

Chapter 22

The Great Depression and the New Deal In Georgia

Chapter Preview

TERMS

New Deal, barter, subsidy, labor union, relief, strike, cooperative, recession, minimum wage

PEOPLE

Robert Woodruff, Franklin D. Roosevelt, Robert Ramspeck, Robert Fechner, Carl Vinson, Eurith "Ed" Rivers, Mary McLeod Bethune, Walter F. George

PLACES

Warm Springs



After the stock market crash at the end of October 1929, the economy continued to spiral down with a growing rate of unemployment, bank and business failures, and citizens losing their homes and farms. Those affected by the bad economy tried to cope as best they could. Although President Hoover did encourage some measures to make things better, many Americans thought that he did not do enough. By the 1932 election, Americans were ready for the government to take more action. Democratic presidential candidate Franklin Delano Roosevelt of New York promised just that.

The program that the Roosevelt administration began, known as the **New Deal**, changed the relationship between the American economy and its government and between the government and its citizens. After examining life in the era of the Great Depression, we will explore some of the major features of that New Deal and their impact on the country and on the state.

These sharecroppers are chopping cotton—removing the weeds and smaller plants—on rented land near White Plains in Greene County. Farm Security Administration photographer Jack Delano took this early color photograph in 1941.

Section 1

Response to the Great Depression



Internet Activity

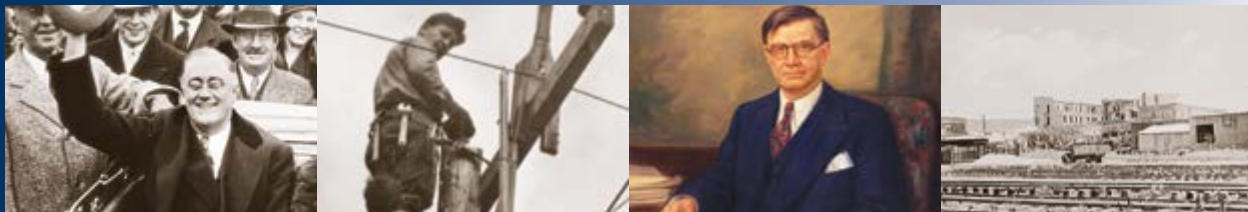
As you read, look for

- effects of the depression on Georgians,
- efforts to help,
- the election of 1932,
- term: **barter**.



The weight of the depression did not fall equally on everyone. Workers who kept their jobs continued to get by. In fact, with prices down, they could buy more with the money they earned. Large landowners were usually able to hold on. Sometimes they could even buy out small farmers who could no longer support themselves on the land. But for many, life was difficult as they tried to take care of themselves and their families. By the time of the 1932 election, Georgians, like a majority of Americans, hoped for change. They expressed that hope through their votes.

Figure 43
Timeline:
1932 to 1940



1932
Franklin D. Roosevelt elected president

1934
Textile workers strike

1935
REA established; Social Security Act passed

1936
Tornado struck Gainesville

1939
World premier of *Gone with the Wind*

1932

1934

1936

1938

1940

1932
Radio City Music Hall in New York opened

1934
The first All-American Soap Box Derby held in Akron, Ohio

1936
Gone with the Wind published

1938
Congress created a minimum wage—25 cents an hour



Life in Depression Georgia

Some companies actually did well during the Great Depression, including some Georgia companies. For example, Coca-Cola's profits actually went up after the Coca-Cola Export Corporation was founded in 1930 under the leadership of Robert Woodruff. During the depression, Coca-Cola kept its prices low to keep its customers buying.

Another company that grew in Georgia was Stuckey's, founded in the early 1930s. Williamson Stuckey, a pecan grower, began selling nuts and later his wife's pecan candies. The most famous of the candies was the pecan log roll. Sold along the highway to Florida, Stuckey's business moved from a roadside hut into a store in 1937. Stuckey's later had stores on highways throughout the nation.

These are examples of good-news stories of the 1930s in Georgia. Much of the news was bad. Almost one-fourth of the population was out of work at the height of the depression. The atmosphere created by the struggling economy affected the entire country. In the cities, many families found themselves on the street when they could not afford to pay rent or make payments on their houses. Some people moved in with other family members. Others were homeless and tried to shelter themselves by building makeshift houses from scraps of whatever materials they could find. In some towns, vacant

Above: The Farm Security Administration (FSA) sent some of America's best photographers across the country to document the effects of the Great Depression on the farming community. This portrait of a landless sharecropper was taken by Dorothea Lange in Macon County in 1937.

Something Extra!

In 1930, 69.2 percent of Georgia's population was rural.



Top: Many African American sharecroppers who could no longer find land to farm moved to the cities. FSA photographer Walker Evans took this photograph of the “Negro Quarters” of Savannah. **Above:** This caricature of President Hoover demonstrates how the public viewed the the job he was doing as the depression deepened.

lots became filled with these shacks; these shack towns became known as “Hoovervilles.” Many blamed President Hoover for not doing enough to help the economy.

Like factory workers, many farmers, including those who had owned their land, lost their homes. They could not afford to make the payments. Houses and land were sold at auction after families had been evicted. Many farm families took to the roads trying to find work or places to live. Some ended up in Hoovervilles in towns if they had no relatives to take them in. In Georgia, Atlanta became the magnet for many escaping from the countryside, leading to even more overcrowding in the poor areas of the city.

Georgians, like other Americans, responded to the hard times by trying to take care of themselves. Those able to keep their houses often rented out rooms to help make ends meet. Yards became gardens as people tried to grow food for their families. Women began to return to the old ways of taking care of their families, such as canning foods and sewing their family clothing. Household furniture and other goods were sometimes sold for a fraction of what they were worth to try to raise money to buy food. Everything was used and recycled (put to another use).

Men sometimes left their families in the hope of finding jobs in other places and sending money home. Throughout the depression, there were “hoboes” who hopped on trains or walked the highways looking for work. Most towns tried to keep newcomers moving; they had enough trouble feeding their own citizens.

Private charities tried to help. Soup kitchens, the Salvation Army, and churches tried to feed the hungry. Lines formed and the hungry waited as long as they had to for whatever little bit of food they might receive. The Savannah mayor asked fishermen to donate some of the fish they caught to the hungry.

Towns and cities tried to get programs going to help connect people to any jobs that might be available. In Atlanta, a program was set up to put people to work, not for money, but for goods or food. Towns and cities sometimes had campaigns to raise money from those who still had some. “Community chest” organizations (the forerunner of the United Way) spent weeks raising funds that might be gone within one day because the need was so great. The needs during the depression were beyond the ability of private efforts alone.

