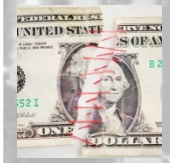
Roosevelt and The New Deal

FDR's Solutions to the Growing Economic Problems

Franklin Delano Roosevelt

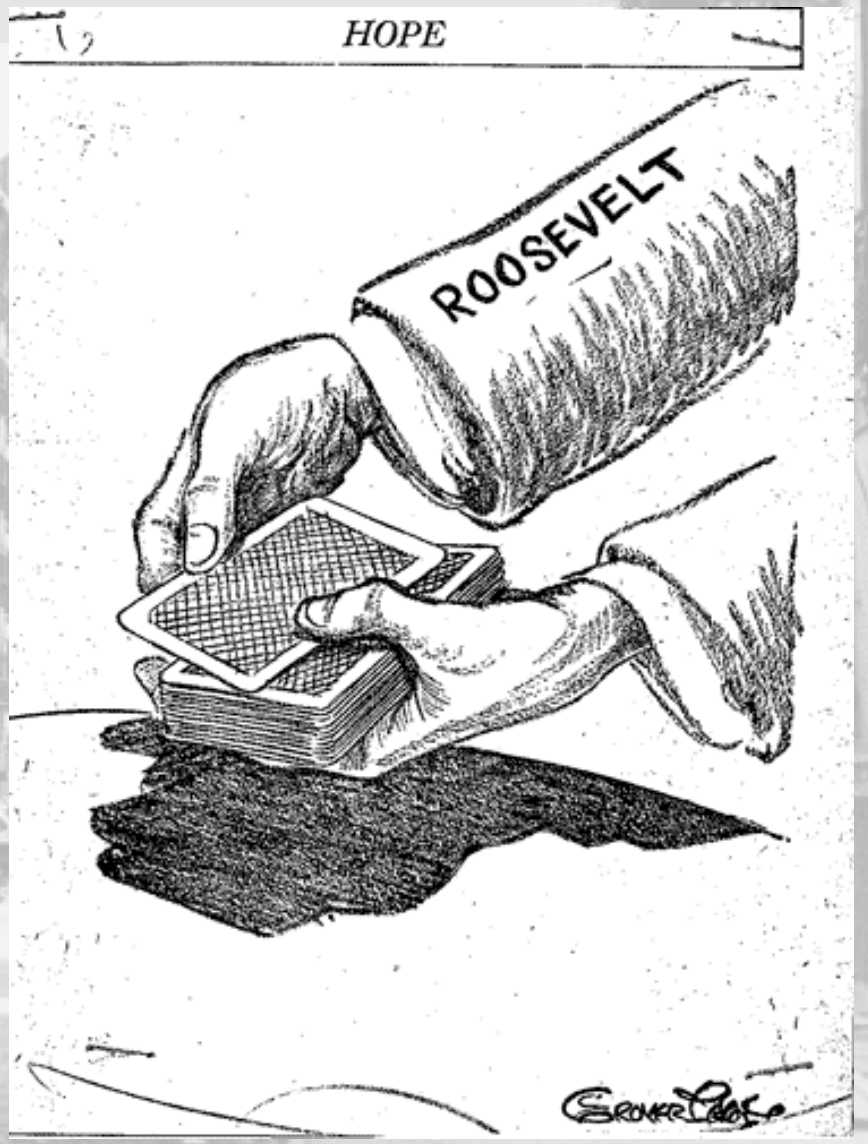
A. Aims of the New Deal

- Relief – helping those in trouble



- Recovery – jump-starting the economy

- Reform – regulating things to prevent future crises



B. FDR's First 100 Days

- From March 9th to June 16th 1933 got 15 major acts passed
- Declared a Bank Holiday to save the banking system
- First Fireside Chat was held on March 12th; inspired confidence in people

C. The New Deal (The First New Deal)

- **Emergency Banking Relief Act** – required federal examiners to survey the nation's banks and issued licenses to those who were financially sound

