
THE NEW DEAL

1933-1938





The Hundred Days

- * Set of bills presented to attack the effects of the Depression
- * Banking, welfare, job creation, regulation, farming
- * Massive government spending programs
 - * Congress approves everything

Banking

- * Roosevelt closes all banks on 1st day (for a week)
- * **Emergency Banking Relief Act**
 - * Roosevelt can regulate trade and open solid banks
- * **Glass-Steagall Banking Act**
 - * FDIC: People's money now insured by the gov't
 - * Bank fails, depositors (people) protected

Banking

- * FDR takes America off the gold standard
 - * Gold coins taken out of circulation (paper money only)
 - * Can manipulate dollar better (create inflation)

"All the News That's
Fit to Print."

The New York Times.

THE WEATHER

Cloudy today and tomorrow; somewhat warmer tomorrow.
Temperature Yesterday—Max., 61; Min., 44.

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NEW YORK, THURSDAY, APRIL 20, 1933.

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City, N. Y. and 21st Street, N. Y.

REICH MASONS PUT ON NATIONAL BASIS AS CHRISTIAN BODY

Take the Name of Frederick
the Great to Separate Order
From Others Abroad.

FETE FOR HITLER TODAY

New Flags of Reich Ordered
Flown on 44th Birthday as
Heartfelt Tribute Is Urged.

NEURATH MAY BE SHIFTED

Talk of His Becoming Governor of
Wuerttemberg, With Bruening
Taking Foreign Portfolio.

Special to The New York Times.
BERLIN, April 19.—Another important step in the reorganization of Germany was taken today when the national Masonic order lodge—the Three Globes—announced that German Masonry would be reformed on a strictly national and Christian basis. It will be transformed into the National Christian Order of Frederick the Great.

It is explained that the measure will be taken in order to prevent the organization from being mistaken for an affiliate of the lodge of Free Masons in other countries. Two other old Prussian lodges, which also have no connection with the Free Masons abroad, will be dissolved and reorganized.

The Reich's flags have been officially ordered out in honor of Chancellor Adolf Hitler's forty-fourth birthday tomorrow and the day has been declared a national fete. President von Hindenburg today dedicated an autographed photograph, silver-framed, to the Chancellor.

Hopes for Hindenburg Tribute.

The government, through Dr. Paul Joseph Goebbels, its Minister of Popular Enlightenment and Propaganda, expresses the hope that the observance of Herr Hitler's birthday will bear the stamp of a genuine expression of national homage.

The official flag decree specifies that the old black, white and red colors shall fly alongside the Nazi standards, while official buildings in Prussia will be allowed to hoist

Japan Restores Her Navy Base At Port Arthur After 11 Years

Special to The New York Times.
TOKYO, Thursday, April 20.—After eleven years of disuse as a naval port, Port Arthur from tomorrow becomes a secondary naval base, serving the second overseas squadron, consisting of two cruisers, an aircraft carrier, a mines layer and seven destroyers.

Preparations to reoccupy Port Arthur began on Jan. 11, 1932. Hitherto the second squadron has been patrolling the northern Asiatic coast without a base on that coast, but the increase in Japan's responsibilities in Manchukuo renders a base in Manchukuo territory necessary.

Japan abandoned the base in 1922 after the Washington conference.

CHINESE IN CHAOS AS FOES SWEEP ON

Soldiers Lose Discipline and
Many Flee to Peiping Area,
Causing Wide Confusion.

AMERICAN MISSION RAZED

Is Struck by Japanese Bombs
as Planes Attack Towns
Over 100-Mile Region.

Special to The New York Times.
SHANGHAI, Thursday, April 20.—While Japanese bombing planes extended their operations in North China today to a huge area, its furthest point reaching within ten miles of Peiping, and Japanese and Manchukuo troops continued to smash their way southward, chaos appeared to be spreading among the Chinese forces.

The general disorganization was growing apparently because the heterogeneous elements lacked personal leadership around which to rally. At General Ho Ying-ching, the War Minister, who recently took control in the north, is not proving popular. Thus many cases are arising of disobedience to orders from Peiping headquarters and many troops commanded to hold the front lines against the Japanese are retiring into the immediate vicinity of Peiping and Tientsin, where confusion prevails.

It is feared that the Japanese will allege that this disorganization, which has been published

BRITAIN ORDERS BAN ON CHIEF IMPORTS FROM SOVIET UNION

Embargo, Effective in a Week,
Would Bar 80 Per Cent of
Goods From Russia.

AIM IS TO AID 2 PRISONERS

The Action May Be Revoked if
Russia Commutes Their
Sentences to Exile.

PLEA IS MADE IN MOSCOW

One of Four Britons Preparing to
Leave Aids Permission for Rus-
sian Wife to Accompany Him.