The jobs held by women were often the target of city and state governments. Many believed that men were the providers and should have the jobs. In many places, married women were not allowed to keep their jobs. This was particularly true for women schoolteachers. Married women could not get hired, and working women who got married were fired. Private businesses and governments sometimes fired female workers as well. In spite of that, even more women tried to find work, often for less pay, just to help their families survive. In some families, the woman’s salary was the only money coming in.

African Americans and other minorities, male as well as female, faced particular discrimination. The unemployment rate was twice as high for blacks as for whites. Many whites took the jobs that had once been reserved for blacks, such as domestic work, janitorial work, and serving as elevator operators or hotel bellhops. Some Atlanta whites tried to prevent the hiring of African Americans as long as any whites were out of work. Social workers in Atlanta estimated that as many as three-fourths of black Atlantans may have been without jobs by 1933. Many Atlanta businesses owned by blacks also failed. Citizens Trust Bank was the only African American owned bank to survive and the first to join the Federal Deposit Insurance Corporation (FDIC), one of the New Deal programs.

By 1932, as the economy continued to get worse, many Americans were becoming uneasy. By 1931, Georgia had a family farm income of around \$675 per year. Many families had so little cash that they operated by **bartering** (trading) goods rather than using cash. Georgia textile workers made less than half what those in the North made. Many Georgians lived in difficult, if not desperate, circumstances. They wanted a change, and the upcoming election provided hope of that.



Above: Unemployed workers moved from town to town and state to state looking for work. This family had hitchhiked to Macon from Alabama, only to discover that the father could not work there without a permit.



FDR's Inaugural Address



History of March of Dimes



FDR and Warm Springs – Today in Georgia History

Above: Presidential candidate Franklin Delano Roosevelt is greeted warmly by a crowd of supporters during a campaign stop in Atlanta during the 1932 presidential election.

Something Extra!

That dime in your pocket has Roosevelt's face on it.

The coin honors his founding of what is now known as the March of Dimes, which was established to fight polio.

The Election of 1932

The Republican presidential candidate in 1932 was President Herbert Hoover, who was running for reelection. He had aged considerably during his four years as president due to the stress of the Great Depression. Many Americans believed that he had not done enough to help the country once the depression had begun. They had lost confidence in his leadership and feared that the economy would continue to slide downward.

By 1932, the country was ready for a change. That included some Americans who had not been as personally affected by the depression, but who feared that the discontented might rise up in some kind of revolution. In general, Americans felt that bold action was needed. Democratic presidential candidate Franklin Delano Roosevelt promised just that. Roosevelt was willing to experiment, to try actions to see what might work to bring the economy back.

Many Georgians already felt a connection to Roosevelt, or FDR as he was sometimes known. He had been coming to Warm Springs for several years in the belief that the warm, 88-degree waters were beneficial for his condition. Roosevelt had contracted the disease infantile paralysis, or polio, in 1921. Although many had predicted that his condition would end his political career, he had proven them wrong by winning the governorship of New York in 1928. After the depression began, New York was one of the states that took action to help its citizens, and that made Roosevelt popular.

Roosevelt said on one occasion that he was “at least an adopted Georgian.” Many of the newspapers in the state strongly supported Roosevelt in the Democratic primary election. When Georgia held its primary, Roosevelt won all Georgia’s delegates to the Democratic National Convention. He thanked Georgians saying, “I am particularly happy by the Georgia vote . . . and deeply appreciate the confidence shown in me by what I have been pleased to call ‘my other state.’”

Roosevelt’s connection to Georgia turned out to be an important one for the state and the rest of the South. He had seen the rural poverty of the sharecropper shacks of the Georgia countryside. He knew that most had no electricity or modern conveniences. As programs in his administration developed, images of the Georgia that he rode through on his way to Warm Springs stayed in his mind.

In his campaign of 1932, Roosevelt promised Americans a “new deal.” He said in a speech for Oglethorpe College in Atlanta that the country needed “bold, persistent experimentation.” He wanted “to try something.” If that something did not work, he would stop it and try something else. When Roosevelt came to Georgia in the fall campaign, the Atlanta newspaper said that Georgia welcomed him “in heartfelt, joyous acclaim, a modern Moses who is to lead a darkened America out of a wilderness of depression.” Georgia Democrats, including Governor Richard Russell, campaigned hard for Roosevelt. Roosevelt carried all of the southern states in his November 1932 victory. Over three thousand Georgians traveled to see him inaugurated. In the White House, Georgians finally had someone who knew their state and its problems.



Above: It is the custom for the incoming and outgoing presidents to accompany each other to the inauguration. Here, Franklin Roosevelt is seated next to a noticeably aged and weary Herbert Hoover, whom he had just defeated soundly in the election.

Reviewing the Section

1. Name two ways Georgians tried to cope with the depression in the 1930s.
2. How were women and African Americans in Georgia affected by the depression?
3. Who was elected president in 1932?



Franklin D. Roosevelt – Today
in Georgia History



Franklin D. Roosevelt
in Georgia

Discovering Georgia

The Little White House

Less than one mile outside the small community of Warm Springs, Georgia, is the National Historic Landmark known as “the Little White House.” Owned by the state of Georgia, it is run as a state park and historic site open to tourists.

In 1921, Franklin Roosevelt contracted the polio virus. It left him paralyzed from his waist down. In 1923, his friend George Peabody bought an old resort in Warm Springs called the Meriwether Inn. Peabody told Roosevelt about a young polio victim who had found healing in the swimming pools of the Inn. Those pools were fed by the warm spring waters

of the small town. In October 1924, Roosevelt visited the Meriwether Inn and swam in the spring-fed pools. He believed that the waters did indeed help improve his condition. Two years later, Roosevelt bought the resort and some additional land from Peabody. He founded a charitable organization, which built a hospital to treat those with the disease.

Roosevelt became governor of New York in 1928.