- **Securities and Exchange Commission (SEC)** – regulates the stock market and prevents fraud

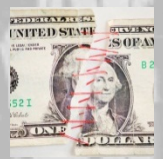
C. The New Deal (The First New Deal)

- **Federal Deposit Insurance Corporation (FDIC)** – provides government insurance for bank deposits up to a certain amount

- **The Glass-Steagall Act** – separated commercial and investment banking (prohibited commercial banks from engaging in the investment business)

C. The New Deal (The First New Deal)

- **Agricultural Adjustment Administration (AAA)** – a program that would pay farmers not to raise certain animals or grow certain crops



Scene in county agent's office, San Augustine, Texas. Farmer is receiving his AAA check. Photo by Russell Lee, April 1939, LOC.

C. The New Deal (The First New Deal)

- **National Industrial Recovery Act (NIRA)/National Recovery Administration (NRA)** –authorized industrial codes for fair competition, guaranteed trade union rights, regulated working standards, regulated prices of certain products and services, like oil and transportation

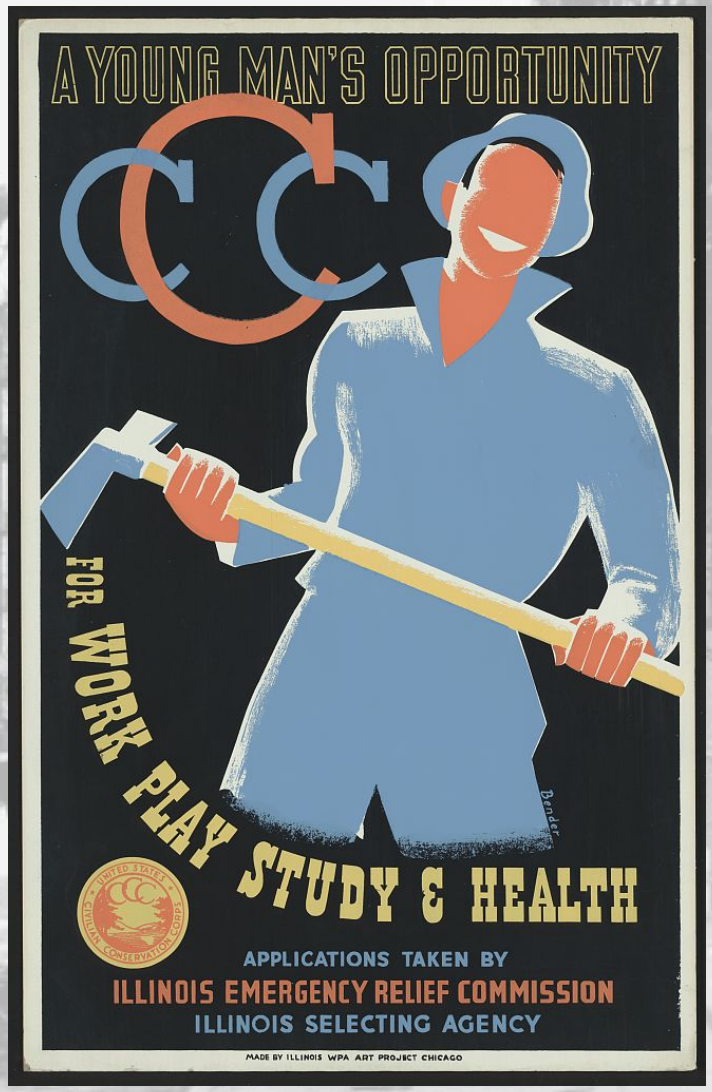
C. The First New Deal

- **Home Owners' Loan Corporation (HOLC)** – mortgages of many homeowners were brought down to assist them in their payments
- **Federal Housing Administration (FHA)** – created national building standards; insured loans for mortgages and home building

