



Roosevelt and The New Deal

FDR's Solutions to the Growing
Economic Problems

Franklin Delano Roosevelt



8-YW3318 SUNDAY JOURNAL AND STAR, NOVEMBER 6, 1932

RETURN THE GOVERNMENT TO THE PEOPLE!
ON NOVEMBER 8th.

He's Ready! Are You?

WE NEED ACTION!

FROM
PRESIDENT HOOVER'S
ACCEPTANCE SPEECH
August 31, 1932.

"We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The problem is not finding more money. We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years (Hoover and Coolidge), and we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation."

We have had four years of false promises, broken promises and blundering statesmanship.

Twelve years of reactionary policies have brought the nation to the worst crisis in its history; 11,000,000 idle laborers, 3,000,000 American people living on charity, 12,000 bank failures, thousands of idle factories, 600,000 home and farm foreclosures.

Agriculture is prostrate and on the verge of bankruptcy. Surplus food stuffs are smothering the farmer while millions of human beings are underfed or starving.

The President has proved his utter lack of capacity to restore the nation to economic health. The people have lost confidence in his leadership and will not be reassured by his baseless campaign forecasts of returning prosperity.

The battle has not been won! The fundamental cause of our distress has not been remedied! Each day of delay adds to human misery and despair!

THE NATION DEMANDS CONSTRUCTIVE LEADERSHIP!
ELECT . . . ROOSEVELT . . . ELECT

A. Aims of the New Deal



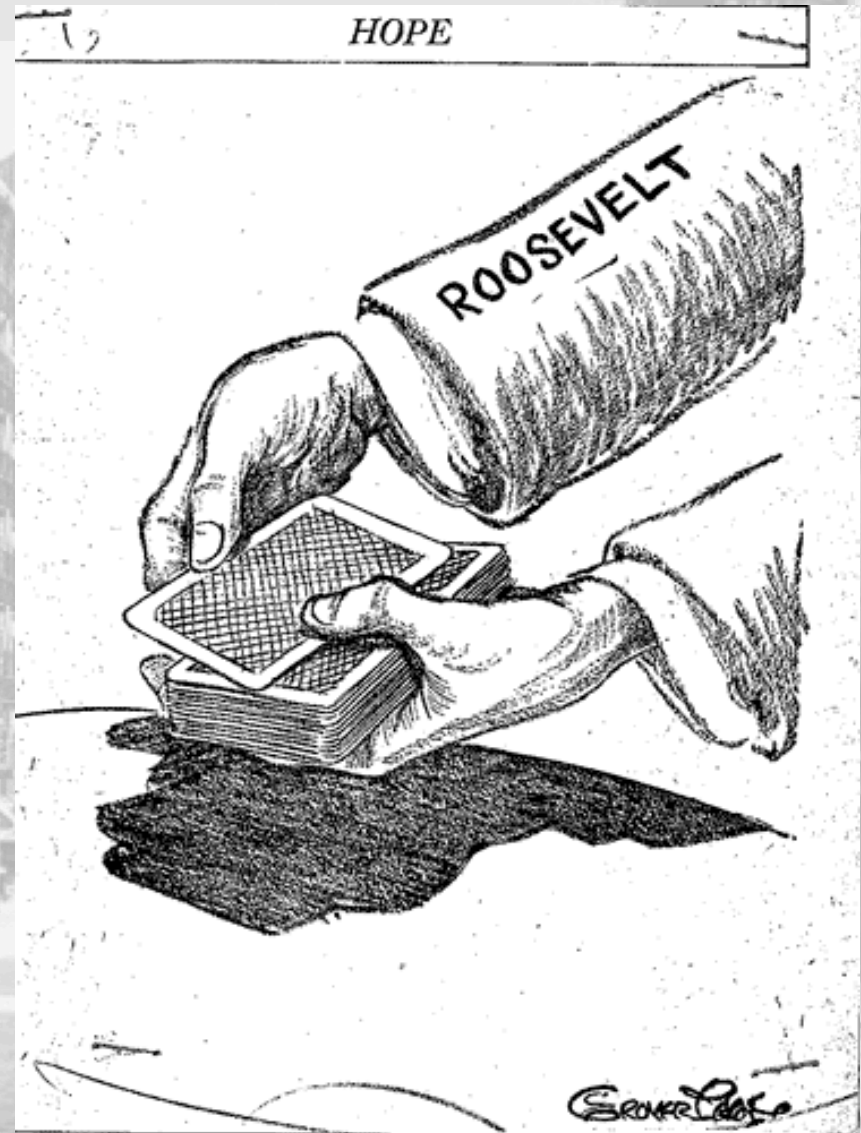
- Relief – helping those in trouble




- Recovery – jump-starting the economy



- Reform – regulating things to prevent future crises

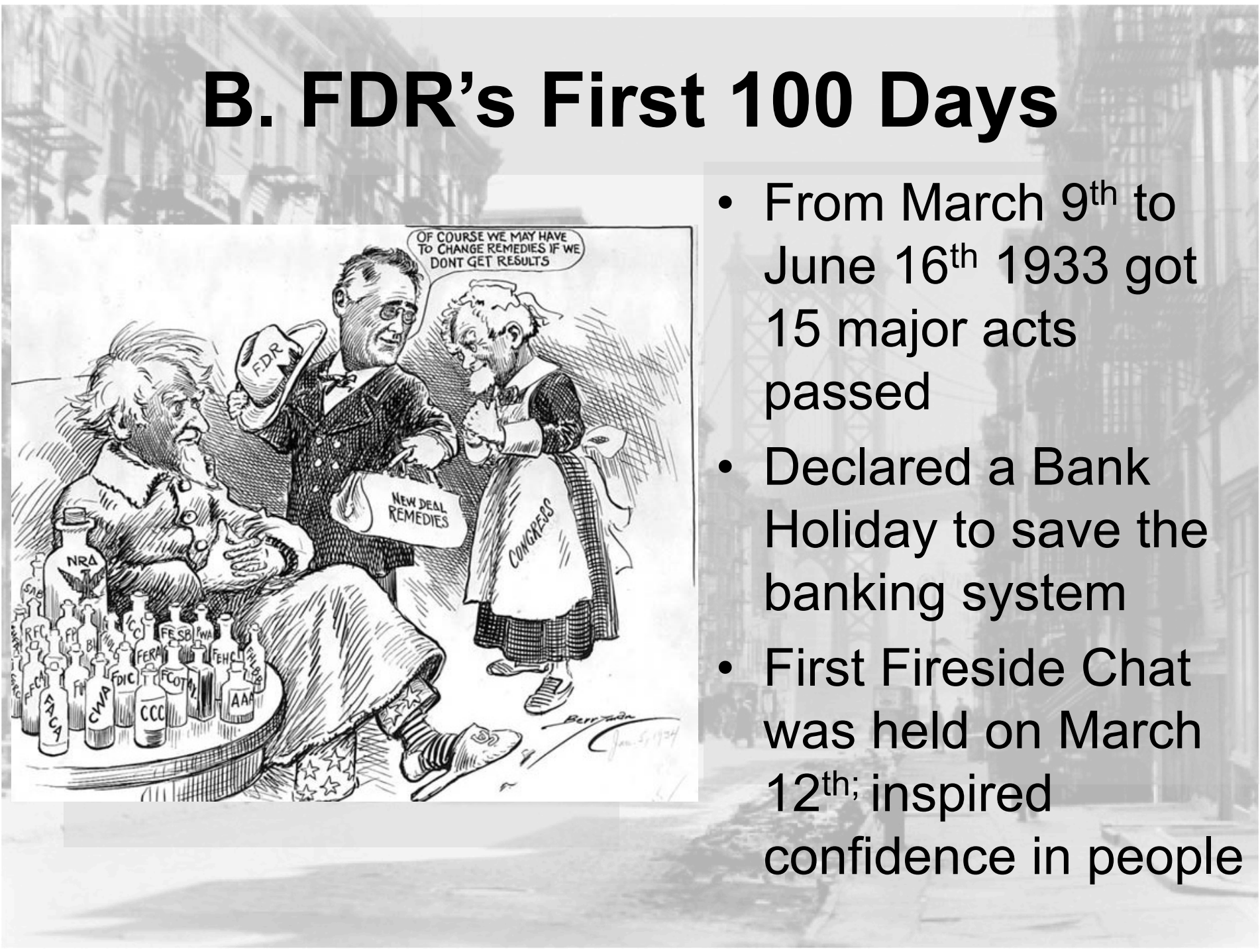


B. FDR's First 100 Days



A political cartoon depicting Franklin D. Roosevelt (FDR) as a doctor. He is wearing a suit and glasses, holding a hat labeled 'FDR' and a bag labeled 'NEW DEAL REMEDIES'. He is standing next to a large bottle labeled 'CONGRESS'. In front of him is a large pile of various bottles representing different New Deal programs, including NRA, SRA, RFC, FEPC, CWA, FDIC, CCC, AAA, FEHC, FEPCOT, FERA, FESB, and WPA. A speech bubble from FDR says: "OF COURSE WE MAY HAVE TO CHANGE REMEDIES IF WE DON'T GET RESULTS". The cartoon is signed 'Bertram Gooden Jan. 5, 1934'.