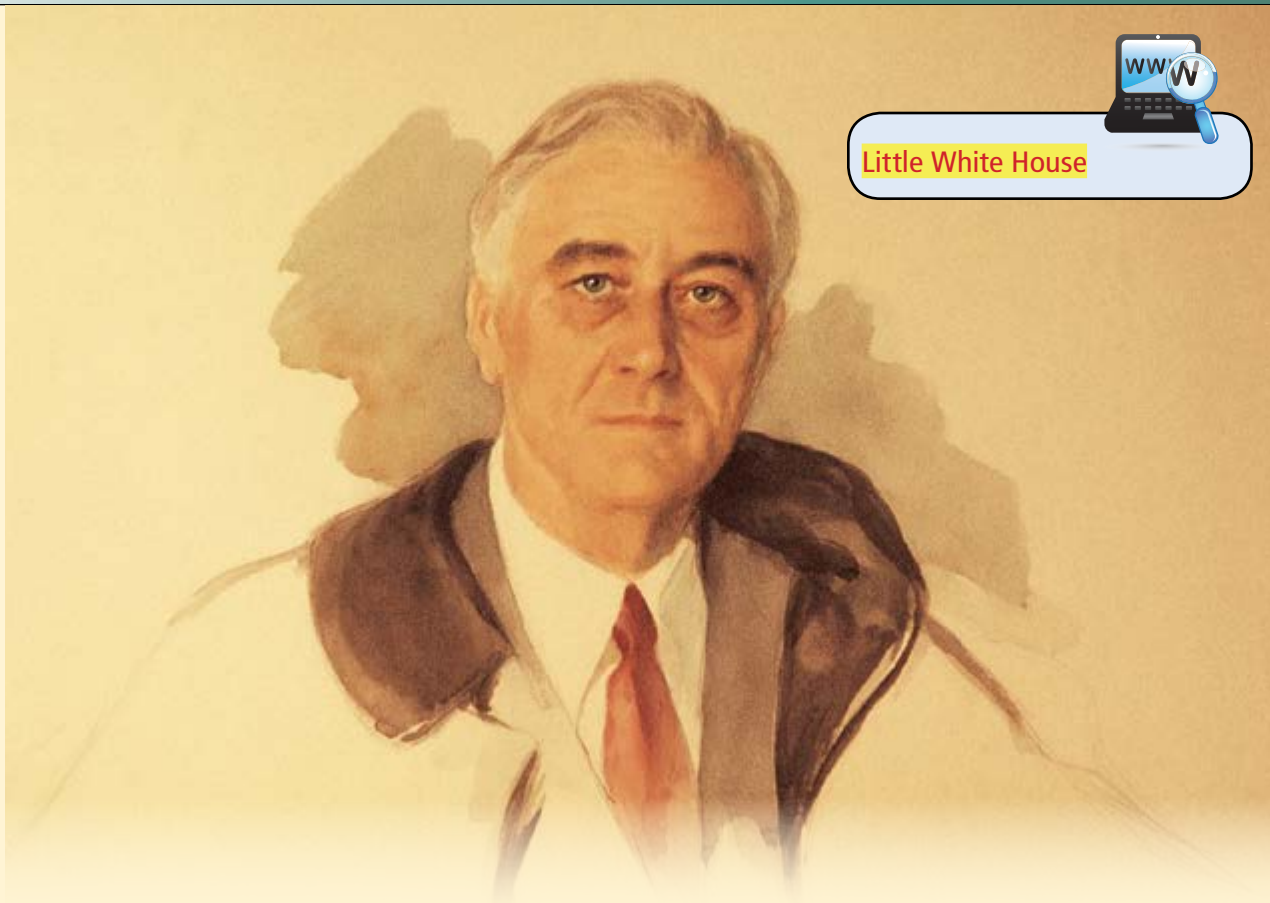
At the Little White House in Warm Springs (below), you can see FDR’s final, unfinished portrait (opposite page, above) and his specially modified car (opposite page, below).



Franklin
Delano Roosevelt
and Georgia



Little White House



In 1932, he was elected president of the United States. Through all this, he continued to come each year to get therapy in the Warm Springs waters. In 1932, he built a six-room cottage with a deck to serve as his home away from home. When he became president, the home got the nickname “the Little White House.” Throughout the tough years of his presidency, as he grappled with the problems of the depression and later World War II, Roosevelt came to Warm Springs. Sometimes, advisors and leaders met him there so he could continue his important work. He signed the Rural Electrification Act at Warm Springs.

At the end of March 1945, a tired Roosevelt arrived in Warm Springs. In February, he had met with other Allied leaders at Yalta in the Soviet Union to make major decisions about the war’s end. On April 12, as he sat for an artist painting his portrait, he had a massive stroke. He died shortly

afterward. His wife Eleanor came down to escort his body by train back to Washington. As his train passed through Georgia and other states, hundreds came to the tracks to pay respect to their president. Many wept. Today, the house is as it was on the day Roosevelt died, including his unfinished portrait.



Section 2

The First New Deal

Something Extra!

President Roosevelt gave thirty fireside chats between 1933 and 1944. The first one was on March 12, 1933.



Above: One of the lasting legacies of the New Deal is the Federal Deposit Insurance Corporation, which insures bank deposits in case of bank failure.

NGE

New Deal

Relief,
Recovery, and Regulation



As you read, look for

- New Deal programs,
- opposition to the New Deal in Georgia,
- terms: **subsidy, labor union, relief, strike.**



As it developed, the New Deal worked to accomplish three major goals: (1) bring relief to the millions of poor and unemployed, (2) help the economy recover, and (3) put some permanent reforms into place designed to prevent future depressions. The New Deal created a number of programs, agencies, and laws, many of which still operate today. President Roosevelt kept the American people informed about his programs by talking to them over the radio in what were called his “fireside chats.” In his inaugural speech on March 4, 1933, Roosevelt tried to boost the spirit of the American people, saying to them “. . . the only thing we have to fear is fear itself.”

On the day Roosevelt became president, he went into action. He called Congress into an emergency session to help get the economy back on its feet. On March 9, Congress met to pass laws setting up programs to improve the economy and the lives of millions of Americans. Within one hundred days, Congress had passed, and the president had signed, many major acts in what became known as the first New Deal.

A Bank Holiday and Banking Reform

President Roosevelt’s other action on his first day in office was to call for a bank “holiday.” American banks closed until each could be investigated for soundness. By this time, some of Georgia’s banks had already closed, but the over two hundred that were still operating closed. Very quickly, Congress passed a bank bill. The federal government would help bankers get their banks reopened. Atlanta banks reopened in a few days. Within a couple of months, almost all Georgia banks that had been operating when the bank holiday began were reopened on a sound footing. Roosevelt reassured Americans that banks that were allowed to reopen could be trusted with their money.

One of the major long-term reform measures of the first one hundred days was a banking act that separated commercial banking from investment banking. (A *commercial bank* accepts deposits, makes loans, and performs

other services mainly for businesses. An *investment bank* raises funds for growing companies and the government by issuing and selling securities.) The same banking act created the Federal Deposit Insurance Corporation (FDIC). You can see the FDIC stickers on the doors of our banks today. The FDIC insures individual savings and checking accounts in a bank so that depositors will not lose their money if the bank closes its doors. The government hoped that, once people knew that their money was insured, they would not try to withdraw all their money if they thought a bank was having problems. This was one of the lasting achievements of the New Deal.