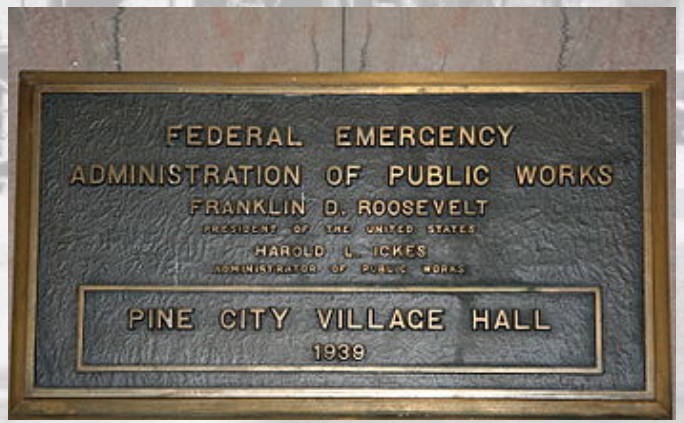
- **Farm Credit Administration (FCA)** – helped farmers refinance their mortgages

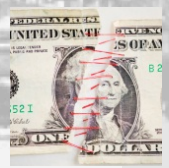
C. The New Deal (The First New Deal)

- **Civilian Conservation Corps (CCC)** – offered unemployed young men 18-25 the opportunity to work under the national forestry service



C. The New Deal (The First New Deal)



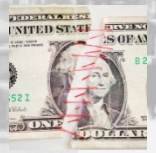


- **Federal Emergency Relief Administration (FERA)** – channeled money into state and local agencies to fund relief projects (over half a billion)

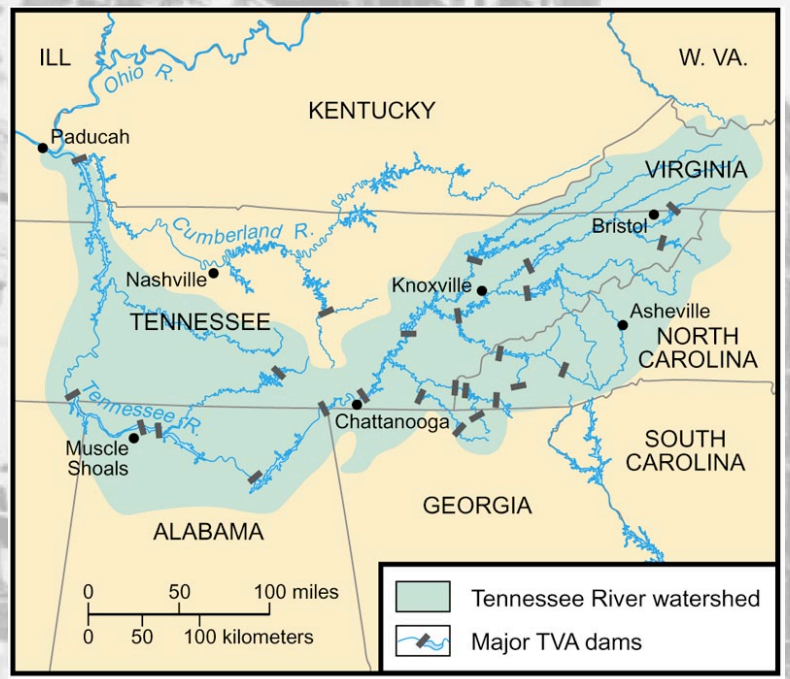
- **Public Works Administration (PWA)** – a series of public works projects providing construction jobs making schools, roads, airports, and parks

C. The New Deal (The First New Deal)

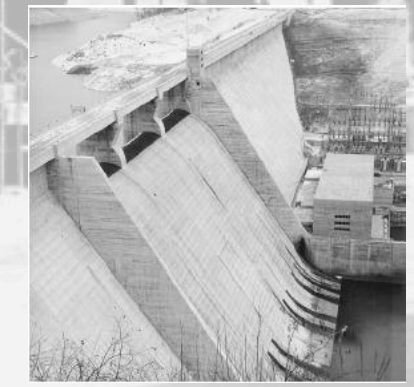
- **The Civil Works Administration (CWA)** – hired over 4 million people directly to build or improve 1,000 airports, 500,000 miles of roads, 40,000 schools, and 3,500 playgrounds, parks, and playing fields