Special to The New York Times.
LONDON, April 19.—Great Britain's answer today to the Moscow verdict in the trial of the engineers of the Metropolitan-Vickers Electrical Company was the imposition of an embargo, effective next Wednesday, on about 80 per cent of the Russian goods imported by the United Kingdom.

King George signed the proclamation ordering the embargo at a special meeting of the Privy Council in Windsor Castle at 9:30 A. M., only nine hours after the Moscow court had passed the sentence on the Britons accused of spying and wrecking.

Two of the Britons convicted were sentenced to three and two years, respectively, in prison. Three were ordered banished from the Soviet Union. One, A. W. Gregory, was acquitted.

The fact that Britain has given Russia a week's grace is viewed by some persons here as indicating that Britain may cancel the embargo order before it becomes effective if the Soviet Government commutes the prison sentences of the two Britons to banishment from the country. The British Government, however, is not willing to give such an impression.

The news of the Soviet court's verdict was not received here until just before last midnight. A meeting of the Privy Council was immediately summoned for this morning, and the session lasted less than a half hour. By 2 o'clock this afternoon a special edition of The London Gazette had been published

Farms Lose 1,000,000 Back; Population Breaks Record

By The Associated Press.
WASHINGTON, April 19.—The back-to-the-land movement was credited today with boosting the American farm population by more than 1,000,000 in the past year, giving the nation its largest agricultural population in history. The Bureau of Agricultural Economics estimated the farm population on Jan. 1 as 32,242,000, compared with 31,241,000 on the same date in 1932.

This is the largest increase for a single year since 1920 and compares a net gain of more than 2,000,000 people on American farms since 1930. The previous high mark in estimated farm population was in 1920 when the Census Bureau credited farms with 27,078,960 people.

SPECIAL TAX URGED TO FINANCE RELIEF

Mrs. Belmont Holds System of
Volunteer Gifts Unfair as
Well as Unscientific.

WANTS CHARITY DICTATOR

Mrs. Roosevelt, at Meeting of
Jewish Federation, Replies to
Reforestation Critics.

After Mrs. Franklin D. Roosevelt had outlined efforts of the Federal government to combat unemployment, Mrs. August Belmont, for three years head of the women's division of the emergency unemployment relief drive, yesterday urged sweeping changes in emergency relief administration in this city.

With Mrs. Rebekah Kibbut, they took part in a symposium at the annual luncheon meeting of the women's division of the Federation for the Support of Jewish Philanthropic Societies at the Hotel Commodore. More than 3,000 guests filled the main ballroom and two adjoining halls, while two broad-casting systems carried the program throughout the nation.

Mrs. Belmont was introduced by Mrs. Herbert H. Lehman after the President's wife had opened the discussion of "Social Service in a Changing World" by declaring that "all government-good government—should be social service."

GOLD STANDARD DROPPED TEMPORARILY TO AID PRICES AND OUR WORLD POSITION; BILL READY FOR CONTROLLED INFLATION

WORLD MARKETS BOOSTED

Stocks and Commodities
Soar in Buying Rush
to Gain by Inflation.

DOLLAR HIT ON EXCHANGE

Value Sinks to 88.54 as the
Pound Climbs Highest Since
1931 and Others Rise.

MORGAN LAUDS EMBARGO

Calls it "Best Possible Course"
—Control Held Necessary
to Check Rise of Dollar.

Officially cut adrift from the gold-standard anchor by President Roosevelt's announcement prohibiting exports of gold to support exchange, the dollar fell yesterday to a discount of 11 1/4 per cent in terms of the gold-standard currencies of the world.

Embracing the belief that inflation was at hand, the stock and commodity markets soared, while United States Government bonds and other high grade fixed-interest securities broke sharply.

The imposition of an air-tight embargo upon gold exports, coupled with intimations from Washington of plans for expanding credit and, if necessary, enlarging the base of the currency, unleashed in Wall Street yesterday a stampede for "equities."

Although there was confusion of opinion in the banking community, the weak and flimsy of the financial district embraced with enthusiasm the prospects of inflation after the hungry years of grinding deflation. In this rejoicing the Street received, late in the day, the blessing of J. P. Morgan, head of the great

Dollar Developments

Official abandonment of the gold standard by the United States yesterday produced a violent reaction in the foreign exchange markets of the world and a broad upward movement in stocks and commodities here. Repercussions were felt, as follows:

NEW YORK—The dollar fell to a discount of 11 1/4 per cent in terms of European gold currencies. In expectation of inflation, stocks rose 1 to 2 1/2 points in the most active trading since last September. Total volume on the New York Stock Exchange was 5,884,000 shares. United States Government and other high-grade bonds were sharply depressed, while speculative issues were in demand at higher prices. Cotton advanced \$2 a bale. Silver bullion rose 2 1/4 cents, to 32 1/2 cents an ounce, and silver futures advanced the maximum of 300 points in all active positions. Minor commodities were correspondingly strong. J. P. Morgan endorsed President Roosevelt's anti-deflation policy.