Agricultural Adjustment Administration

One of President Roosevelt's first considerations was to get the agricultural sector of the economy on a sound basis. This was the most important area of the New Deal as far as most Georgians were concerned. Roosevelt believed that, for agriculture to recover, the amount of particular crops grown by farmers had to be planned. One part of the Agricultural Adjustment Act (AAA), passed in 1933, allotted (set out) how much a farmer could grow of a particular crop. That farmer then received a subsidy for amounts *not* grown. (A **subsidy** is a grant of money from the government.) The money for the subsidies came from a tax on the companies that processed the crops. The goal was to keep farmers from overproducing, which always results in lower prices. The participation of farmers was voluntary. All of Georgia's senators and representatives voted for the AAA.

The Agricultural Adjustment Act did increase farm prices, but it had some unintended effects. One was that the large landowners benefited the most. The subsidies went to the landowners, not the actual sharecroppers. When the fields were not planted, the sharecroppers were often out of work. Some landowners used the subsidy money to buy new equipment that was coming out in the 1930s. This put even more families out of work because, for example, one tractor could do the work of many people. After being put off the land, many homeless sharecroppers wandered in search of work. Some came to the towns to try to find work in the mills, but there were few

Something Extra!

The AAA controlled the supply of seven "basic crops"—corn, cotton, milk, peanuts, rice, tobacco, and wheat.

Below: By paying landowners money not to grow certain crops, the Agricultural Adjustment Act had the unintended effect of putting many sharecroppers out of work. In addition, landowners used the money to modernize their equipment, making the old labor-intensive methods, like a mule and plow, obsolete.



Something Extra!

Three years after the soil conservation law had passed, soil erosion had dropped by 65 percent.

Below: Georgian Robert Fechner, on the left, inspects a new uniform for the Civilian Conservation Corps. Fechner was the director of the corps from its inception until his death in 1939. **Opposite page, above:** Colorful posters produced by the WPA encouraged young men to join the CCC. **Opposite page, below:** Residents of Techwood Homes in Atlanta watch their children enjoy themselves in the pool.

jobs to be found. Other programs were started to try to help sharecroppers resettle or buy land themselves, but those programs had limited success. In the end, the AAA and the legislation that replaced it helped bring large-scale sharecropping in the South to an end.

In January 1936, the Supreme Court declared the AAA to be unconstitutional because it was illegal to tax one group—the processors (those who made farm products into goods)—in order to pay the money to another group—the farmers. After the AAA was discontinued, many leaders worried that the loss of the production controls meant farmers would once again overproduce, which would send prices down again. To prevent that, Congress enacted the Soil Conservation and Domestic Allotment Act. Under that act, the government paid farmers to stop planting crops that were bad for the soil because they robbed it of nutrients. Those crops included cotton, tobacco, and others that had been overproduced. The legislation accomplished much the same thing as the first AAA. The new program paid bounties (bonuses) for trying new crops such as soybeans. It also encouraged farmers to rotate crops as a way to preserve soil. These policies helped overcome problems in the Dust Bowl. In 1928, a second AAA passed, but the money came from general tax revenues, and therefore was not unconstitutional.

The Civilian Conservation Corps

One of Roosevelt's goals was to help people by putting them to work. There were many programs for this, but one of the most important was the Civilian Conservation Corps (CCC). The congressman who headed the effort to get this legislation passed in the House of Representatives was At-

lantan Robert Ramspeck. The national head of the CCC was also a Georgian, Robert Fechner.

Under this program, young men aged eighteen to twenty-five years old worked on projects to help America's environment. Projects included planting trees, draining swampy land, and building parks. The young men lived in CCC camps, where they were provided with food and shelter and given medical care if needed. In return, they received \$30 a month in pay, \$25 of which went home to their families. Fort McPherson outside Atlanta was the basic training camp for all CCC workers before they were sent to work throughout the country.

Georgia benefited from the many CCC camps in the state. As in other southern states, Georgia's camps were segregated.



Civilian
Conservation Corps



The
Civilian Conservation
Corps



In Georgia, the CCC's young men worked on dams to stop erosion. They built state parks and national parks at important historic or natural sites, such as the Kennesaw Battlefield and the Ocmulgee Mounds. The park facilities at the Okefenokee Swamp Wildlife Refuge were constructed by an African American CCC group. One CCC group had the privilege of serving as the president's honor guard on his visits to Warm Springs.

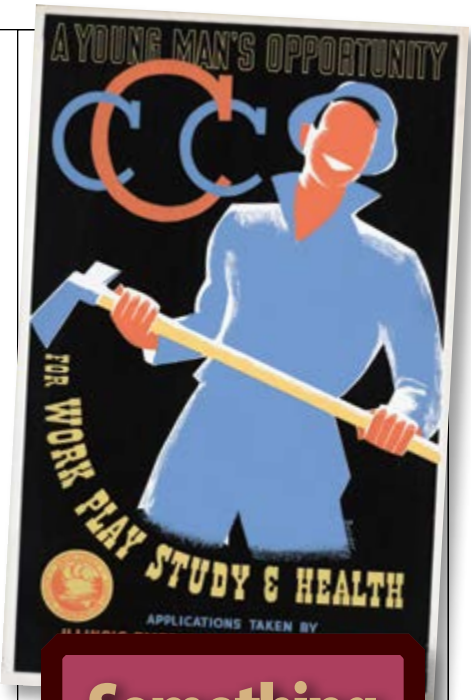
The CCC became a very popular program and lasted until 1942, when the American military became the major employer for most young men. CCC training and work had helped prepare these young men for military service. Some of the skills they learned also helped them with jobs after the war. By the time the program ended, Georgia had hosted over 125 camps and over 75,000 men. Their projects left Georgia with permanent improvements.

Other Early Programs

Just as the Agricultural Adjustment Act was intended to bring about economic recovery for farming, the National Industrial Recovery Act (NIRA) had the goal of helping the industrial sector of the economy recover. The NIRA set up the National Recovery Administration (NRA) to try to regulate industry's production as the AAA did for agriculture. It also tried to help workers by allowing them to have labor unions. (A **labor union** is an organization of workers formed to improve their wages, benefits, and working conditions by bargaining with management.)

