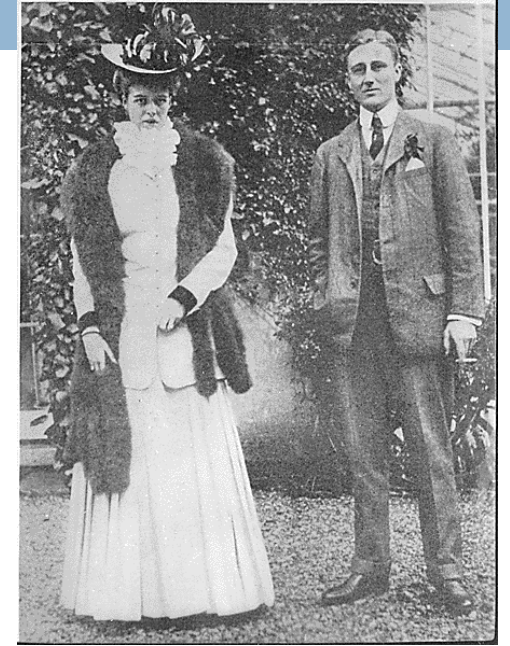


Period 7

New Deal

Franklin Roosevelt (Democrat)

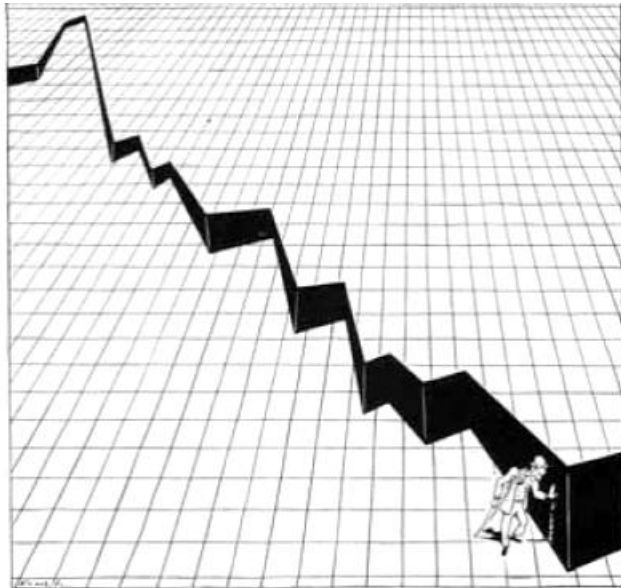
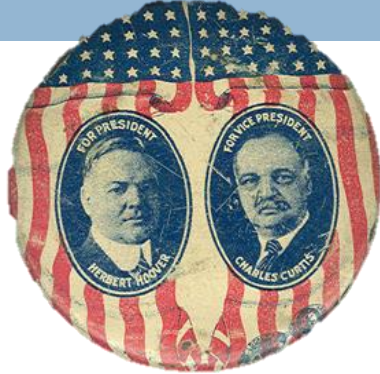
- From elite family
 - 5th Cousin of Theodore Roosevelt
 - Married TR's niece (Eleanor)
- Harvard educated
 - average student
- 1920 Election Vice-Presidential nominee
 - lost
- 1921 stricken with Infantile Paralysis
 - common name: Polio
 - Developed compassion and empathy
- Elected Governor of New York in 1928