- 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



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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 (to raise prices)



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)



***WE DO
OUR PART***



- **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)** – helped homeowners to refinance their loans to avoid foreclosure
- **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)

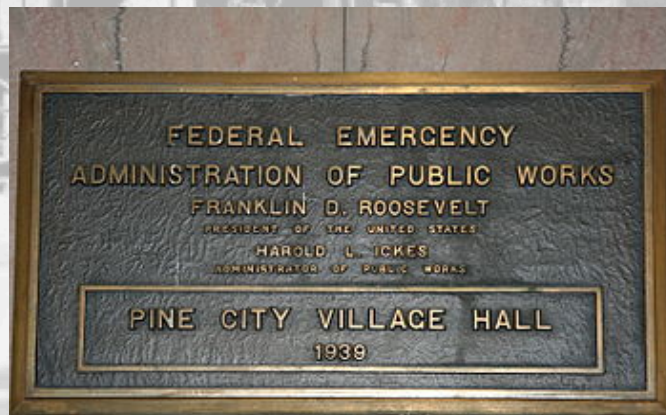
- **Civilian Conservation Corps (CCC)** – offered unemployed young men 18-25 the opportunity to work under the national forestry service



C. The New Deal (The First New Deal)



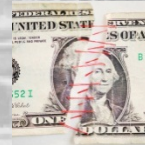
- **Federal Emergency Relief Administration (FERA)** – channeled money into state and local agencies to fund relief projects (and relief offices)
- **Public Works Administration (PWA)** – a series of large scale public works projects providing construction jobs building bridges, dams, and airports (LAX). (under NIRA; run by Harold Ickes)



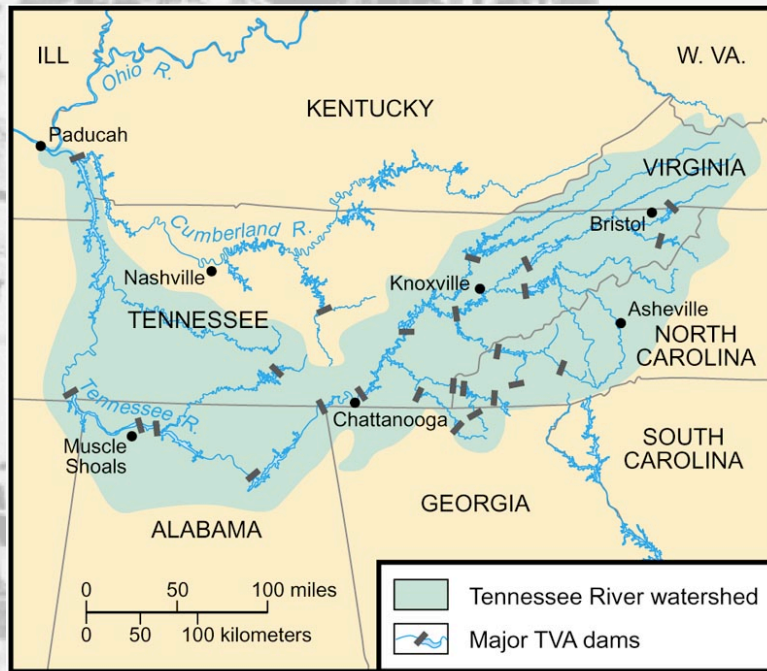
C. The New Deal (The First New Deal)