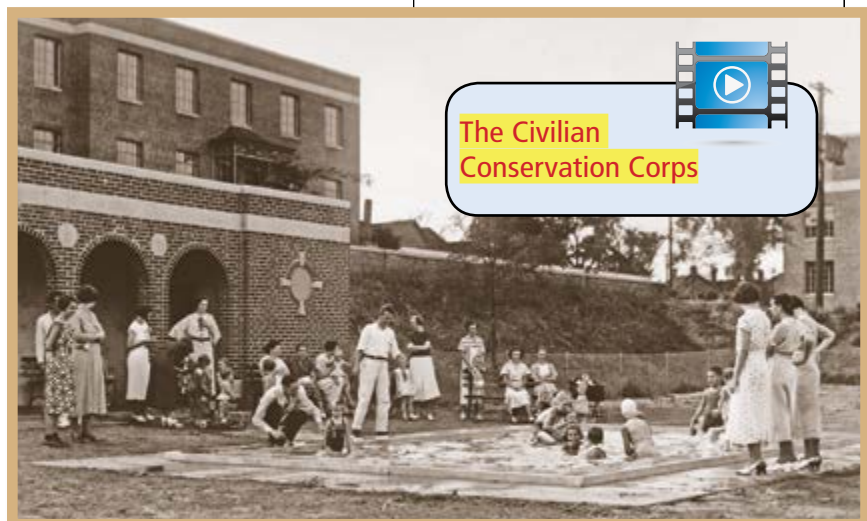
The second part of the NIRA created the Public Works Administration (PWA). This program funded building projects all over the country, creating thousands of jobs. This also helped other industries that supplied the construction projects with building materials and tools. Georgia Congressman Carl Vinson was chairman of the Naval Affairs Committee of the House of Representatives. He was able to get some of the money allocated to build thirty-two new ships. The program came from Secretary of Labor Frances Perkins, the first woman to serve in a presidential cabinet. Roosevelt saw the PWA as a way to employ Americans, who would then use the money they earned to purchase goods, which would help the economy.

Throughout the country, the PWA funded construction projects such as dams, airports, schools, and hospitals. In Atlanta, housing was needed for poor families. Atlanta real estate developer Charles Palmer wanted to clean out the old slums and build decent housing. He argued to fellow businessmen that it would make other property in the downtown area more valuable. In the fall of 1933, the PWA approved two projects—Techwood Homes for whites and University Homes (formerly called Beaver Slide) for



Something Extra!

During their free time, the young men in the CCC could take basic reading, writing, and math classes. There were also specialized classes in such areas as forestry, carpentry, and bookkeeping.



The Civilian Conservation Corps

Figure 44 New Deal Programs and Legislation

| Program/Legislation | Date | Purpose |
|--|------|--|
| Agricultural Adjustment Administration (AAA) | 1933 | Reduced production of crops to raise farm prices. Declared unconstitutional in 1936. |
| National Recovery Administration (NRA) | 1933 | Reduced destructive competition and helped workers by setting minimum wages and maximum weekly hours. Declared unconstitutional in 1935. |
| Tennessee Valley Authority (TVA) | 1933 | Built dams on the Tennessee River to control flooding and generate electricity. |
| Public Works Administration (PWA) | 1933 | Put people to work building roads, buildings, and other public works projects. |
| Federal Deposit Insurance Corporation (FDIC) | 1933 | Insured individual accounts so that people did not lose their money if banks failed or closed. |
| Federal Emergency Relief Administration (FERA) | 1933 | Provided federal funds for state and community relief efforts. |
| Civil Works Administration (CWA) | 1933 | Provided temporary federal jobs for the unemployed. |
| Civilian Conservation Corps (CCC) | 1933 | Provided jobs for young single men building forest trails and roads, planting trees to reforest the land and control flooding, and building parks. |
| Federal Housing Administration (FHA) | 1934 | Insured home loans for low-income families. |
| Securities and Exchange Commission (SEC) | 1934 | Regulated stocks and gave stock information. |
| Social Security Administration (SSA) | 1935 | Created a system for retirement and unemployment insurance. |
| Works Progress Administration (WPA) | 1935 | Employed out-of-work Americans to repair roads, build or repair bridges, paint murals, write guidebooks, put on plays and musical performances, and create statues in parks. |
| National Labor Relations Act | 1935 | Guaranteed the right of employees to organize and to bargain collectively with employers. Created the National Labor Relations Board (NLRB) to hear unfair labor practices. |
| National Youth Administration (NYA) | 1935 | Provided job training and part-time work for young people. |
| Fair Labor Standards Act | 1938 | Established a maximum workweek and minimum wage, prohibited child labor in certain industries, and set a minimum age for child workers. |

The Art of Politics

African Americans. With electricity and green spaces, the housing was a real improvement for those who were able to get one of the new apartments. President Roosevelt spoke at the opening of Techwood Homes.

Opposition to the New Deal

Georgia's politicians remained generally supportive of the president, who was very popular throughout the country. However, some did have misgivings about where the New Deal might lead. They worried that the national government might become too strong and might make the people dependent on it. White elites were afraid that some of the changes might bring more racial and class equality. For some opponents, the New Deal seemed like an "alphabet soup" of agencies and laws. Some Americans feared that the New Deal was costing too much money.

No one opposed the New Deal in Georgia more than the governor elected in 1932, Eugene Talmadge. He believed that **relief** (money and goods, loans and jobs, given to people in specific need) should come only from private agencies, even though that had already proved to be inadequate. Talmadge opposed all the government programs, even the popular CCC, which he complained would make young men into "bums." His main concern was to maintain the status quo and keep everyone in their proper "place" in society.

Talmadge and other southern leaders were also afraid of recognizing labor's right to bargain. Southern mill owners had long bragged about the lack of interest in unions in southern factories. But in September 1934, thousands of textile workers across the country, afraid that the NRA's regulation of production would also result in less wages for them, walked off their jobs on **strike** (a work stoppage in protest over some grievance). Governor Talmadge put the state under martial law and imprisoned striking workers at Fort McPherson. In 1934, Talmadge was elected to a second two-year term as governor. He would be around to fight the New Deal for another two years.



President Roosevelt deflects criticism of the ever-increasing alphabet soup of New Deal government agencies by explaining that "It is Evolution, not Revolution, gentlemen!"

Reviewing the Section

1. Define: subsidy, labor union, relief, strike.
2. What were the three goals of the New Deal?
3. What was the purpose of the CCC?



The
Alphabet Soup of the
New Deal

Section 3

The New Deal: 1935 and Beyond

Something Extra!

Before the passage of the Rural Electrification Act, only 10% of rural families had electricity.

As you read, look for:

- New Deal programs such as the REA, Social Security, and the WPA,
- the election of 1936,
- terms: **cooperative**, **recession**, **minimum wage**.