Contrast in Philosophy

Hoover

- Balanced budget
- Rugged Individualism
- Minimal government role



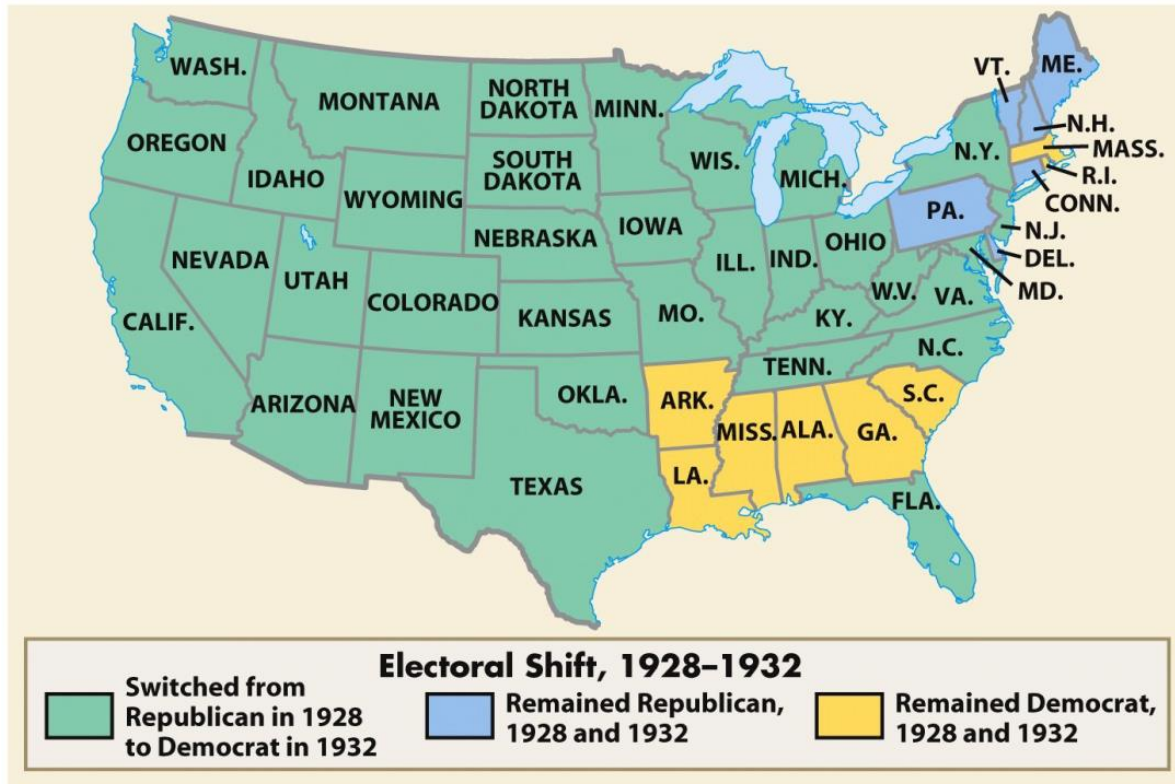
Just around the corner

Roosevelt

- Comes around to idea of going into debt.
- Direct relief
- Experiment to solve problems



1932 ELECTION



Roosevelt Coalition: Black, Urban, Catholic, Union, etc. key Dem voters until 1960s!



	Electoral Vote		Popular Vote	
	Number	%	Number	%
Roosevelt (Democrat)	472	89	22,829,501	57
Hoover (Republican)	59	11	15,760,864	40

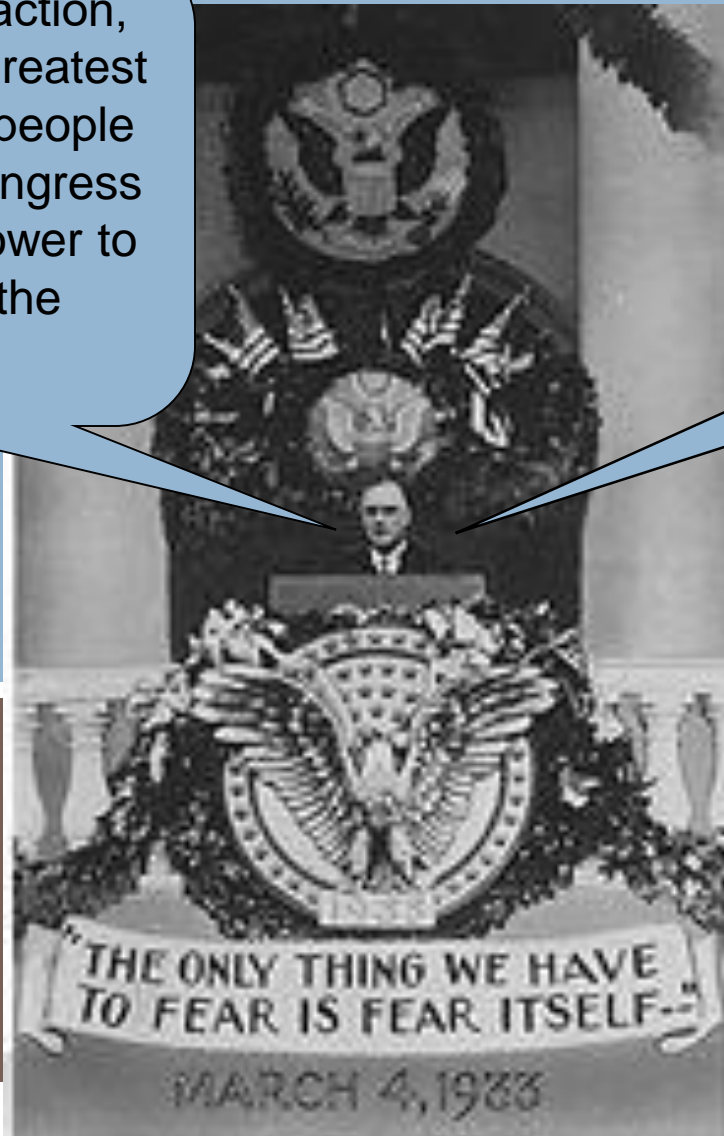
Aftermath of FDR Victory

- Lame Duck period (Nov-March)
 - Banking industry near total collapse
 - Unemployment climbing
 - 20th Amendment (1933) to shorten lame duck period Jan.