C. The New Deal (The First New Deal)



THE TENNESSEE VALLEY AUTHORITY

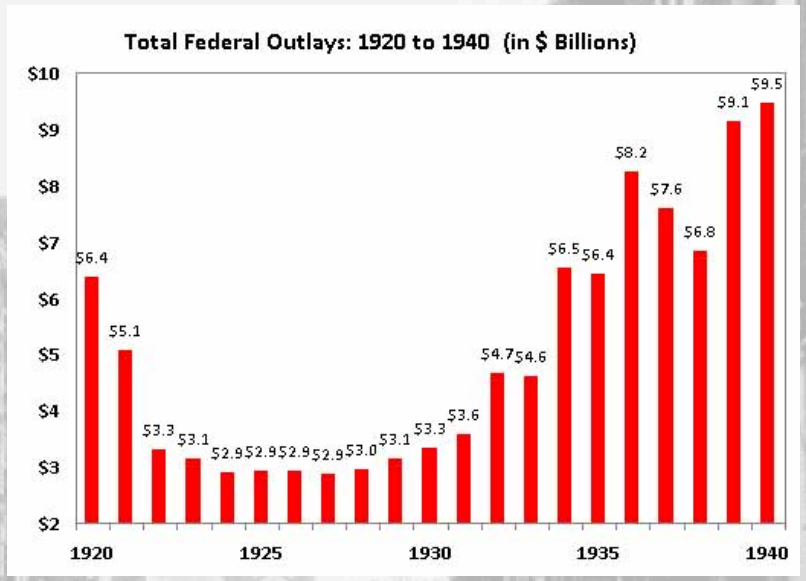


TVA
ELECTRICITY FOR ALL

- **Tennessee Valley Authority (TVA)** – a building project in which civilians constructed dams to bring power and stability to the Tennessee River Valley

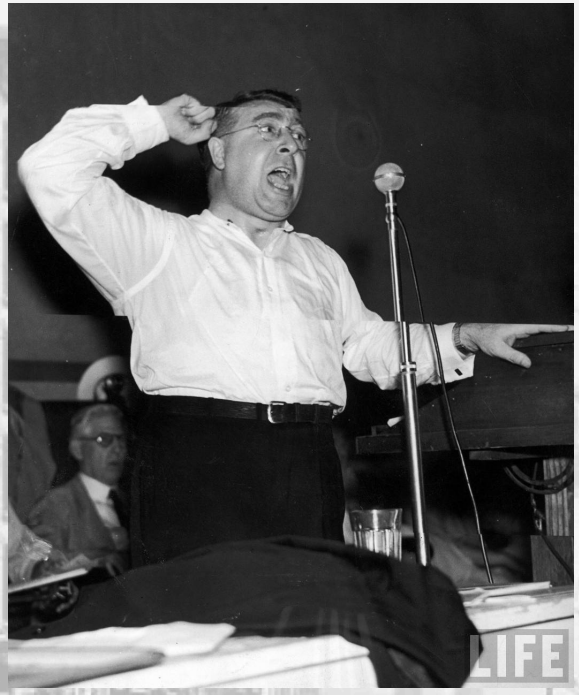
D. Criticism Abounds

- Why?
- New Deal programs were criticized because the government was **deficit spending** (borrowing money for programs; no balanced budget) and regulating business
- Conservatives, especially big business objected
- **American Liberty League --** Conservative Democrats opposed to New Deal; like today's Tea Party Movement; anti-tax and spend policies



D. Criticism Abounds

- **Huey Long** – Democratic Gov. of Louisiana; Robin Hood figure; said FDR didn't go far enough
- **Father Coughlin** – Radical Catholic priest who wanted Roosevelt to be more extreme with his reforms