CHICAGO—Wheat showed an extreme gain of 4 cents a bushel and closed 1 1/4 to 2 1/4 cents higher on the day. WASHINGTON—The signal for the broad movement in the markets was given by President Roosevelt in announcing a rigid embargo against gold shipments to support the dollar in the foreign exchange markets. Positive moves in the direction of controlled inflation were indicated.

LONDON—Following a wild uprush in the pound sterling against the dollar, directors of the Bank of England were reported to be planning measures for neutralizing the British monetary unit, including a proposal to value the Exchange Equalization Fund to \$200,000,000. Possibilities of a great trade war between the United States and Great Britain are seen.

PARIS—France rose sharply against the dollar. Fluctuations in the American unit were characterized as "starcely dignified for a money that pretends to be based on gold" and actions of the United States Government were criticized.

PRESIDENT'S ACTION FORCED BY EVENTS

Advisers Point to Domestic
Deflation and Devalued For-
eign Currency Competition.

FEARED RADICAL MEASURES

Roosevelt Preferred Power for
Guiding Inflation to Possibly
Dangerous Legislation.

MONEY CHIEF ISSUE FOR WORLD PARLEY

Washington Believes Topic
May Dominate Talks as a
Result of Our Embargo.

SOME ADVANTAGES SEEN

Easing of Disparity in World
Currencies Expected to Act
as Stimulus to Trade.

PRESIDENT TAKES ACTION

Moves to Bring Dollar
Closer to the Pound
and Raise Prices.

CURRENCY STEP CHARTED

Farm Bill Amendment Drafted
to Give Roosevelt the
Broadest Powers.

THOMAS TO SPONSOR IT

Note Issue, Gold Devaluation
or Limited Silver Authority
to Be Sought.

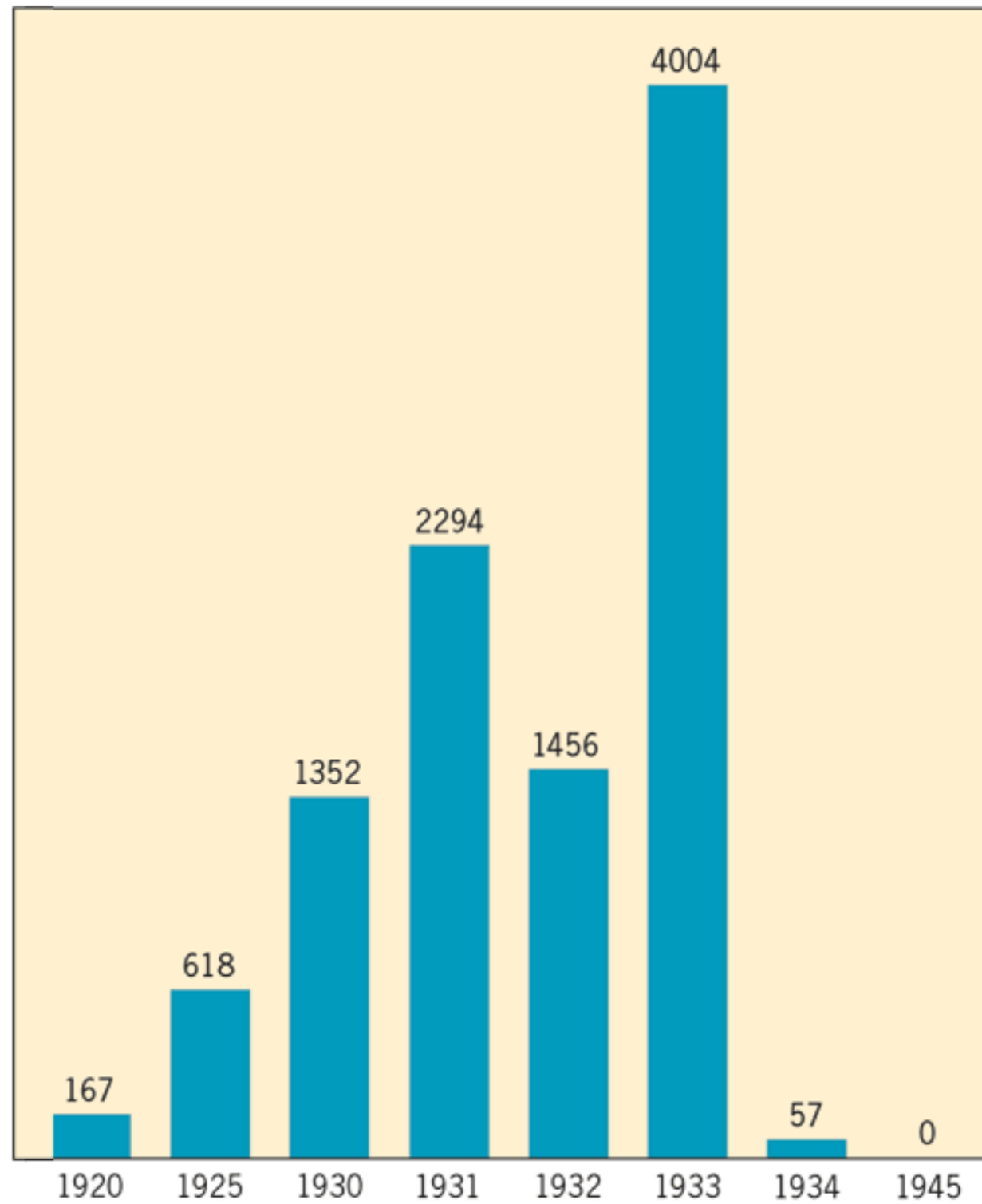
Special to The New York Times.
WASHINGTON, April 19.—President Roosevelt today ordered an embargo on all exports of gold except that earmarked for foreign countries, thus taking the United States definitely off the international gold standard.

