

Chapter 18 - Day 2

- The Homeowners Loan Corp and Farm Credit Administration helped homeowners and farmer refinance their mortgages
- Many believed getting money in hands of needs, to increase consumption, was the fastest way to end depression
- FDR and advisors don't want to give them money but rather they earn it, keeping their self-respect
- Gov't agencies were created to provide work programs
- Civilian Conservation Corp (CCC) employed young men 18-25 for conservation work
- Public Works Administration (PWA) gave gov't to construction companies who then hired workers to build highways, dams, schools, etc.
- Civil Works Administration (CWA) hired workers directly to build airports, schools, and parks. It spent \$1 billion in its 1st five months. FDR didn't want people to make it a habit to depend on gov't to give them a job and ordered it shut down.
- Federal Emergency Relief Act (FERA) funneled money to state and local relief agencies
- By the end of the 1st year programs were in place, but the depression was still going on. Biggest change was the optimism of the people that things would improve.

Section 3 The Second New Deal

- After first 2 years the economy showed only a small improvement, 2 million jobs created but 10 million still unemployed
- Lots of criticism. Federal gov't expanding at the expense of state rights. Federal gov't had begun deficit spending.
- Aug. 1934 business leaders and anti-New Deal politicians from both parties formed the American Liberty League.
- Many thought gov't hadn't done enough, believed gov't should do more
- Louisiana Senator Huey P. Long—"Share the Wealth" taxing 100% of all income over \$1 million and redistribute
- FDR answered by establishing a graduated income tax, the more you make the more you pay
- Father Charles Coughlin, Catholic priest, popular radio show thought FDR was moving to slow. Later pulled off the air because he supported Hitler.
- Dr. Francis Townsend, proposed gov't pays citizens over the age of 60 a monthly pension of \$200. They would have to retire and spend their entire pension every month. Opening jobs and increasing demand
- FDR responded by passing the Social Security Act in 1935