- **The Civil Works Administration (CWA)** – Short-lived job creation program for Winter 1933-34; hired 4 million people to build roads, bridges, schools, utilities, and parks. (under FERA)



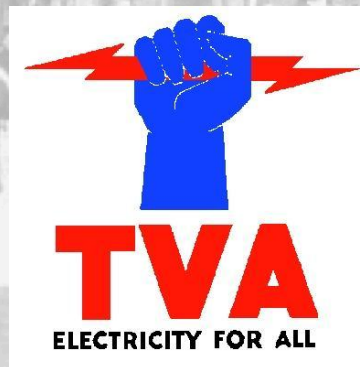
C. The New Deal (The First New Deal)



THE TENNESSEE VALLEY AUTHORITY

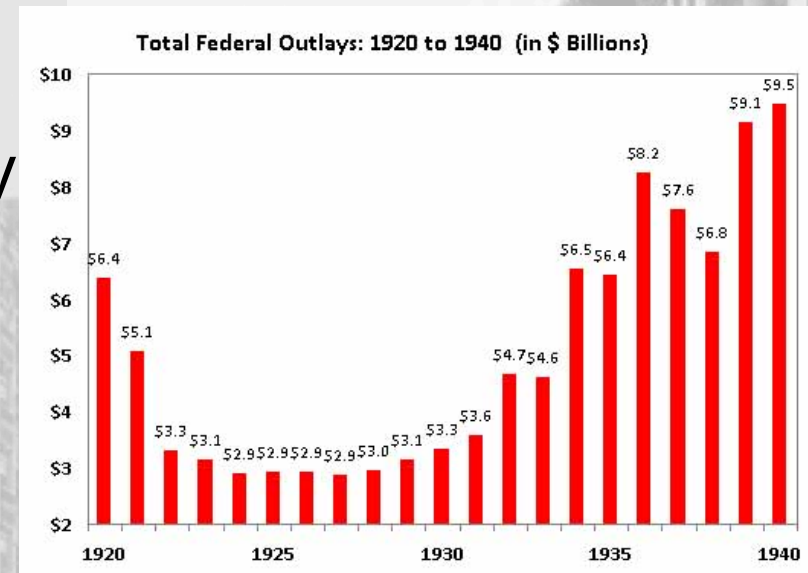


- **Tennessee Valley Authority (TVA)** – a building project in which civilians constructed dams to bring power and stability to the Tennessee River Valley



D. Criticism Abounds

- Why?
- New Deal programs were criticized because the government was **deficit spending** (borrowing money for programs; no balanced budget – recommended by economist John Maynard Keynes) and regulating business
- Conservatives – especially big business – objected to these policies
- **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 that the gov't pay retired citizens over 60 a pension of \$200 a month