A New Deal For America

"This nation asks for action, and action now. Our greatest primary task is to put people to work. I shall ask congress for broad executive power to wage war against the emergency."



"...Let me assert my firm belief, the only thing we have to fear is fear itself"



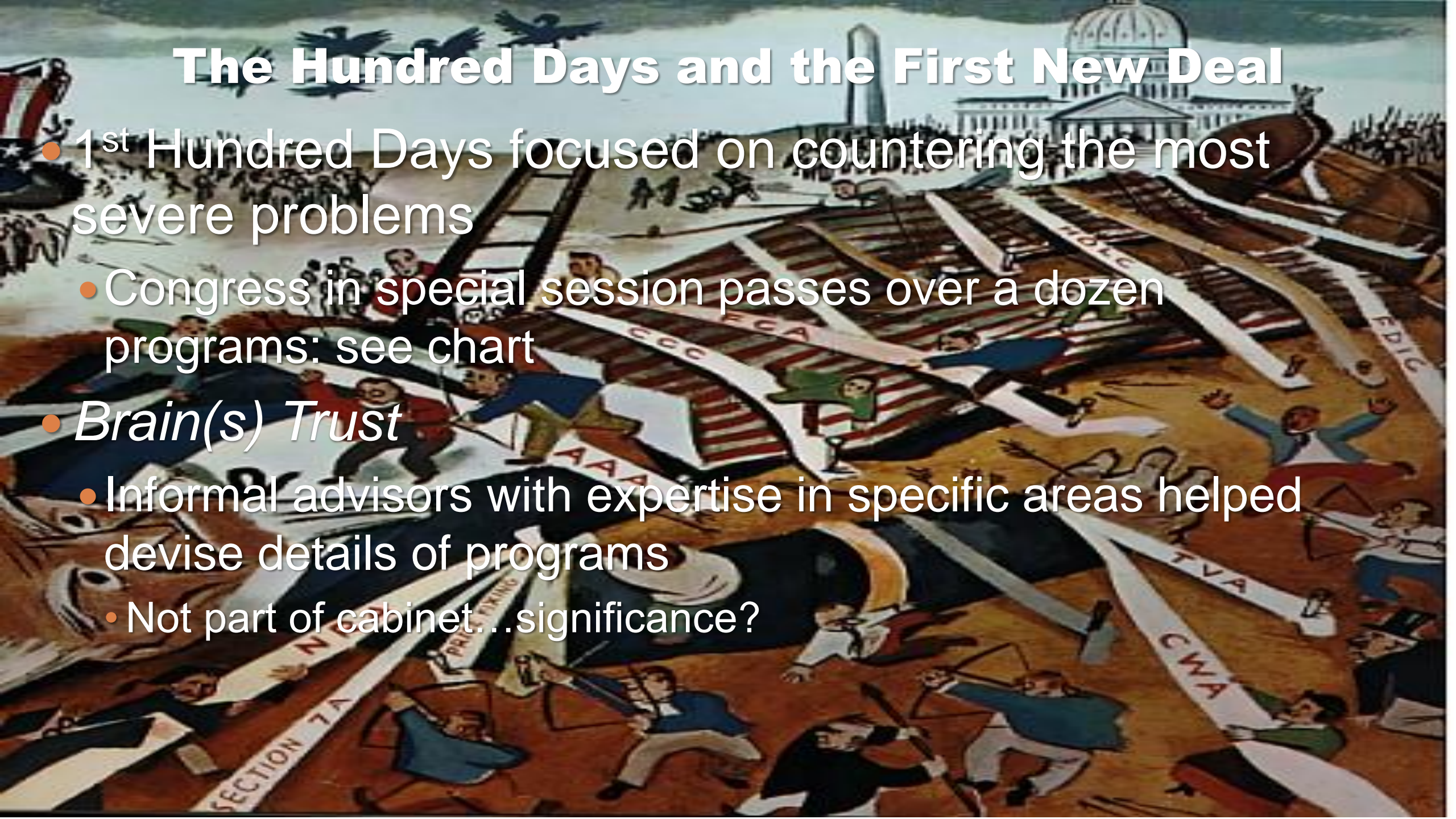
Conscience of the New Deal

- “Champion of the dispossessed”
 - *Stood up for African Americans and women in particular*
 - Traveled and campaigned for her husband
 - Franklin called her “his legs”
- Influenced policies
 - Own office and staff at White House
 - Wrote “My Day”



The Hundred Days and the First New Deal

- 1st Hundred Days focused on countering the most severe problems
 - Congress in special session passes over a dozen programs: see chart
- *Brain(s) Trust*
 - Informal advisors with expertise in specific areas helped devise details of programs
 - Not part of cabinet...significance?