By this move the administration expects to bring the dollar into a closer relationship with the currency of Great Britain and other nations which have abandoned the gold base, cause a rise in commodity prices and strengthen the position of the United States in its negotiations at the World Economic Conference.

Secretary Woodie confirmed the fact that the United States was off the international gold standard "for the present." How long this condition persists depends upon economic conditions in this country and abroad. A lifting of the gold embargo would automatically put the United States back on gold.

Simultaneously, the administration sought broad powers to dictate a policy of controlled inflation and, if it is advised to lower the gold

Bank Failures Before/After Glass-Steagall



Business Reform

- * **Securities and Exchange Commission**

- * Have to disclose earnings

- * No more schemes and lying about profits

Job Creation

- * **Civilian Conservation Corps (CCC)**

- * Employed 3 million young men

- * Public works (forestry, flood control, outdoors stuff)

- * Boys sent money back to families





Relief (Welfare)

- * **Federal Emergency Relief Act (FERA)**

- * Direct dole payments (3 billion dollars)

- * **Agricultural Adjustment Act (AAA)**

- * Money to farmers (pay their mortgages)

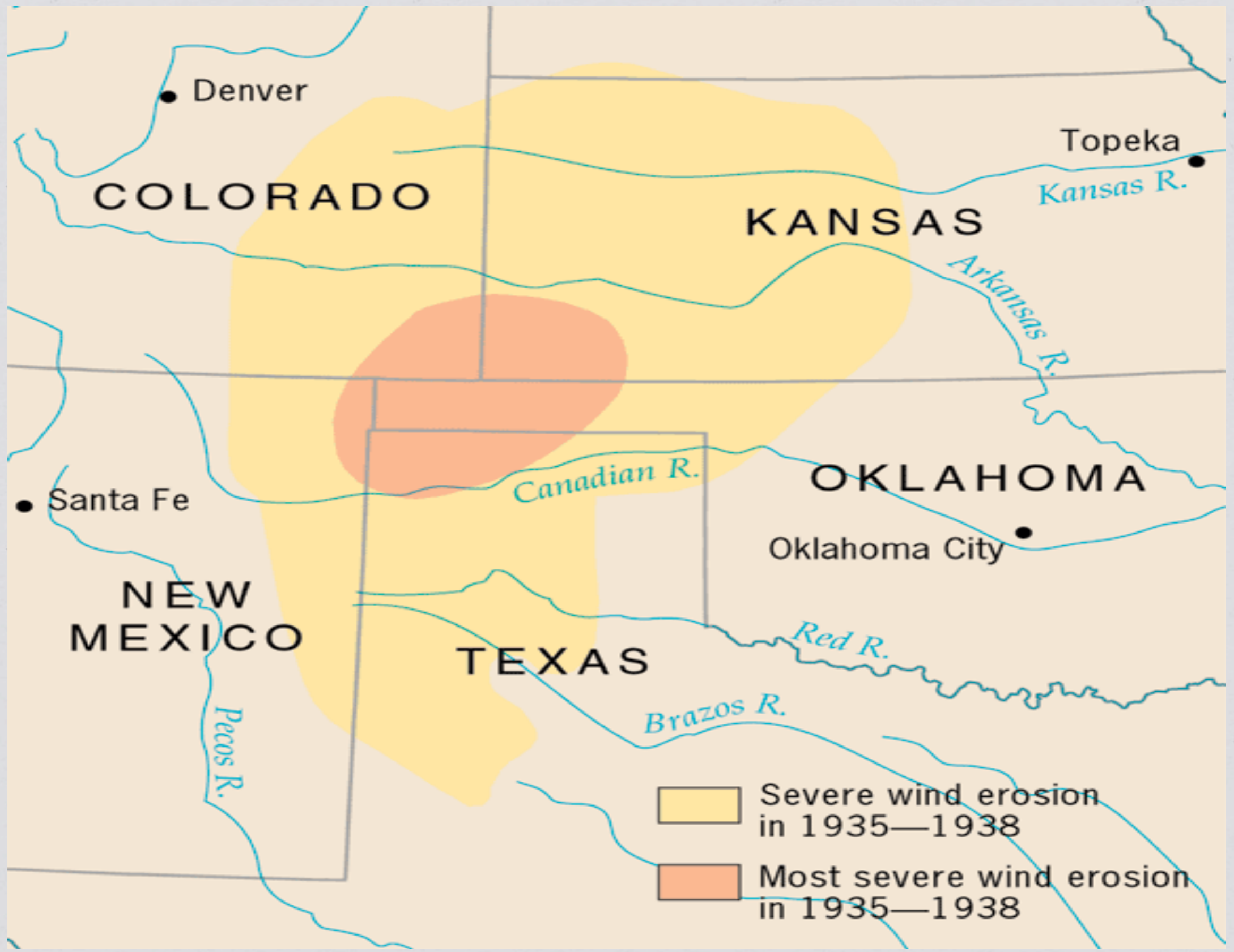
- * Critics freak out

Farming

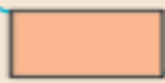
- * Pay farmers not to farm (subsidies)
 - * Lower supply, increase crop prices
- * Supreme Court kills it
- * FDR works around it (Soil Conservation)

Dust Bowl

- * Years of over farming (nutrients sucked out)
- * Drought hits plains
- * Huge wind storms
- * Hundreds of thousands of “Okies” leave (350,000 to CA)