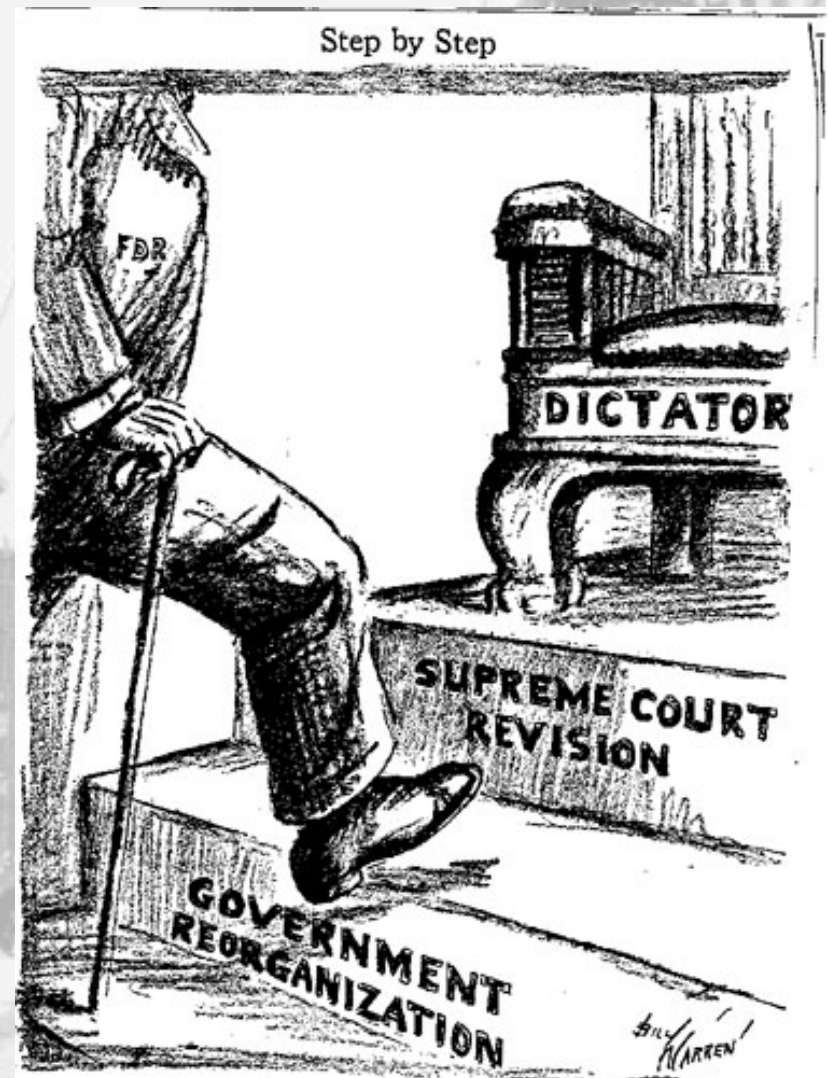
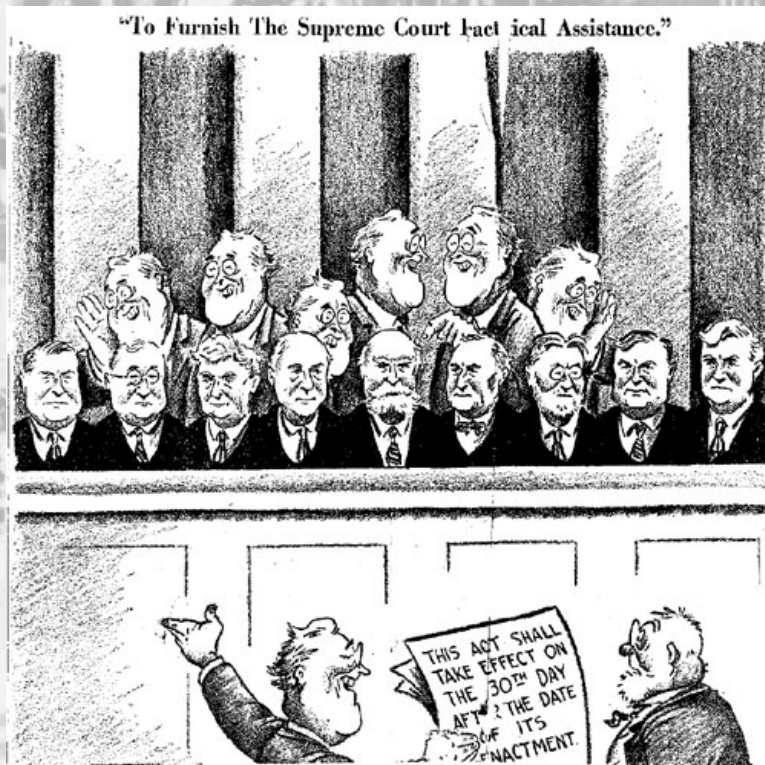
E. Supreme Court Takes Issue/Court Packing Scheme