Political Mandate
Large margin of victory
expresses will of the people

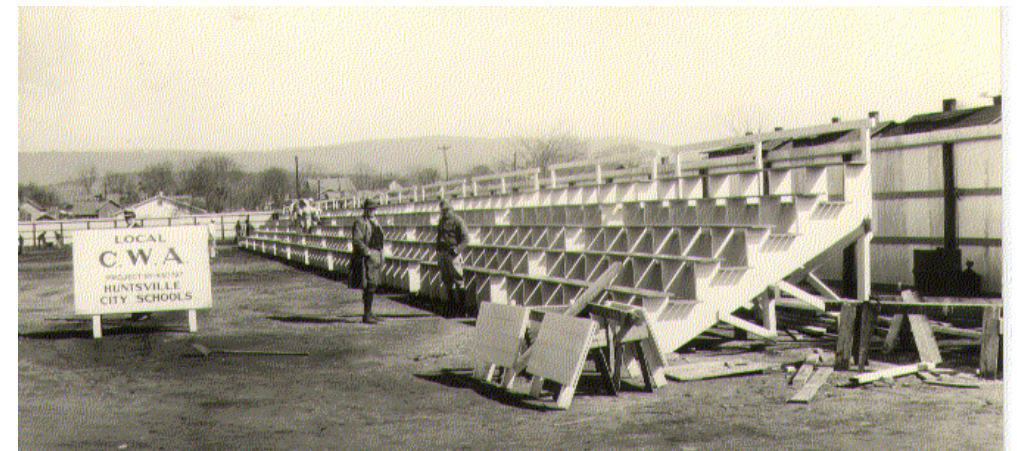
TABLE 24.1

**Legislation Enacted During the First
Hundred Days, March 9–June 16, 1933**

March 9	Emergency Banking Relief Act
March 20	Economy Act
March 22	Beer-Wine Revenue Act
March 31	Unemployment Relief Act
March 31	Civilian Conservation Corps Act
May 12	Agricultural Adjustment Act
May 12	Federal Emergency Relief Act
May 18	Tennessee Valley Authority Act
May 27	Securities Act of 1933
June 5	Gold Repeal Joint Resolution
June 13	Home Owners' Refinancing Act
June 16	Farm Credit Act
June 16	Banking Act of 1933
June 16	Emergency Railroad Transportation Act
June 16	National Industrial Recovery Act

