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

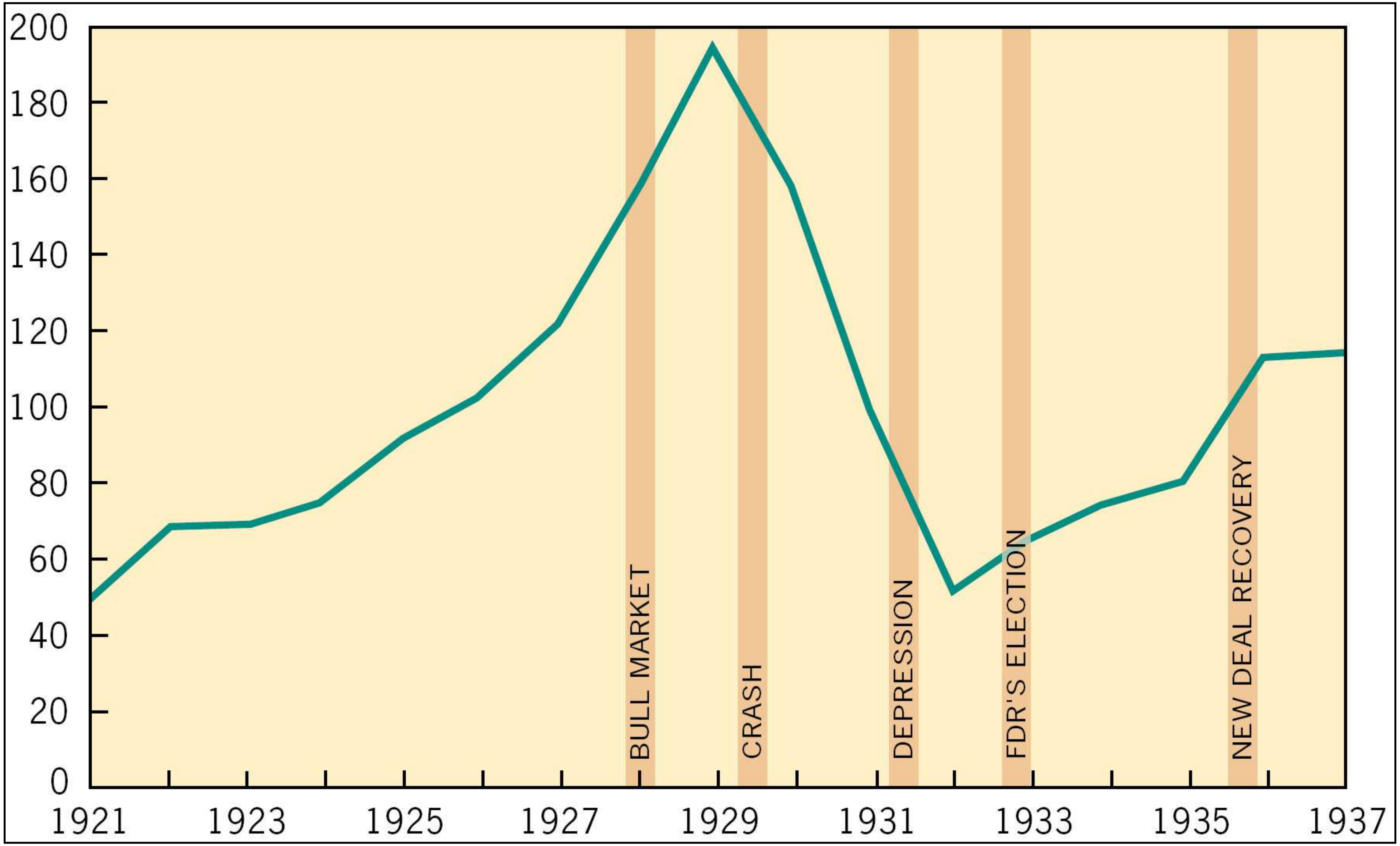
6.1 FDR and the New Deal

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

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


CBS
NBC
NBC
NBC

Pump Priming

- Government will provide jobs for unemployed.
- People will spend money.
- Economy will grow.

THE NEW DEAL PUMP
I HOPE THIS WILL MAKE ER WORK
FDR
7 THOUSAND MILLIONS MORE
THE TAXPAYER
16 BILLION
SPENT

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

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

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 <u>not</u> 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

	Immediate Purpose	Long-term Goal
Glass–Steagall	established FDIC	reorganize banks and restore confidence
Federal Securities Act	info on all stock offerings	regulate market
National Industrial Recovery Act	gave states money to create jobs; limited competition	fair business practices
Agricultural Adjustment Act	paid farmers to lower production	raise crop prices
Tennessee Valley Authority	develop projects in Tenn. Valley	Create prosperity in Tenn. Valley

	Immediate Purpose	Long-term Goal
Civilian Conservation Corps.	provided jobs for young single men	to reduce unemployment
FERA	direct relief for the needy	provide basic needs
Public Works Administration	gave states money to create jobs	to reduce unemployment
Civil Works Administration	4 million immediate jobs	to reduce unemployment
Home Owners Loan Corp.	loaned money at low interest	helped families keep their homes

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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