacy to counter the aggression of Adolf Hitler, Benito Mussolini, and Tojo Hideki. American support for Roosevelt was high, and he dominated the political scene for four terms, the most of any U.S. president. The 22nd Amendment, adopted in 1951, often termed the anti-Franklin Roosevelt amendment, limited presidents to two terms.

**Securities and Exchange Commission (SEC)**- Congress created the Securities and Exchange Commission (SEC) to regulate trading on Wall Street and curb the out-of-control speculation that had led to the Crash of 1929. The SEC is still in use today.

**Social Security Act**- A law enacted by President Franklin D. Roosevelt in 1935 to create a system of transfer payments in which younger, working people support older, retired people. Under the act, the government began collecting the Social Security tax from workers in 1937 and began making payments in 1940.

**Tennessee Valley Authority (TVA)**- A New Deal agency that was to modernize and reduce unemployment in the Tennessee River valley basin, one of the poorest and hardest-hit regions in the country. The agency hired local workers to construct a series of dams and hydroelectric power plants, which brought cheap electricity to thousands of people. The public corporation also created affordable employee housing, manufactured cheap fertilizer, and drained thousands of acres for farming. The TVA was highly controversial. Many conservatives claimed that government production of electricity was a mild form of socialism and that it disrupted market prices too much. Competing electric companies also attacked the TVA for selling cheaper electricity and lowering their profits. Still, the TVA had such a profound impact on the economy and quality of life in the Tennessee River valley region that the federal government initiated similar projects throughout the West and South. Within a decade, many major U.S. rivers were set up to produce hydroelectric power that provided both electricity and jobs.

***The Grapes of Wrath***- *The Grapes of Wrath* is a novel by John Steinbeck portraying the plight of migrant agricultural workers in California during the Great Depression.

**Dr. Francis E. Townsend**- (1867-1960) Social reformer who proposed an old-age pension sponsored by the federal government. His plan was a precursor to Social Security.

**Unemployment**- Unemployment occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy. The most frequently cited measure of unemployment is the unemployment rate. This is the number of unemployed persons divided by the number of people in the labor force. The Unemployment rate during this time period reached as high as twenty-five percent.

**Works Progress Administration (WPA)**- New Deal program created in 1935 that provided work for the unemployed. It aimed to stimulate the economy during the Great Depression and preserve the skills and self-respect of unemployed persons by providing them useful work. During its existence, it employed 8.5 million people in the construction of 650,000 of roads, 125,000 public buildings, 75,000 bridges, 8,000 parks, and 800 airports. In 1943, with the virtual elimination of unemployment by the wartime economy, the WPA was terminated.