Relief

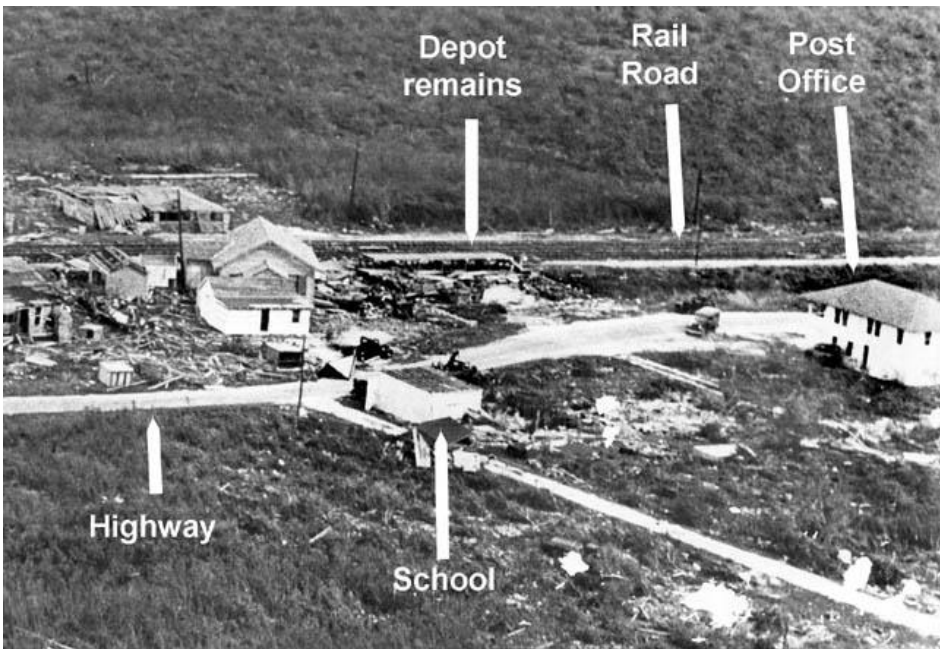
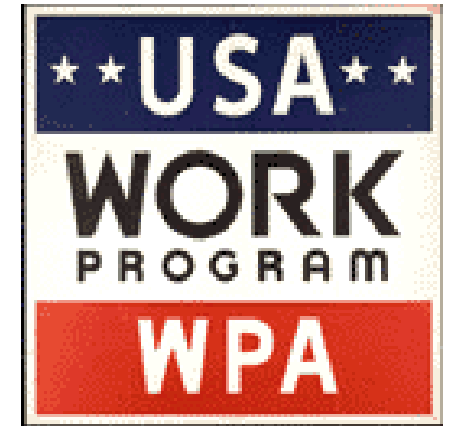
- Direct Relief provided by federal gov't.
 - Federal Emergency Relief Administration (FERA)
 - Over \$500 million spent on welfare checks and other necessities in first year
- Work relief:
 - Civilian Works Administration (CWA)
 - Employed 4 million people (rural areas) temporarily
 - Some criticized this **“boondoggling”**
 - Jobs: scare pigeons away from Washington D.C. monuments, rake leaves, catch rats etc.
 - Public Works Administration (PWA)
 - Large scale construction projects
 - Dams, Airports, Bridges, Power Plants etc.





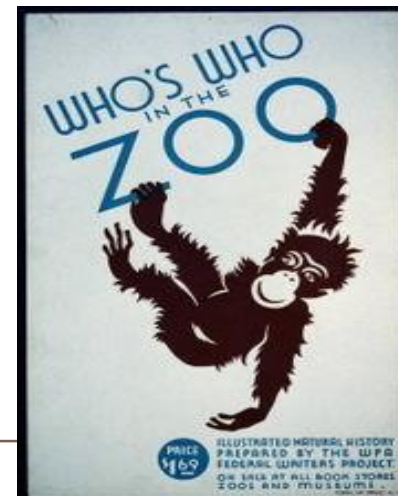
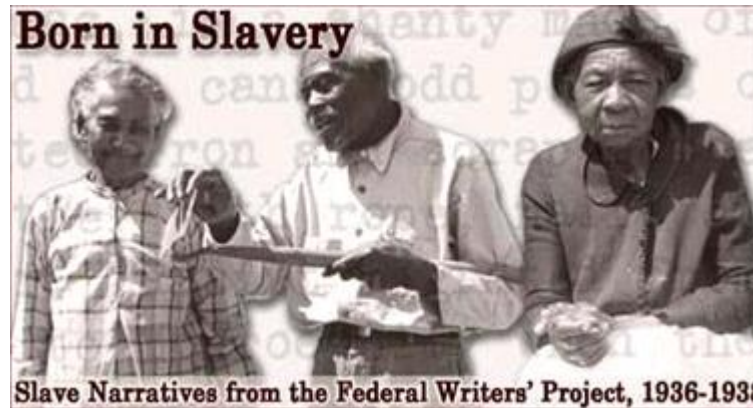
Recovery

8.5 Million people employed under Harry Hopkins direction. More controversial than PWA and CWA though due to special components like Project One



Project One: Federal Writers Project

- Hired writers, actors, artists etc. to continue their specialized work instead of construction jobs
- Controversial-government involved in supporting the arts with tax money



Recovery

- Agricultural Adjustment Act (AAA)
 - Farmers received subsidies for not growing crops
 - AAA controlled the supply of seven "basic crops" — corn, wheat, cotton, rice, peanuts, tobacco, and milk
 - Controversial use of tax money
 - Planned scarcity
 - Reducing agricultural production to raise prices

Declared unconstitutional by
Supreme Court in *United
States v. Butler* 1936



National Industrial Recovery Act 1933

National Recovery Administration

- Companies “volunteered” to join
 - Agreed to standard codes for hours, min. wages, and conditions
 - Government could set prices
- **Section 7A:** Workers may organize into unions