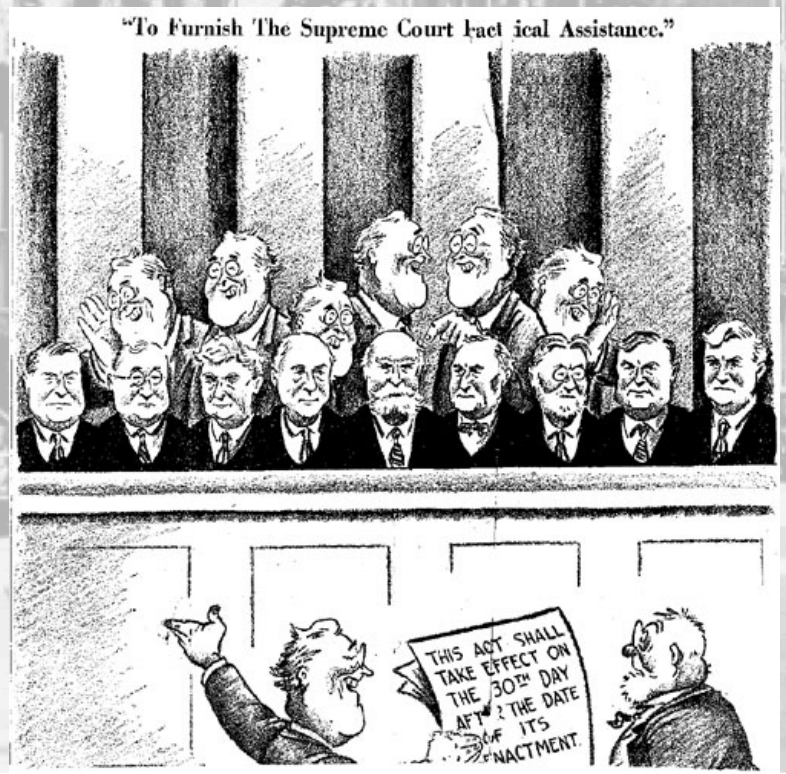
- **The Townsend Plan** – Francis Townsend proposed we pay retired citizens over 60 a pension of $200 a month

E. Supreme Court Takes Issue/Court Packing Scheme

- **The Supreme Court ruled FDR's programs unconstitutional; it struck down the NIRA and threatened to rid the nation of the entire New Deal**

E. Supreme Court Takes Issue/Court Packing Scheme

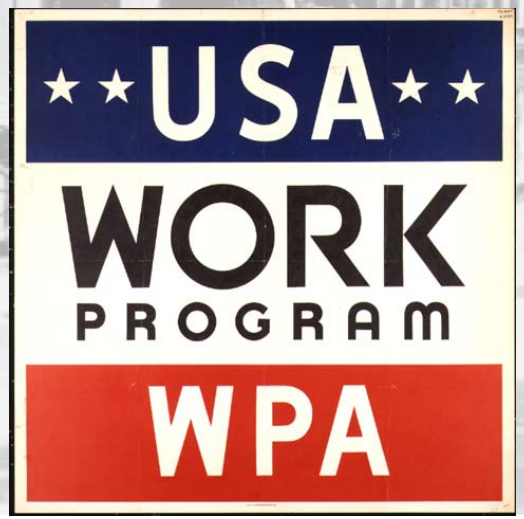
- **FDR proposed expanding the Supreme Court by adding 6 justices**
- **He was criticized for it so he backed down.**