Roosevelt's popularity resulted in the election or reelection of Democrats to Congress in 1934, giving him a Congress that supported his ideas. New programs were enacted including two important ones—rural electrification and social security. In spite of the early New Deal programs, millions were still out of work, and the president wanted to provide more jobs.

A huge reelection win in 1936 brought new groups of voters into the Democratic Party. In Georgia, a new administration elected in 1936 began to work with the New Deal. Georgia was now able to participate in New Deal programs that Talmadge had blocked and in new programs that began in FDR's second administration. Georgia's economy began to emerge from the long years of depression.

Rural Electrification

As a southern state with many citizens who lived in rural areas, Georgia benefited from the Rural Electrification Act. Profit-making power companies had not extended their lines to the countryside. The cost of running those electric lines, about \$2,000 a mile, was more than they could make back selling electricity to the spread-out farms. Because of the time Roosevelt had spent in Georgia, he knew about the problems brought on by the lack of electricity in the South. He wanted to bring the rural South into the modern era.

The Rural Electrification Administration (REA) provided government loans to groups of farmers in an area. Those farmers could then form an electric cooperative. A



cooperative, in this case an electric company, is an organization owned by and operated for the benefit of those using its services. This program was very popular in Georgia. For the first time, farm families had electricity and all the wonderful labor-saving devices in their homes that city folks had enjoyed. Because it took many years for all the lines to be put in place, everyone did not benefit immediately. But over time the REA brought modernization to the rural areas of the state and changed the lives of many Georgians.

Social Security

Another important act was the Social Security Act. Southerners, including Georgians, supported this idea. All of Georgia's congressmen voted in favor of the bill.

The Social Security Act had several parts. The part that we hear about most often is the retirement portion, where Americans receive a retirement pension based on money they pay into social security while they are working. The amount employees put in is matched by their employers. Farm laborers and domestic workers were not covered by the act, so many Georgians were not covered. Another part of the act provided for unemployment insurance paid for by the federal and state governments. The act also provided that federal money would go to the states to provide aid for dependent children and their mothers.

The legislation required that states have agencies in place to administer the program. If they did not, they could not participate. Georgia did not. Governor Talmadge did not like the act and refused to cooperate. So Georgians were not eligible until he was out of office. Talmadge was not alone; many southern state politicians did not like the expansion of the government into this area of providing for the well-being of poor citizens.

The Election of 1936

As the election of 1936 approached, the conflict among the Democrats in Georgia became clearer. While Roosevelt received strong support for president, races for the U.S. Senate and the governorship became heated as Democratic opponents campaigned against each other.

The Presidential Race

At the national Democratic Convention, Roosevelt was quickly nominated for reelection. His victory that fall was huge; Roosevelt carried every state but two. He received the support of farmers, factory workers, southern whites, intellectuals, and, for the first time, African Americans. Of course, most of his African American voters were in the North where they still had voting rights.

Since Reconstruction, African Americans had been supporters of the Republican Party, which had been the party of Lincoln, emancipation, and the Reconstruction amendments to the Constitution. But African



Eugene Talmadge



Eugene Talmadge –
Today in Georgia History



Above: Governor Eugene Talmadge was a strong opponent of the New Deal and refused to implement many of the programs in Georgia, even though it meant turning away federal funds. **Opposite page, above:** The Rural Electrification Act had the effect of modernizing the rural areas and making new electric appliances available to farm families as they already had been to those who lived in town and cities.



Above: Mary McLeod Bethune, a former teacher at Haines Institute, became the first African American woman to head a federal agency when President Roosevelt named her Director of Negro Affairs for the National Youth Administration. First Lady Eleanor Roosevelt considered Bethune to be one of her closest friends. She is credited with having influenced black voters traditionally loyal to the Republican Party (“the party of Lincoln”) to vote Democratic.

Americans had benefited from the New Deal, and they saw Roosevelt as a president more sympathetic to their problems. Roosevelt had appointed African Americans to positions in his administration. Mary McLeod Bethune, who had taught for a year with Lucy Laney at the Haines Institute in Augusta, was the director of the Negro division of the National Youth Administration. Roosevelt’s wife Eleanor had been active in supporting African Americans and was a sympathetic ear for the problems they faced.

The Senate Race

As mentioned earlier, Governor Talmadge strongly opposed the New Deal and had blocked several New Deal programs that required state cooperation. Although Talmadge had campaigned as a “true friend” of the farmer and the average man, his opposition to the New Deal programs had hurt them. Middle-class farmers had benefited from New Deal programs, and many supported them. Talmadge’s own programs had helped the wealthy. He had also helped business interests, including utility companies and textile mills, over their employees. For example, Talmadge’s inexpensive \$3 license tag fee helped companies save money, especially trucking

companies with many trucks, far more than it benefited the average Georgian. Many Georgians did not own a car, and even the middle class at most had only one car. So their saving was modest. Talmadge also reduced the property tax, which saved the wealthy considerable money. It meant less money for Georgia’s schools.

Almost all white Georgia politicians believed in white supremacy over African Americans. Talmadge’s campaign, especially in 1936, was most openly racist because he believed that would make a connection with the poor, uneducated whites.

Georgia law would not allow Talmadge to run again for governor, so he considered running for president. Talmadge’s strategy in the 1936 election was to rally anti-Roosevelt Democrats. Georgia’s congressmen and senators, while opposing parts of the New Deal, were generally supportive of the president. They realized that he was still popular with most Georgians. Throughout the state, citizens joined Roosevelt for President Clubs. Talmadge, when he realized he would not get support to run for president against Roosevelt, decided to run instead against Richard Russell for the Senate. Russell campaigned as a supporter of the New Deal. He attacked

Talmadge and defended Roosevelt and his policies. Richard Russell won his race for his Senate seat, defeating Talmadge. This meant Talmadge was out of public office for the time being.

The Governor's Race

Talmadge's choice to replace himself as governor was one of his supporters, Charles Redwine. Speaker of the Georgia House of Representatives and New Deal supporter Eurith D. "Ed" Rivers opposed Redwine and pledged to take the state actions necessary to participate in all the New Deal programs.

Ed Rivers won the governorship. Under the Rivers administration, the state began participating in New Deal programs to the benefit of thousands of Georgians, who could now receive unemployment insurance, old-age pensions, and aid for the disabled and for poor children.

On a state level, Governor Rivers worked for reform in education. For example, a law was passed extending the school term to seven months a year. Another important reform required the state to supply textbooks for students without charge. Since the beginning of the state school system in the 1870s, many children had gone to school without books because they could not afford them. That made it much more difficult for those students to succeed because they could not study as much as the students who had textbooks.