- The Supreme Court ruled FDR's programs unconstitutional; it struck down the NIRA and the AAA (saying that the Fed's power to regulate the economy is only through interstate commerce) and threatened to strike down the entire New Deal



E. Supreme Court Takes Issue/Court Packing Scheme

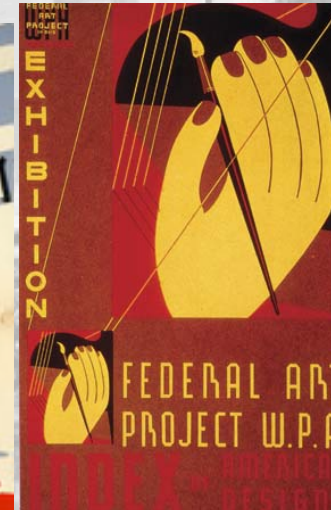
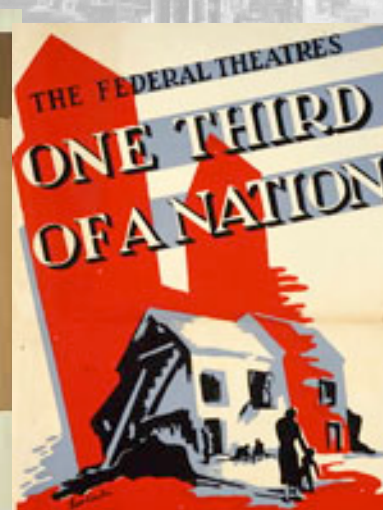
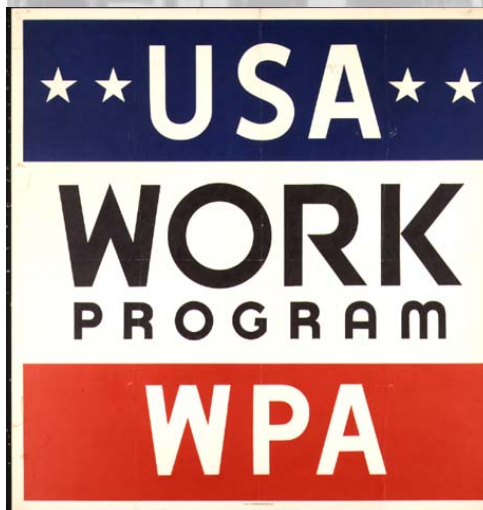
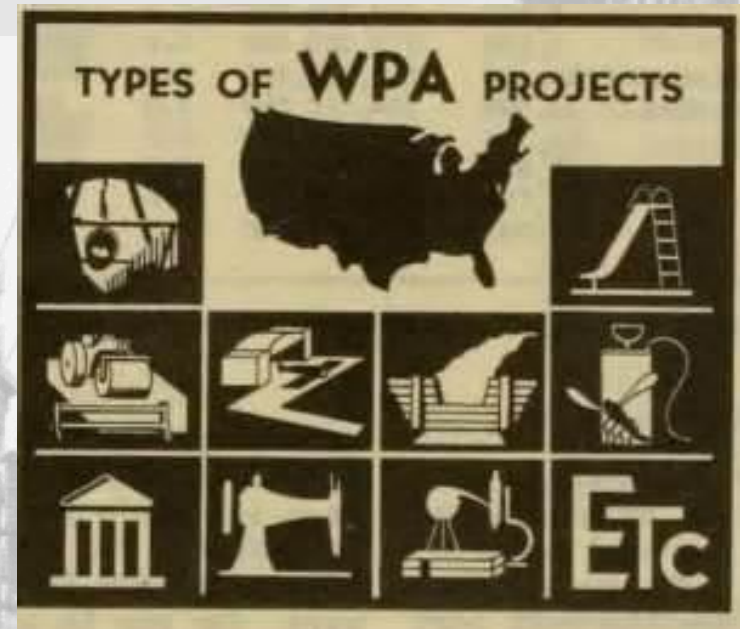
- FDR proposed expanding the Supreme Court by adding 6 justices
- He was criticized for it so he backed down.
- Court ended rulings against New Deal anyway