Severe wind erosion
in 1935—1938

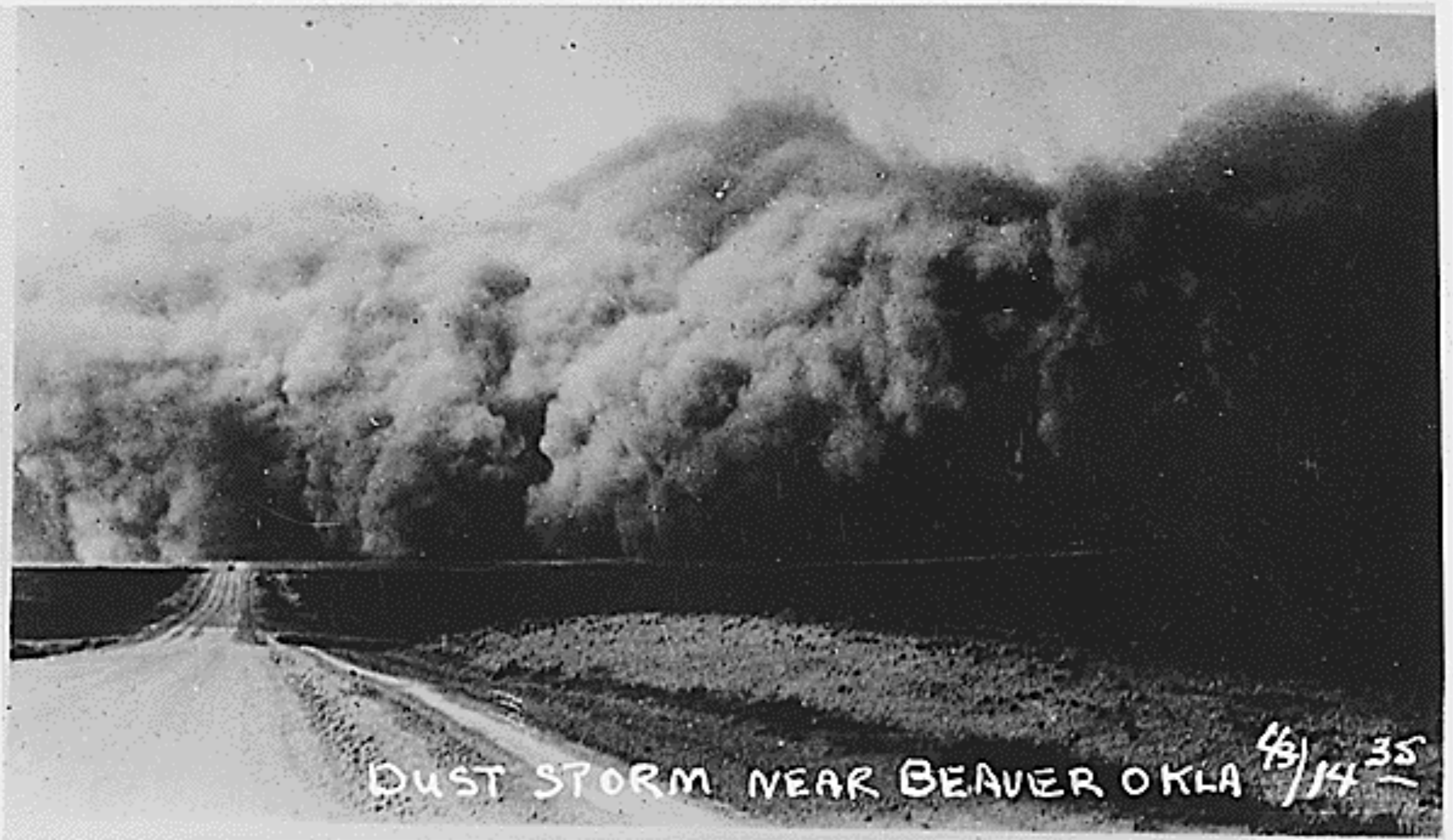


Most severe wind erosion
in 1935—1938



©
1934
Rosebud Photo
Gregory, S.D.

ONE OF SOUTH DAKOTA'S "BLACK BLIZZARDS"
1934



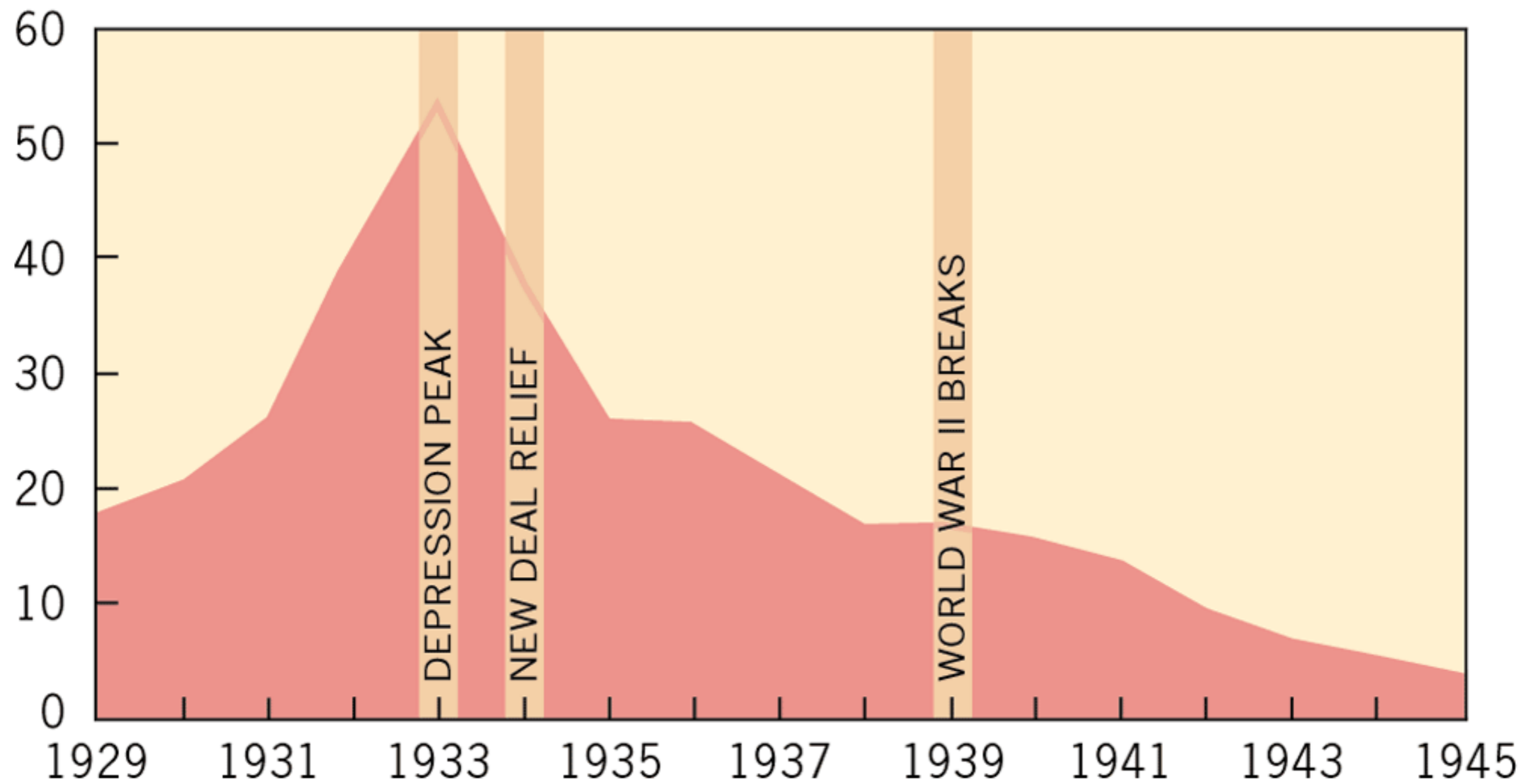
DUST STORM NEAR BEAVER OKLA 4/14 35





Farm Foreclosures: Before/After AAA

Per thousand farms



Works Progress Administration (WPA)

- * Infrastructure development
 - * Buildings, bridges, roads
- * Employed 9 million people, cost 11 billion dollars



WORKS PROGRESS ADMINISTRATION

WORK



WORKS PROGRESS ADMINISTRATION



National Recovery Administration (NRA)

- * Spread out employment evenly across industries
- * Minimum wage, collective bargaining,
- * Court rules unconstitutional

Prohibition Ends!