Programs like these, as well as the matching state funds required for some of the New Deal programs, cost money. Additional money would have to come from taxes. Rivers tried to persuade the state legislature and Georgia's people to support an increase in the tax rate, which Talmadge had lowered. Although the governor got some small increases, they were not enough to fund all the programs. Because of the cost, the opposition to the programs grew.

In 1938, with his popularity down, Rivers had to run for reelection. He won, but his second two-year term did not accomplish very much because the state government had little money. By 1939, Rivers had to use money from the highway department to keep the schools from closing early.

The New Deal's Final Years

Roosevelt saw his great victory in 1936 as a signal that Americans liked the New Deal. He wanted to use his popularity to keep his reforms in place and to pass more reforms. He was upset that the Supreme Court had ruled two of his most important programs—the AAA and the NRA—to be un-



Above: Ed Rivers defeated Eugene Talmadge's hand-picked candidate to win the governorship in 1936, in part because of his support for the New Deal. Under his administration, programs that Talmadge had refused to implement were finally allowed to benefit the citizens of Georgia.

E.D. Rivers

NGE

Something Extra!

The Judiciary Reorganization Bill of 1937 was commonly referred to as Roosevelt's "court-packing plan."



Above: U.S. Senator Walter George won reelection in 1938 despite opposition from President Roosevelt on one side and former Governor Eugene Talmadge on the other.

constitutional. Roosevelt believed that, if the makeup of the Court remained as it was, the justices might rule against other New Deal programs. He asked Congress to consider a bill that would allow the president to appoint more judges to the court. But the opposition to that idea throughout the nation and in Congress was overwhelming. Many feared this would upset the balance between the branches of government. The bill did not pass.

In 1938, the country went into **recession** (an economic slowdown less severe than a depression). Farmers called for help. Part of the problem with farm prices for cotton producers in Georgia and the South was that farmers had not kept to their allotments (the maximum amounts they were supposed to produce). A new 1938 AAA put allotments on basic crops and paid subsidies to farmers who followed them. The law also allowed the government to purchase farm surpluses and redistribute food to those on relief. To go into effect, allotments required a vote by farmers, who approved overwhelmingly. Georgia farmers were strong supporters.

One of the most important bills to pass that year, although with considerable opposition from southerners, was the last major reform of the New Deal. The Fair Labor Standards Act put into place a minimum wage and a forty-hour work week. A **minimum wage** is the least amount an employer can pay an employee for a certain number of hours worked. Most southern politicians, Georgians included, opposed the bill as government interference with business. They also feared that the minimum wage would be the same for everyone. As one congressman from Florida said, the national government "cannot fix the same wage for the black man that you do for the white." The act passed in spite of such opposition.

Many other reforms that the president had hoped for did not pass, often because of the opposition of southern Democrats, members of his own party. Roosevelt decided to speak out against some of his southern Democratic opponents who were running for reelection. Georgia Senator Walter F. George was a well-respected member of the Senate who had not been in favor of several of the New Deal bills. George faced strong opposition that fall from Eugene Talmadge and Lawrence Camp of Atlanta. Roosevelt supported Camp, but his strategy backfired. Georgians did not want anyone from outside, even the president, telling them how to vote. George won his reelection.



Fair Labor Standards Act



Walter F. George



Walter F. George –
Today in Georgia History

The Effects of the New Deal

In the years from 1933 to 1940, the New Deal left its imprint on Georgia. For example, citizens of Gainesville received special relief for the terrible tornado that hit the town in 1936. Funds for the Augusta levee on the banks of the Savannah River were included in a flood control bill. Developing Georgia's historic sites included Fort Frederica and the battlefields at Chickamauga and Kennesaw Mountain. Roads were paved, schools built, murals painted, and plays performed.

Was the New Deal really new? Some of its basic ideas, such as regulating business and the economy, had first appeared during the Progressive Era. The country had begun this New Deal period of reform as a republic with a capitalist economy, and it ended it the same way; there was no revolutionary change in the basic form of the government or the economy. The New Deal did bring some changes, however, that were indeed new. Most significantly, the national government enacted programs that *directly* benefited its citizens rather than leaving that up to the state or local governments. For example, programs such as the social security old-age pension made the national government directly involved for the first time in the well-being of its citizens. To many Americans at the time, that seemed quite revolutionary.

In the end, Georgia leaders supported the New Deal programs that helped farmers and tended to be more skeptical of programs that targeted factory workers. Georgians who benefited from the jobs programs of the New Deal were in favor of them; wealthier Georgians, who believed that the national government should not be involved in work relief, opposed them. One of the major concerns of Georgia's white leaders was that the New Deal would change white supremacy and bring more equality. African Americans in the state could only hope that it would.



Above and below: New Deal programs completely transformed agriculture in Georgia, introducing more modern equipment and a greater variety of crops, like grains.





Above: FSA photographer Marion Post Wolcott took this picture of a four-mule team spreading fertilizer on a field of oats in southeastern Georgia. There were fewer, but larger, farms by the end of the Great Depression.

In Georgia and other states of the South, the New Deal sped up the process of modernization. By the end of the 1930s, Georgia agriculture was changed permanently. Most of the sharecroppers who had provided the work force for Georgia's cotton crop had been pushed off the farms. Farmers had finally gotten away from their focus on cotton and had begun to plant other crops. New Deal programs and state programs had improved Georgia's transportation system, making it faster to get crops such as fruits and vegetables to market before they spoiled. Many small farmers had also lost

or left their land, so that the size of farms at the end of the decade was larger.

Factory workers in Georgia, while still paid less than workers in other parts of the country, were doing better than they had been at the beginning of the New Deal. Modern conveniences, including the radios that connected Georgians to news and events outside their small environments, came to many Georgia homes thanks to the REA. The growth of cities and towns had made the state more urban.

In spite of these accomplishments, Georgia still had many problems. Racism and segregation were still in place. Although African Americans had benefited from New Deal jobs programs, most still lived in poverty and suffered from poor education and continued discrimination. Poor whites and blacks still struggled to get by. The economy was better, but by no means totally recovered.

Yet economic recovery was around the corner. This economic salvation, however, did not come in the way that Georgians and other Americans expected or wanted. While Georgians and other Americans had focused on their economic problems, Europe had entered another war. In spite of early desires to stay out of it, America eventually entered World War II. As President Roosevelt said, "Dr. New Deal" was about to be replaced by "Dr. Win-the-War."

