

May 12, 13, and 18, 1933

FDR's New Deal programs continued to pass through Congress during the month of May. Within a span of one week Congress enacted the Federal Relief Act, the Agricultural Adjustment Act, and the Tennessee Valley Authority Act.

**May 12, 1933** - Congress passed The Federal Emergency Relief Act. This Act created The Federal Emergency Relief Administration (FERA), which was given a start-up fund of \$500 million to help the needy and unemployed.

Direct aid was given to the states, which funneled funds through local agencies such as home relief bureaus, and welfare departments. The money was intended to help the people most affected by the Depression. It paid for work completed, food, and clothing.

The chief architect of this program was Harry Hopkins, the former president and executive director of the New York State Temporary Emergency Relief Administration, and FDR's chief advisor, and confidant throughout his administration.

**May 13, 1933** - Congress passed the Agricultural Adjustment Act (AAA). This Act was designed to raise farm prices by cash subsidies or rental payments in exchange for reducing crop growth (cotton, wheat, corn), and dairy products such as milk and butter. It also paid them not to raise pigs or lambs.

The chief architect of this program was Henry Wallace, FDR's Secretary of Agriculture.

The money to pay the farmers for cutting back their production was raised by putting a tax on the companies that bought the farm products and processed them into food and clothing.

The AAA also became involved in trying to help farmers who were destroyed by the Dust Bowl in 1934.

In 1936 the Supreme Court ruled the AAA unconstitutional. The majority of judges (6-3) ruled that it was illegal to levy a tax on one group (the processors) in order to pay it to another (the farmers). In 1938, another AAA was passed without the processing tax. It was financed out of general taxation and was therefore acceptable to the Supreme Court.

**May 18, 1933** - Congress passed the Tennessee Valley Authority Act (TVA). This Act was designed to help the people of the Tennessee Valley, and address the total resource development needs of a region. The TVA addressed issues such as flooding, electricity to homes and businesses, replanting forests, and improving travel on the Tennessee River. The TVA also helped in the development of businesses and farming.

“Today, the TVA is the largest public power company in the United States. The agency also runs the nation’s fifth-largest river system in order to control flooding, make rivers easier to travel, provide recreation, and protect water quality. As a Federal public power corporation, the TVA serves about 80,000 square miles in the southeastern United States. This area includes most of Tennessee and parts of six other states—Alabama, Mississippi, Kentucky, Virginia, North Carolina, and Georgia. TVA’s facilities for generating electric power include 29 hydroelectric dams, a pumped-storage plant, 11 coal-fired plants, 3 nuclear plants, and 4 combustion-turbine installations. These facilities provide over 27,000 megawatts of dependable generating capacity. TVA typically produces more than 130 billion kilowatt-hours of electricity a year, making it the largest electric power producer in the country. TVA provides electric power to 160 local, municipal, and cooperative power distributors through a network of about 17,000 miles of transmission lines”.

References sources:

- FDR Library exhibit, *Action to Action*
- Oregon Coast Magazine Online, *Travel and History, The New Deal Federal Emergency Relief Administration 1933-1935*
- *Spartacus Online, The Presidency of Franklin Delano Roosevelt, The Agricultural Adjustment Act.*
- Quoted text from *US News and World Report online. The Tennessee Valley Authority Act*