DAILY MIRROR

FINAL
MUNY 111 2-1200

Vol. 3, No. 142

New York, Wednesday, December 6, 1933

2 cents

PROHIBITION ENDS AT LAST!

New York got the breaks from Utah. . . . The lid is off! . . . The 36th and most necessary State to ratify repeal of the Prohibition Amendment had dillyed and dallied yesterday while New York fumed and then "out of consideration for the rest of the nation" . . . New York in particular . . . the long-dry Mormons opened their hearts and cast their ballots for repeal hours ahead of the time expected. . . . Then the fun began!



Utah can't have a drink until Jan. 1, anyway—because of state laws to be repealed—but they agreed to let us have ours.

And did New York like the idea?

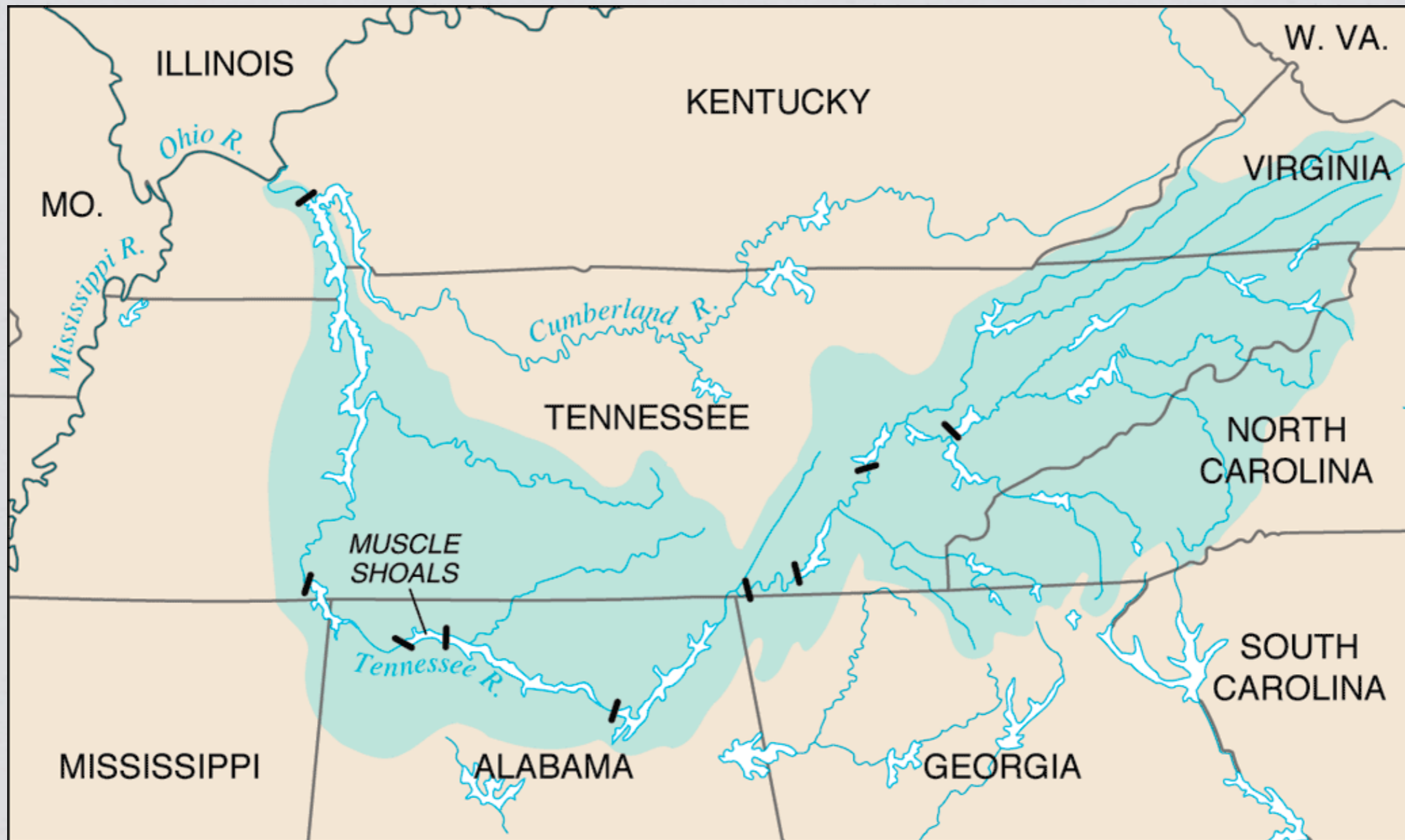
TRUCKS OFF!