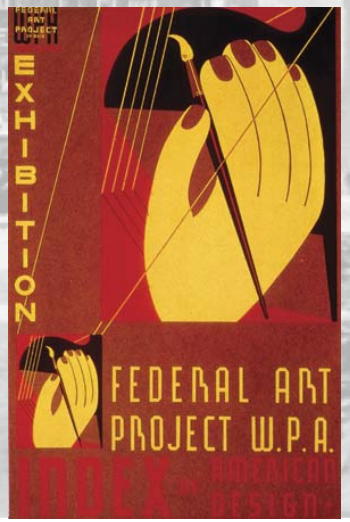


F. The Second New Deal

FDR called for 5 major goals: improved use of national resources, securing old age, unemployment, and illness, slum clearance, and welfare

- **Works Progress Administration (WPA)** – new federal agency headed by Harry Hopkins which funded construction projects as well as public arts projects





F. The Second New Deal

- **National Youth Administration** – provided work and education for Americans between ages 16-25; included girls
- **Wagner Act** – guaranteed the workers the right to organize unions without hindrance from their employers; Gov't now worked with AFL/CIO to organize workers
- **National Labor Relations Board (NLRB)** – five members appointed by the US President and approved by the Senate. They organize factory elections by secret ballot and determine whether workers want a union.

F. The Second New Deal

- **Social Security Act** – provided some security for the elderly, unemployed workers, and disabled; paid for by employee and employer payroll contributions
- **Rural Electrification Administration (REA) –** Federal loans for installation of electrical systems in rural areas

F. The Second New Deal

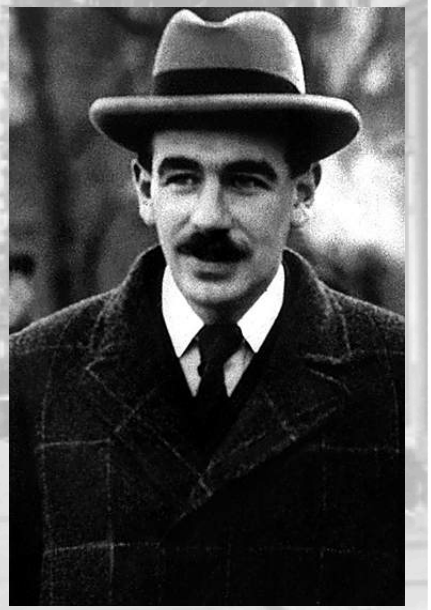
- **National Housing Act** – helped build low cost housing for those that could not afford mortgages

- **Farm Securities Administration** – gave loans to tenants so they could purchase farms

- **Fair Labor Standards Act** – provided more protection for workers, abolished child labor, established a 40-hour work week, and minimum wage

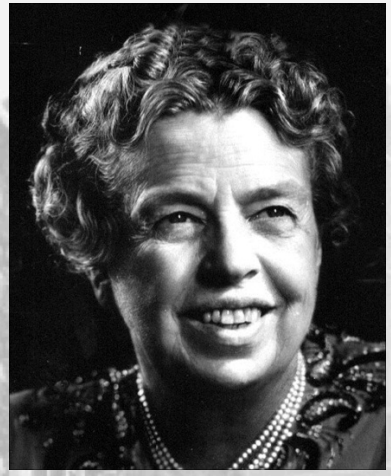
G. A Coalition for Success

- Roosevelt surrounded himself with experts and those he trusted
- **Frances Perkins** – the first woman assigned to cabinet position (Secretary of Labor)
- **John Maynard Keynes** – economist who believed faithfully in deficit spending to help the economy



G. A Coalition for Success

- **Eleanor Roosevelt** – eyes and ears of the President
- Reshaped the "First Lady" roll
- Spoke on behalf of the poor and the sick and those who were discriminated against
- Heavily supported the President and his New Deal



H. Legacy of the New Deal

- Public's View of the Government is Changed Forever
- More powerful Government in more aspects of life
- Did not end the Depression but did lead to some economic improvement

- The emergence of the **broker state** which works out problems between the parties

H. Legacy of the New Deal

The Acts Still Live On:

- FDIC still regulates banks
- Farming strategies still used
- TVA is model of government planning
- Social Security System is still in use
- SEC still monitors stocks
- Government still pays into public works projects