F. The Second New Deal

FDR moved further left in response to critics and his landslide win in 1936 election

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





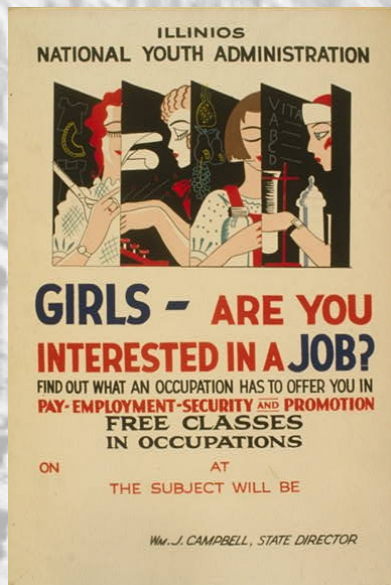




Ventura, CA







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)** – Safeguards employees' rights to organize and to determine whether to have a union; acts to prevent and remedy unfair labor practices



F. The Second New Deal



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



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



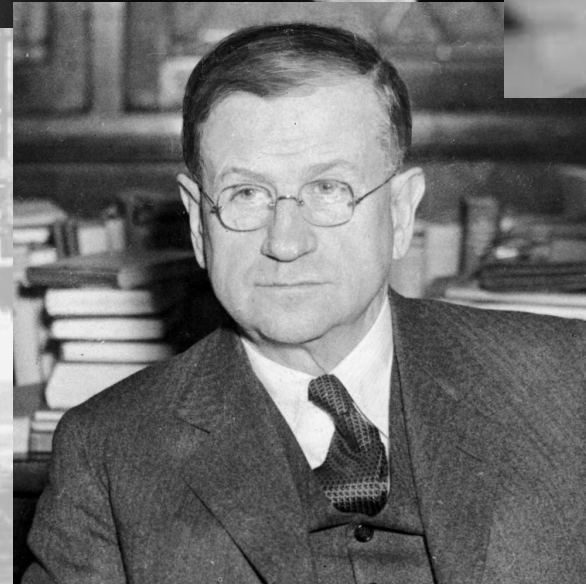
G. A Coalition for Success

- Roosevelt surrounded himself with experts and those he trusted, known as his “Brain Trust”
- **Rexford Tugwell** – economist who specialized in planning; believed the government should plan to move the economy out of the Depression
- **Harry Hopkins** – one of the architects of the New Deal, especially known for the WPA



G. A Coalition for Success

- **Frances Perkins** – Sociologist and workers rights advocate; the first woman assigned to cabinet position (Secretary of Labor); involved in the CCC, the PWA, and the NIRA; later the Social Security Act
- **Harold Ickes** – helped implement the New Deal; ran the PWA
- **Felix Frankfurter** – advocated progressive legislation, and programs that dealt with the inequalities of wealth distribution that had led to the Great Depression



G. A Coalition for Success

- **Eleanor Roosevelt**
- Eyes and ears of the President – traveled on his behalf and reported on conditions
- Reshaped the First Lady role – an “activist” First Lady
- Spoke on behalf of the poor and the sick and those who were discriminated against
- Heavily supported the President and his New Deal programs



H. Legacy of the New Deal

- Public's perception of the government is changed forever
- Government became involved in more aspects of life
- Did not end the Depression but did lead to some economic improvement
- – The emergence of the **Broker State** – where the federal government mediates between various interest groups competing for advantages in the national economy



H. Legacy of the New Deal



The Acts Still Live On:

- FDIC still regulates banks
- Farm conservation 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





Your Tax Dollars

AT WORK



BRIDGE REPLACEMENT

YEAR OF COMPLETION: 2016



FEDERAL HIGHWAY TRUST FUND