Schechter v. United States,

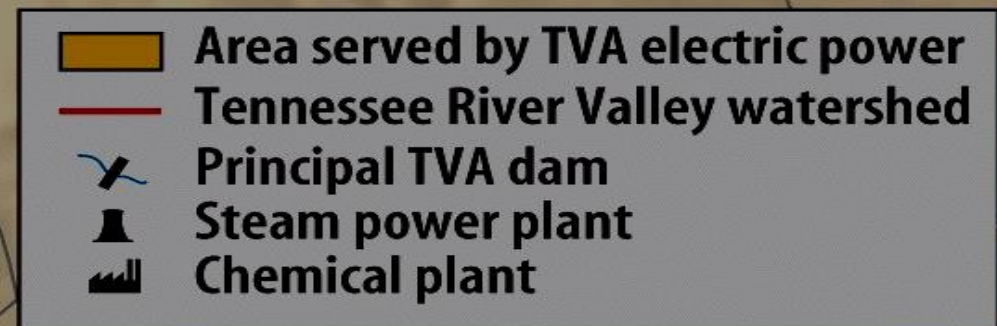
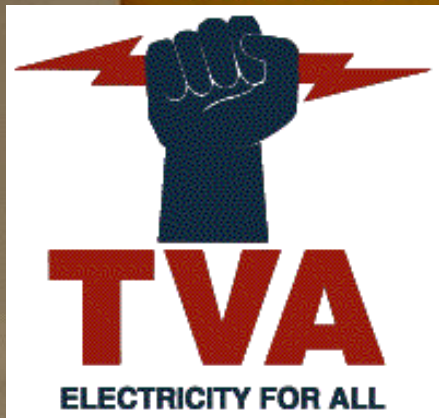
*You Can Beat the Price Rise
If You Buy To-Day*

- Declared Unconstitutional in 1935
 - SCOTUS ruled that NRA rules restricted fair trade and competition



Tennessee Valley Authority

- Most radical program of 1st Hundred Days
- Critics charged TVA was “creeping socialism”
- Unfair competition between government and private sector



Reform

#1 Priority: Banks

- Emergency Banking Act 1933
 - Bank “holiday”
- Glass-Steagall Act 1933
 - Created FDIC to insure deposits up to \$5000
 - Separation of investment and commercial banking

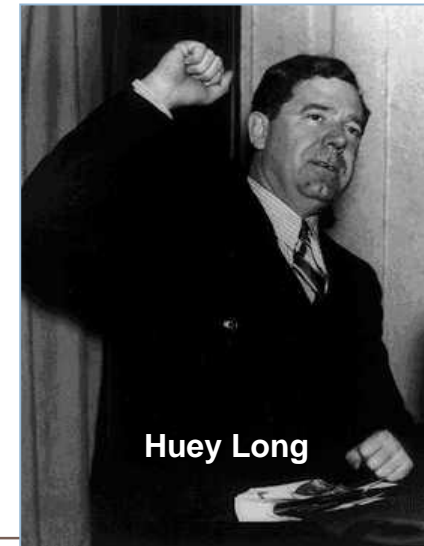
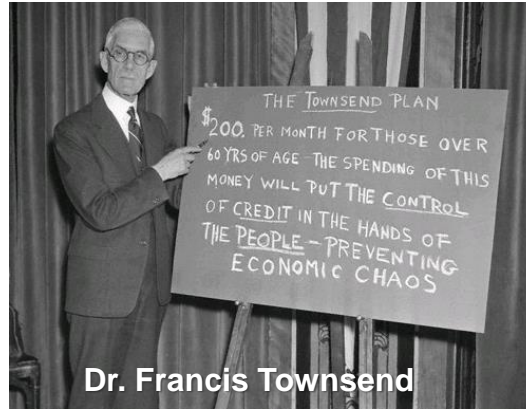


- Federal Securities Act creates Securities and Exchange Commission (SEC)
 - Regulates Stock Market
 - Sworn information about financial matters related to company...transparency



Demagogues Challenge FDR

- *A leader who seeks support by appealing to popular desires and prejudices rather than by using rational argument.*
- Charles Coughlin
 - National Union for Social Justice
 - Nationalize banks
 - Hitler has it figured out in Germany
- Francis Townsend
 - \$200 per month to seniors
 - Origins of Social Security
- Huey Long
 - Share Our Wealth
 - \$5000 income per family, car, radio, etc.



