

## Chapter 10 Lesson 1

### The First New Deal

#### Franklin Delano Roosevelt

- 1) Distant cousin to President Theodore Roosevelt
- 2) From Hyde Park, New York
- 3) Committed to conservation and rural areas
- 4) Harvard University and Columbia Law School
- 5) Married to Eleanor Roosevelt (T. Roosevelt's niece)
- 6) Strong, competitive personality, very charming
- 7) 1910-- Elected to New York Senate—reputation as a progressive reformer
- 8) Assistant Secretary of the Navy
- 9) 1920—VP candidate (the Democratic ticket lost)
- 10) 1921—he caught polio and is paralyzed from the waist down
- 11) Worked for years to regain some movement (or semblance of)—used various forms of therapy and exercise
- 12) 1928—elected governor of New York
- 13) Worked very hard as governor to provide relief from the effects of the depression
- 14) 1932—elected President of the US, landslide election, electoral votes in all but six states (Maine, Vermont, Connecticut, New Hampshire, Pennsylvania and Delaware)

#### The First 100 Days:

- 1) Before the inauguration, there are repeated runs on banks as depositors fear that the US will drop the gold standard
- 2) 38 Governors called for bank holidays to save the remaining banks
- 3) During the first 100 Days, FDR sent countless bills to Congress and they passed 15 major acts
- 4) It became known as the New Deal
- 5) FDR purposefully chose advisors that disagreed with him and each other (to hear many points of view). There were three main points of view
  - a. Government agencies and businesses working together to regulate wages, prices and production
  - b. Government planners should run the economy
  - c. Use Wilson's plan to break apart big businesses and allow competition to set wages, prices and production

#### Banks and Debt Relief:

- 1) Emergency Banking Relief Act—Banking holiday while federal inspectors examined each bank—reopened banks were considered safe for depositors—within a few days the banking crises was over
- 2) FDIC—Federal Deposit Insurance Corporation—Glass-Steagall Act—provided government insurance for bank deposits
- 3) Glass-Steagall Act also divided commercial banking and investment banking

- 4) Securities Act of 1933—created the SEC (Securities and Exchange Commission)—their role is to regulate the stock market and prevent fraud

#### Mortgage and Debt Relief:

- 1) Home Owner's Loan Corporation—(HOLC) bought the loans of people who were behind on their mortgages and restructured the loans
- 2) Farm Credit Administration—(FCA)—helped farmers refinance their farm mortgages—allowed many farmers to save their farms

#### Farms and Industry:

- 1) Agricultural Adjustment Act—(AAA)—paid farmers to not grow certain crops, not raise livestock, not to produce dairy products—did raise farm prices—was criticized because food prices were rising during a depression—also hurt many tenant farmers and sharecroppers when fields were removed from production
- 2) National Industrial Recovery Act—(NIRA)—did away with antitrust laws and allowed business, labor and government to work together to set codes for fair competition—established minimum wages, allowed unionization of workers—did help some but hard to regulate and unpopular with business owners—production did fall—declared unconstitutional in 1935

#### Relief programs:

- 1) Neither FDR nor his advisors wanted to just hand out money to the poor, so they created work programs
- 2) Civilian Conservation Corps—CCC—hired young men (18-25)—worked with the Forestry Service—planned trees, fought forest fires, built reservoirs--\$30 a month (\$25 of which went home to the family) —lived in camps, better fed, many learned to read and write, were clothed—about 3 million young men were employed over 9 years—minorities were hired but were segregated
- 3) Federal Emergency Relief Administration—FERA—run by Harry Hopkins—at first gave money to states for relief programs—some projects were criticized but the goal was to get \$ to people so they could eat
- 4) Public Works Administration—PWA—began to build roads, dams, highways, schools, court houses and other government buildings and infrastructure—gave contracts to construction companies—they hired the unemployed—no discrimination allowed
- 5) Civil Works Administration—CWA—set up by Hopkins because the other agencies were not helping enough—hired workers direct—over 4 million hired—even women—they built airports, roads, playgrounds, parks and schools—FDR worried about the rate at which the CWA spent \$, was concerned that people not expect the government to provide them jobs—the CWA was shut down the next year

The New Deal did not restore prosperity to the nation's economy but did show FDR's willingness to try something. It did help to restore some hope in the American public and faith in their country.