6. "Happy Days Are Here Again": FDR and the New Deal
6.1 FDR and the New Deal

6.2 A New Deal

6.3 The First New Deal

6.4 The Second New Deal
6.5 Controversies and Critics

6.6 The New Deal's Legacy
6.1 FDR and the New Deal
Franklin Delano Roosevelt

- 2 term governor of New York
- “Can do” attitude
- “Little New Deal”
6.2 A New Deal
Common Stock Price Index (1926 = 100)
The “Brain Trust”

- Roosevelt’s hand-picked advisors
- Academics and former Progressives
- Worked with FDR to set policies for the President
• Three R’s
• Relief for the needy
• Economic recovery
• Financial reform
It IS a New Deal

- Inaugural Address
- Bank Holiday
- Protection of Gold
- Bank Legislation
6.3 The First New Deal
The First Hundred Days

• Period of intense activity
• Congress passes 20 major pieces of New Deal legislation
• Expanded federal government role
• Fireside chats: FDR reports directly to the public
Pump Priming

• Government will provide jobs for unemployed.

• People will spend money.

• Economy will grow.
Alphabet Agencies

• AAA: Agricultural Adjustment Act
• NIRA: National Industrial Recovery Act
• PWA: Public Works Administration
• CCC: Civilian Conservation Corps
• FDIC: Federal Deposit Insurance Corporation
• SEC: Securities & Exchange Commission
• TVA: Tennessee Valley Association
6.4 The Second New Deal
Second New Deal

- Extends relief
- WPA, NYA (National Youth Administration)
- Wagner Act: collective bargaining for labor
- Social Security Act: pensions for the elderly
6.5 Controversies and Critics
FDR and the Court

• 1935: The Supreme Court struck down the NIRA and the AAA

• In response, Roosevelt tries to add six new justices

• “Court-packing” is rejected by Congress
• Violates separation of powers
• Court backs down
• Tennessee Valley Authority, National Labor Relations Act, Social Security Act not declared unconstitutional
Critics of Roosevelt

Liberals

• Not enough being done

• New Deal did not end the Depression

• Programs helped homeowners, business owners more than renters, laborers & sharecroppers
Conservatives

- Federal government too big
- Socialism!
- Presidential power too great
6.6 The New Deal's Legacy
<table>
<thead>
<tr>
<th>Act</th>
<th>Immediate Purpose</th>
<th>Long-term Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass–Steagall</td>
<td>established FDIC</td>
<td>reorganize banks and restore confidence</td>
</tr>
<tr>
<td>Federal Securities Act</td>
<td>info on all stock offerings</td>
<td>regulate market</td>
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<tr>
<td>National Industrial Recovery Act</td>
<td>gave states money to create jobs; limited competition</td>
<td>fair business practices</td>
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<tr>
<td>Agricultural Adjustment Act</td>
<td>paid farmers to lower production</td>
<td>raise crop prices</td>
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<tr>
<td>Tennessee Valley Authority</td>
<td>develop projects in Tenn. Valley</td>
<td>Create prosperity in Tenn. Valley</td>
</tr>
<tr>
<td>Program</td>
<td>Immediate Purpose</td>
<td>Long-term Goal</td>
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<tr>
<td>Civilian Conservation Corps.</td>
<td>provided jobs for young single men</td>
<td>to reduce unemployment</td>
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<tr>
<td>FERA</td>
<td>direct relief for the needy</td>
<td>provide basic needs</td>
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<tr>
<td>Public Works Administration</td>
<td>gave states money to create jobs</td>
<td>to reduce unemployment</td>
</tr>
<tr>
<td>Civil Works Administration</td>
<td>4 million immediate jobs</td>
<td>to reduce unemployment</td>
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<tr>
<td>Home Owners Loan Corp.</td>
<td>loaned money at low interest</td>
<td>helped families keep their homes</td>
</tr>
</tbody>
</table>
Mobilization for WWII

The New Deal did not end the Great Depression.

U.S. GNP (1929) = $847 per capita
U.S. GNP (1933) = $442 per capita
U.S. GNP (1937) = $701 per capita
U.S. GNP (1941) = $934 per capita