2nd 100 Days Labor Reform

- National Labor Relations Board and the Wagner Act
 - Replaced NRA (declared unconstitutional)
 - Legalized collective bargaining and Unions
 - Union membership grew by several million into 1940s



John L. Lewis, President
Congress of Industrial Organizations

*"Labor has gained more under President Roosevelt than
under any president in memory."*



United Auto Workers
Sit-Down Strike
1937



Frances Perkins,
Secretary of Labor

2nd 100 Days: Social Security



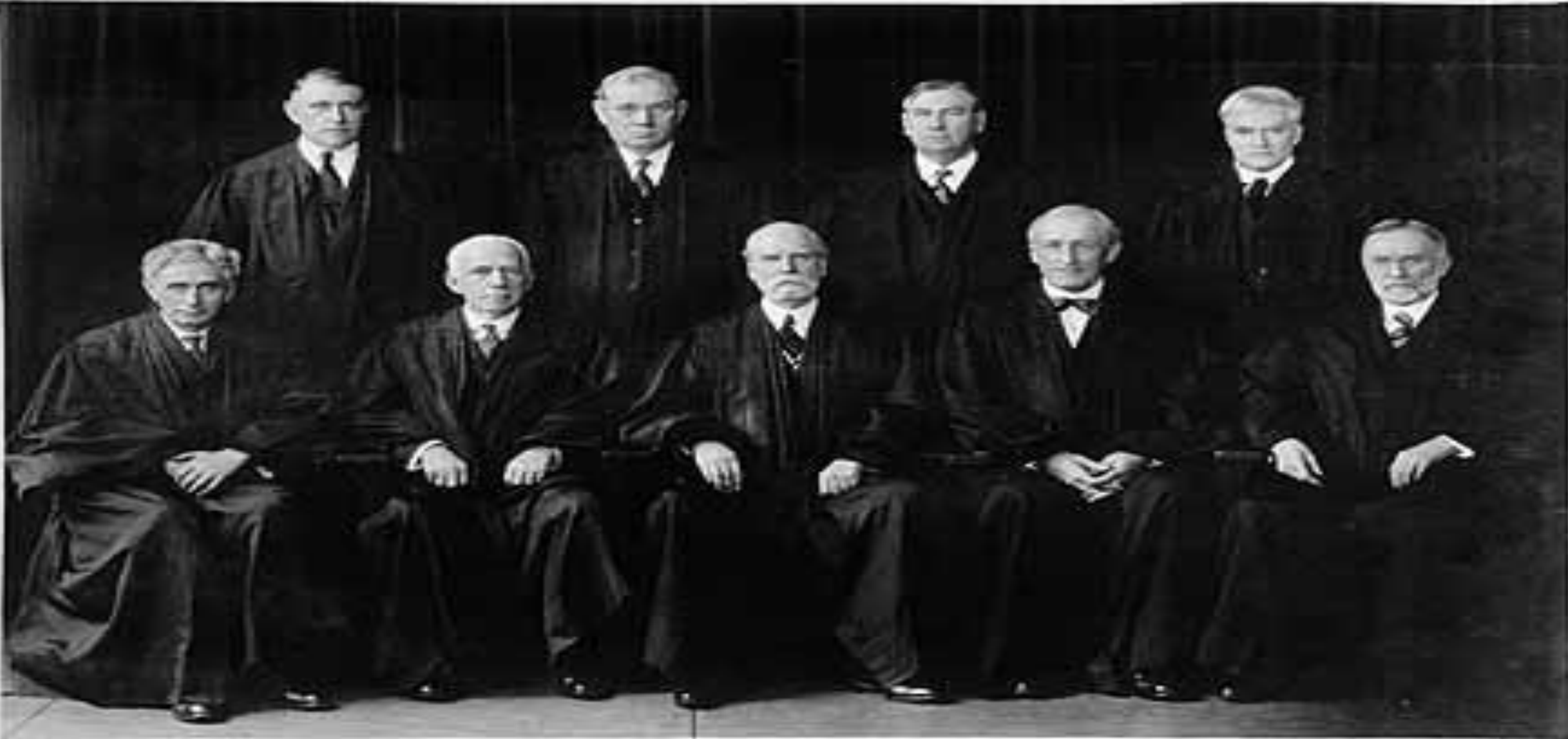
- Financed by payroll taxes on employers and employees
 - FICA
- Some retirees received monthly benefit
 - (\$10 to \$85)
- Modeled loosely on social programs in Europe
 - Does not cover all Americans though



Impact of becoming more Urban

- Rural family took care of their own
- Growing urban population
 - Smaller families and spread out
- Government accepted responsibility for welfare of its citizens
 - “cradle to grave”





Van Dine, Chief Justice, William C. Clegg, Chief Justice, Charles E. Hughes, Chief Justice, Louis Brandeis, Chief Justice, Charles E. Hughes, Chief Justice, Louis Brandeis, Chief Justice

What do we have in common?

