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***1. The First New Deal:**

- The Election of 1932. Not ironically, the differences bw Hoover and FDR weren't vast. They both wanted to save capitalism and the newly earned consumerism, while easing the worst problems. Both believed in balanced-budgets, hard work, sacrifice. But, FDR had a charm, savvy, and was willing to experiment, as he was not particularly ideological, but very practical.

*- The First Hundred Days: FDR's personality soothed the nation, esp. since he took advantage of new mediums of communication: the radio, and came into ppl's homes thru fireside chats; ingratiating himself. His combination of charisma, and the depth of the national crisis, allowed him to expand the power of the presidency and government to new levels. FDR was empowered also bc the Dems had both the House and the Senate. 15 major bills, in 100 days, attacked: bank failures, agricultural overproduction, business slump, and unemployment. A bunch of "alphabet soup" agencies sprung up

- Banking: The first day after inauguration, inaugurated on Sat4thMar, first working day is the Sun5th, he holds a "bank holiday", meaning one week off. Gives his first fireside chat on Sun12 and reassures Americans their money is safe (60m listeners, 15-20m sets). On Mon13, there were more deposits than withdrawals. His adviser claimed "capitalism was saved in 8 days". The US left the Gold Standard in 1933, which allowed the Treasury to lower interest rates (they had been raising bc gold was more precious, but other Great Powers had left gold).

- Agriculture and Manufacturing: regulation failed. Attempt to work on supply-side failed bc consumer spending power was not there.

- Unemployment Relief: Roosevelt had strong reservations about "the dole": government welfare payments. So, to support American individualism, they put ppl to work. The institution was Federal Emergency Relief Admin (FERA). Works programs were varied: CCC employed 250,000 young men to build bridges, roads, trails, structures in national parks (embankments).

*- Homelessness: daunting for most Americans, and most crushing in denying the promise of North America: home-ownership. The 1920s had created the most massive housing bubble, up to that point, and the 1930s popped it, with homeowners losing value in their homes due to prices collapsing and bank failures. 500,000 Americans lost their homes bw 1930-32.

- In combating this, FDR was successful. Congress created a loan corporation that refinanced home mortgages, with the differences being absorbed by tax-payer money. That helped 1m. Americans save their homes in two years ('33-'34). Other acts followed and the ground work was laid for the massive home-ownership that would come after WWII thru stabilizing the mortgage system in a way that was new to the 20s.

- Attacks on the New Deal: well, few presidents had enacted that much legislation in such a short period, and they had criticism, both from the awakening of de-regulatory Republicans and the Populist Left (30s).

- The rise of the welfare state created modern Republicans. Their worry was simply that the State had become a controlled regulating force instead of the invisible hand of the free market. And, world events crystallized this view: the rise of the Union of Soviet Social Republics, the world's most centralized and planned state; and then the rise of counter-socialism, fascism, also highly centralized.

- Republicans at first resented being called conservative. The old Victorian concept of a conservative was an aristocrat, they believed in a Republic and that was liberal. And in that arch of classic liberalism, they pivoted against what they saw as the American version of statism. Even FDR continually felt disturbed by growing gov. influence. He declared he was saving capitalism. Republicans and the business world, thru the New Deals regulations, came to believe that free markets were forever lost after the New Deal. Even the Supreme Court was hard on the New Deal and struck down many New Deal reform agencies, as unconstitutional.....not in the federal authority.

***2. The Second New Deal:**

*- The new Deal was somewhat limited in its ability to fix problems, and the Roosevelt Administration even backed off regulations in the mid-30s. The fragile economy plunged again in 1937, the Roosevelt Recession. So, in response, FDR moved towards more progressive intervention, and now not just solely economics but also social justice.

1. Unions: One of the first ND agencies was to deal with labor unions. When the Supreme Court voided the National Industrial Recovery Act (NIRA), there was a mass wave of strikes in 1934 and a call for new legislation, which resulted in the Wagner Act (1935), legalization of unions.

2. Social Security: three main provisions: old-age pension for workers, compensation of unemployed workers, dole for widowed mothers and the blind, deaf and disabled. Limited reach, no health insurance, which seemed radical. The US gov. had now seized responsibility for a sizable portion of ppl. 3. Idea of entitlement.

- New concept of liberalism: liberalism, up until the ND, meant free-markets and weak government. With economist John M. Keynes and education reformer John Dewey, FDR refashioned it to mean: to preserve liberty, government must assist: the liberal welfare state was born. Those who believed in an older form of liberalism: a republic with laissez-faire capitalism were now shifted to conserving those values w/ the GOP.

*- Reform and Stalemate: FDR's first term was astonishing in extraordinary expansion of the federal state. This burst of gov. action was unprecedented, and under a rich person. FDR's second term was a bit of a bust, his programs continued their decline in the Supreme Courts who followed a state-based Constitution, and the economy did not ever fully recover under the ND anyway.

- FDR disliked public relief programs, but with the 1936 election, he pushed the WPA, the Works Progress Administration, which had employed millions in his first years. Like the CCC, these workers repaired and constructed public works: 8.5m Americans, bw '35-'43 repairing 650,000 miles of road, 125,000 public buildings, 124,000 bridges, 8100 parks, 850 airports. For ppl at the time, this was extravagant statism, but it only reached a portion of the unemployed.

*- The Democratic Party: another major accomplishment of FDR was that he created the modern Democratic Party. In the 1800s, the Dems were today's conservatives: no fed involvement in states, economic freedom, law and order, and a strong trend towards racial apartheid. Now the Dems expanded. They still kept the South, but with great difficulty and just temporarily. Instead, they filled w/: organized labor, mid-western farmers, white ethnics (new immigrants who were marginalized but visibly pale), Northern Blacks, the new risen but hurt middle-class families, and the elderly. Some support from progressive Republicans who were not swayed yet into the lib-egal axis.

- For the election of 1936, Republicans chose Alfred M. Landon. He's the first to associate FDR w/ the European fascists, like Mussolini. Landon had no personality, and his message was too new to matter. FDR won in a landslide. FDR was also lucky when his major rival on the Left, Huey Long, was assassinated by a political rival.

- FDR's major rival was the Courts. The public was surprised when he announced a need to change the Courts, bc a few conservatives were holding up progress. Ultimately, a few timely resignations allowed more liberals onto the stand, and they started to view the Constitution as a "living document".

- FDR's next 2nd Term problem came w/ the Roosevelt Recession, 37-38. From the beginning of his tenure, in 1933 to the new term in 1937, the gross domestic product had grown 10% a year; industrial output and income were returning to 1929 levels; and unemployment went from 25% to 14%. So, FDR now thought it was time to slash the fed. budget. Unemployment immediately spiked to 19% even tho Washington thought the "crisis had passed". Reversing course, FDR spent his way out of the self-created recession and Keynesism became even more creditable.

- The Republicans started to coalesce around Southerners, rural folk, and industrial interests. They were not impressed by the theoretical backing of FDR's plans by the famous British economist John Maynard Keynes. Keynes ideas transformed Western capitalism by arguing that government intervention could smooth out the highs and lows of the business cycle through: 1. deficit spending (accept some debt during tough times); 2: and manipulating interest rates. He was seen to be vindicated when the massive war armaments of the Global Conflict finally subdued the Depression.

- The New Deal reached out to ordinary Americans in a new, statist way that would have been remarkable to interventionist progressives: the unemployed, the elderly, workers, and even racial minorities, tho that was limited to appease Southern Democrats. New Dealers created a sizable government and deep bureaucracy. Millions of previously marginalized Americans now had a voice.