Continued

Tennessee Valley Authority (TVA)

- * Dam Tennessee River
- * Bring electricity to poorest Americans
- * Government managed economy (critics freak out)

Tennessee Valley Authority (TVA)



Social Security Act

- * Federal unemployment insurance
 - * Get paid when you get laid off work
- * Gov't run retirement program
 - * Pay as you work, collect at 65

SOCIAL SECURITY

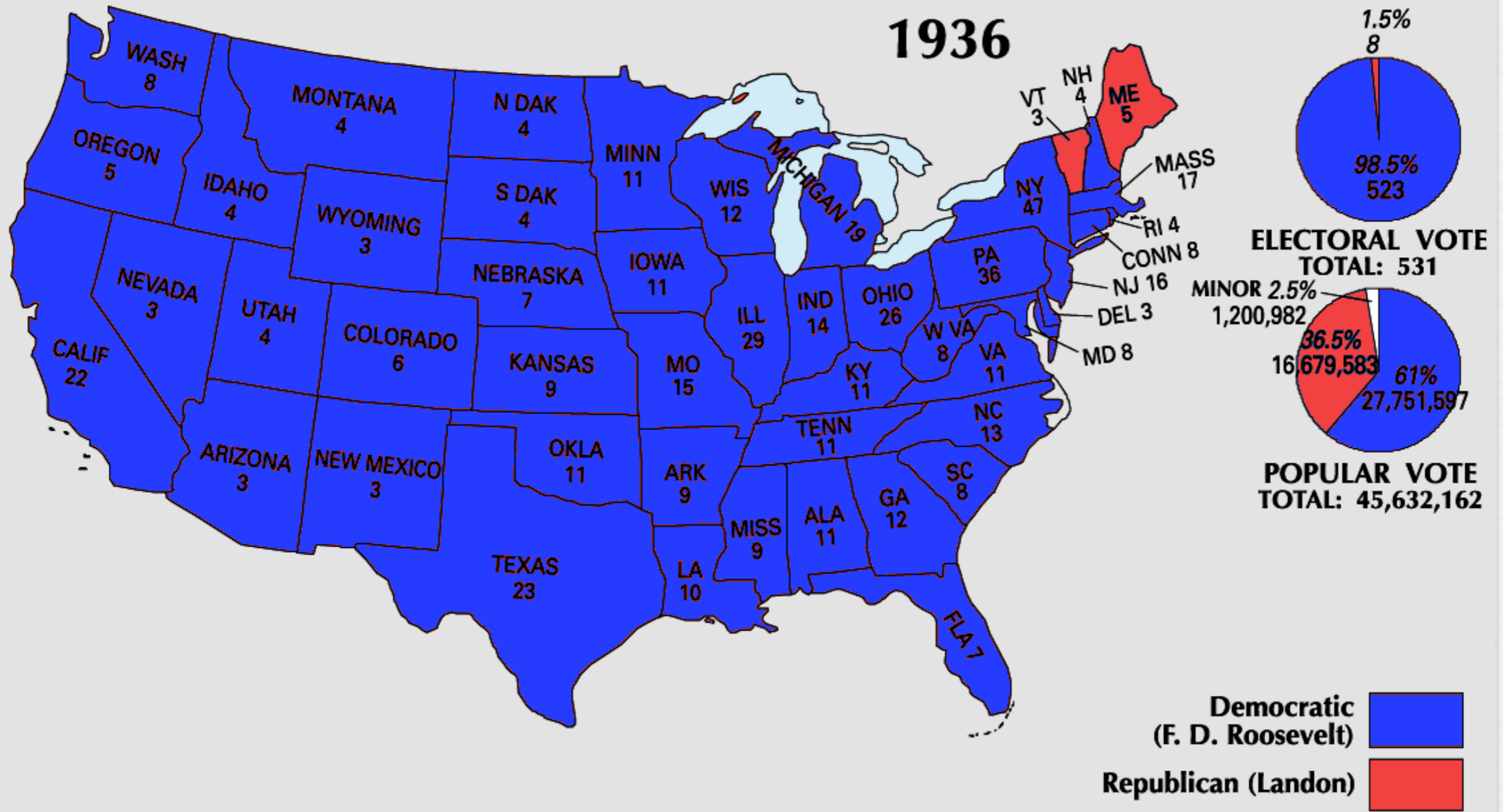
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THIS NUMBER HAS BEEN ESTABLISHED FOR

JOHN DOE

John Doe

Electoral Landslide of 1936



FDR Battles the Court

- * Court keeps ruling plans unlawful
- * FDR attempts to add six new justices
 - * Expand the court (load his guys in)
- * Badly damages his reputation (looks dictatorial)

QUALIFYING TEST FOR SUPREME COURT JOBS