Court Packing Scheme 1937

- SCOTUS ruled 10 programs unconstitutional
 - Conservatives held 5-4 majority
- FDR add 1 justice for each current justice ≥ 70 (6 total)



#CongressRejected



Public concerns:

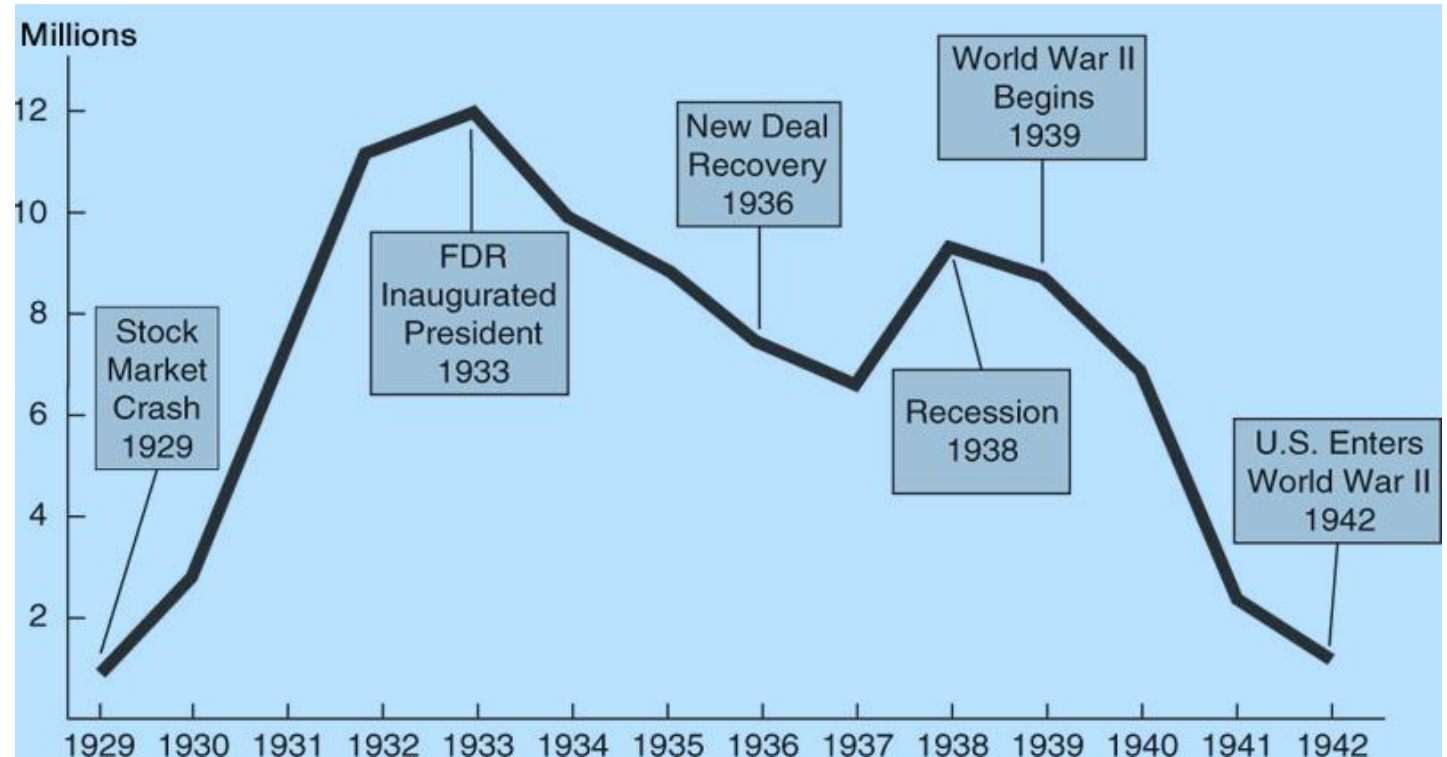
- Was FDR trying to become a dictator?
- Would this be tampering with checks and balances?



LOS ANGELES (CAL.) TIMES
FEBRUARY 6, 1937
From the holdings at the FDR Library

Roosevelt Recession

- Unemployment (1937-38) climbed
- Why?
 - Program cuts-budget reasons
 - SCOTUS rulings



The New Deal's Legacy

- Eased suffering, but did not end GD
- Worked within system instead of turning fascist or radical revolution
- A welfare state forming
 - Rugged individualism is dead
- “Keynesian economics” (John Maynard Keynes)
 - Deficit spending in hard times to “prime the pump” (stimulate economy)
 - increase taxes and cut spending during good times

