

FDR's "New Deal"


The New Deal

- Radical legislation that redefined role of government.
- During FDR's "First Hundred Days" in office, he signed more legislation than any other president in American history.
- Three R's: Relief (for the poor/unemployed), Recovery (bring economy back to normal), Reform (change banking system to prevent another financial crisis)

Relief: Farmers

- Frazier-Lemke Farm Bankruptcy Act: suspension of mortgage foreclosures for five years (struck down in 1935)
- Agricultural Adjustment Act: meant to curb overproduction.
- Paid farmers to:
 - Destroy crops (millions of acres)
 - Slaughter livestock (6 million baby pigs, 200,000 cows)
 - Plant trees to prevent dust bowl
 - Pay back mortgage
 - Resettlement Administration: moves poor farmers to better land
- Overturned by Supreme Court in 1936; Congress passes a second AAA in 1938, which just deals with land conservation

Recovery

- Federal Housing Administration: loans to stimulate building industry
- Social Security Act: government assistance to elderly/retired
-  Emergency Banking Relief Act: gives prez. The power to reopen banks/ regulate banking industry
- Gold standard: takes the nation off unreliable gold standard; issues paper currency; orders surrender of private gold holdings

National Recovery Administration

- Codes for “fair competition”: employment spread out; max number of hours worked, minimum wage
- Protects right to unionize
- Ruled unconstitutional in 1935 Schechter case:
 - Gave Prez too much legislative power
 - Goes against commerce clause: can’t regulate local businesses

Recovery/Relief: Job Programs

- Civilian Conservation Corps (CCC), Works Progress Administration (WPA):
 - Provided jobs to 15 million people
 - Building parks, roads, airports, etc.
- National Labor Relations Act (aka Wagner Act): workers have right to unionize; way for unions & employers to negotiate.
- Federal Arts Project/National Endowment for the Arts: 40,000 artist/writers create murals, plays, books, etc.
- Public Works Administration (PWA):
 - Tore down slums & built new low rent housing.
 - Also built dams, schools, bridges, etc.
 - Creates jobs

Reform

- Glass-Steagall Act: creates the Federal Deposit Insurance Corporation (FDIC) Protected \$ in the bank (now up to \$100,000)
- Tennessee Valley Authority (TVA): Provided electricity to rural farms (before, 90% of American farms had none!); gov. develops hydroelectricity in federally-owned lands (Muscle Shoals, AL)
- Federal Securities Act: requires companies to provide investors with information on the “soundness” of stocks
- Securities & Exchange Commission (SEC): Regulate stock market

FDR's court-packing scheme

- After his re-election in 1936, FDR assumes he has a mandate from the American people
- Intros to Congress legislation that would allow him to appoint one new justice to the Supreme Court for every one over 70
- Over the course of his presidency, FDR is able to appoint 9 new justices to the court (which is essentially the whole thing)
- Beginning in the late 1930s, court starts to turn towards his favor

Impact on women and blacks

- Most New Deal programs were centered on men only (jobs programs protected only men's jobs); the Works Progress Administration was the first to help women specifically (hired single women or women with absentee husbands).
 - Eleanor Roosevelt: The most powerful First Lady until Hillary Clinton
- African Americans were protected, but not totally
 - No effort made to end segregation or discrimination laws
 - FDR appoints numerous blacks to work in administrative positions in the White House
 - Most farming programs did not cover tenant farmers or share croppers
 - Social Security benefits did not apply to farmers or domestic workers
 - The WPA, NYA, and CCC saved 10% of their budget for blacks

Criticisms

- From conservatives in Congress
 - Too much consolidation of power (Supreme Court fight)
 - Socialism (takeover of the banks, Social Security, etc.)
- From liberals
 - Not radical enough (Huey Long: “Share Our Wealth” every family gets \$5,000 from \$\$ taken from the wealthy)

Legacy

- Government tradition of reform
 - JFK “New Frontier” reforms (Peace Corps, Nuclear Test Ban Treaty)
 - Lyndon Johnson “Great Society” (Civil Rights Act, Voting Rights Act, Medicare)
- Turns working-class and African American voting blocs Democratic