Reviewing the Section

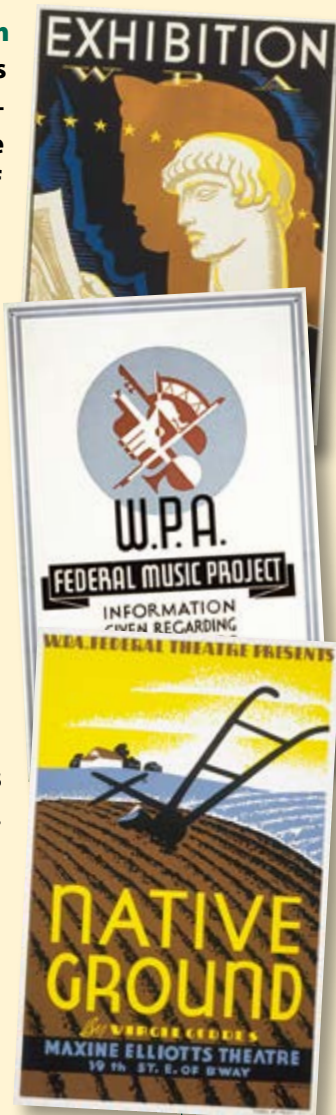
1. Define: cooperative, recession, minimum wage.
2. Which Georgia governor refused to go along with New Deal programs?
3. Name three ways that the New Deal affected Georgia.

Of Special Interest

The Works Progress Administration

Another important New Deal program began in 1935. President Roosevelt was concerned with the number of Americans who remained unemployed. He pushed Congress to pass another relief act. The new act created a program of jobs called the Works Progress Administration (WPA). Although its mission had some overlap with that of the Public Works Administration (PWA), the WPA spent most of its money on wages, while the PWA spent more on construction supplies. The WPA also created jobs in addition to construction work, including jobs for professionals and artists. During the years it existed, over 8.5 million Americans worked in WPA projects.

Many in Georgia and other parts of the South were not very supportive of the WPA because local governments had to put money into the projects. For example, the voters in Atlanta voted down the funding they would have had to provide to get the federal money for some projects. The city did, however, participate in a major sewer project, the largest WPA project in the South. In rural areas, landowners did not like the program because they said that they would lose workers if wages were higher than earnings sharecroppers made working in the cotton fields. The head of the WPA, Harry Hopkins, actually suspended WPA projects during



the fall harvest of 1936 so workers would have to pick the cotton.

In nonconstruction WPA projects, women were hired to run day care centers. Nurses gave vaccinations. The WPA funded the Historical Records Survey, which documented historical records throughout the country, including military records, school records, cemetery burials, indexes for census records, and many other documents. History was also preserved by the historical studies and guidebooks written about communities. WPA workers conducted oral history interviews of elderly African Americans who had been slaves.

WPA artists painted, actors performed in local theaters, and writers composed. Although the number of these types of projects in the South was small, many Georgians had their first exposure to live performances of the arts thanks to the WPA. The state still has some of the murals painted by WPA artists in public buildings such as post offices.

The WPA also established a program for young people, the National Youth Administration. It tried to keep poor children in school by providing money. It also helped provide some vocational training and temporary employment for young people already out of school. The WPA was an important program that has left its legacy in the books, paintings, and histories created through its projects.

Chapter Review



Chapter Summary

Self-check Quiz

Section 1 Response to the Great Depression

- During the Great Depression, many Georgians—farmers, factory workers, and city dwellers—lost their jobs and their homes.
- Private organizations tried to help, but the need was too great.
- Women and African Americans were often discriminated against in favor of white males.
- In 1932, Democrat Franklin Delano Roosevelt was elected president of the United States, promising a “New Deal” for those suffering from the hard times.
- Roosevelt had a connection to Georgia because he came to swim in the waters at Warm Springs. After he became president, his home there came to be called the “Little White House.”

Section 2 The First New Deal

- The three major goals of the New Deal were to: (1) bring relief to the millions of poor and unemployed, (2) help the economy recover, and (3) put some permanent reforms into place designed to prevent future depressions.
- One important early New Deal program was the Agricultural Adjustment Administration (although it was later declared unconstitutional), which paid farmers not to grow certain crops.
- The Civilian Conservation Corps put young men to work on projects to help America’s environment, including planting trees, draining swampy land, and building parks.

- The National Industrial Recovery Act tried to regulate industrial output and guaranteed workers’ right to join labor unions.
- The Public Works Administration funded building projects such as dams, airports, schools, and hospitals.
- Not everyone supported Roosevelt’s New Deal programs. One such prominent Georgian was Eugene Talmadge.

Section 3 The New Deal: 1935 and Beyond

- The Rural Electrification Administration provided funds to rural cooperatives with which to extend electric lines into the countryside.
- The Social Security Act provided retirement funds for those who participated, unemployment insurance, and aid to dependent children.
- In the election of 1936, Franklin D. Roosevelt was reelected president. Richard Russell defeated Eugene Talmadge in the U.S. Senate race, and Eurith “Ed” Rivers was elected governor.
- When Rivers became governor, Georgia began participating in the New Deal programs that had been blocked by Governor Talmadge. Governor Rivers also worked for education reform.
- The Fair Labor Standards Act was the last major New Deal reform. It instituted a minimum wage and a 40-hour work week.
- The New Deal brought changes to Georgia and sped up the process of modernization. The economy was improved, but not yet fully recovered.



Understanding the Facts

1. What were “Hooverilles,” and who was likely to be found living in them?
2. Why did Georgians feel a special connection to Franklin D. Roosevelt?
3. Describe the Rural Electrification Act and how it impacted Georgians.
4. What is the Social Security Act and how does it affect Americans today?



Developing Critical Thinking

Although New Deal programs helped many Americans, the plan was not without controversy. Review the section regarding opposition to the New Deal and make a list of pros and cons. Prepare to debate the New Deal with your classmates.



Writing Across the Curriculum

Imagine you are a volunteer in the Civilian Conservation Corps. Perhaps you are working on a state park in Georgia, or you are at one of our national parks. Write a letter home that describes your workday and living conditions. Include some comment about any money you may be sending home to your family.



Extending Reading Skills

Write ten opinion statements based on your reading of Section 2. Tell why each of these statements is an opinion.



Exploring Technology

Visit a website that describes the Federal Deposit Insurance Corporation. List the facts about the FDIC and explain why the FDIC is important to Americans today.

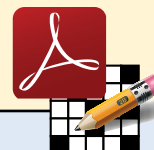


Practicing Your Skills

Review the three main goals of the New Deal. Using examples cited in the textbook, evaluate the success of each goal. Consider how some New Deal programs still impact us today.



Word Jumble
- Flash version



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