

Comparison of Events

The problems in the left column are revealed in the Hoover administration, but they were caused by economic events and decisions before his administration and beyond his administration.

* + (date) = Alteration in this law

Blue = occurring in the 1st 100 days of Franklin Delano Roosevelt's New Deal

Problems Revealed in Hoover's Administration	Solutions Attempted in FDR's New Deal
Protecting freedom of information	FCC (Federal Communications Act) ^{1*} (1980s) (1990s)
Your textbook talks about the Federal Reserve, but these problems are also part of the banking crisis: Bankers – embezzling funds and speculating in stock market Banks closing (run on the bank) with state bank holidays being the only remedy	Initially, Congress in special session > this combination: 1. National Bank Holiday 2. Inspections 3. License/Treasury 4. Fireside chat – radio device used frequently FDIC² *(1980s) Taxpayers insured depositors' money if a bank complied with rules – such as firewall between depositors' money and banks' speculation (1990s) ³
Gold Standard	US off gold standard
Stock Market, private organization for sale of stocks/bonds - Insider trading - Margin buying - Fraud - Sales to the public of stock but no required disclosure ⁴	Regulation of stock market (problems listed in left column) - initially under the FTC (the Federal Trade Commission established under Wilson's presidency), but these responsibilities later went to the SEC ^(1990s) ⁵
Business Not Producing – Businesses are hurting – Workers are hurting – 1 in 4 workers without a job (Scroll down for growing pressures from 1934, especially with the shift to union organization by industries.) – Market saturated	NRA⁶ Later declared unconstitutional right to organize and standards for minimum pay/maximum hours. – used symbol blue eagle in store windows – gave workers right to organize (Later covered in the Wagner Act and its National Labor Relations Board⁷) – set up standards & codes for business (Later covered in the Fair Labor Standards Act ⁸) PWA⁹ – public works, such as Boulder Dam – used steel, concrete
Mortgage – home – farm	Refinancing of both home and farms with varied programs, including 1934 Federal Housing Administration (FHA) that insured loans
People on the edge – young – old (Scroll down for growing pressures after 1934) – blacks – Okies and others in the dust bowl	Varied solutions: – CCC¹⁰ – Boys/conservation projects Later, programs like the NYA ¹¹ – FERA¹² – “made work” Later WPA¹³ – labor & build libraries and schools – Social Security¹⁴ – for aged, orphans, disabled (Why?)
Farmers – market saturation – farmers are hurting – farm labor is hurting (25% of work force)	AAA¹⁵ - After Supreme Court actions, soil conservation – Parity to restore price of prior times – Paying not to grow/plus plow under initially – Helps big farmers most, with tenants and sharecroppers being the ones whose land the big farmers took out of production – 60% income up TVA¹⁶ – conservation and electric power – Results in factory jobs and displacement of some people

1. Pressures from John L. Lewis's development of the CIO (Congress of Industrial Unions) and a split from the old American Federation of Labor, pressures in 1937 from industries (see Ford, Republic Steel) and the CIO's **sit-down strike**

2. From 1934 to the act creating Social Security (pension for old, aid for widows and orphans, unemployment insurance), pressures from left and right – **Father Coughlin** (Radio Priest), **Dr. Frances Townsend**, and Huey Long (Louisiana governor and later senator - nicknamed the “King Fish”)

3. Pressures from the Supreme Court: The Court had declared NRA and parts of AAA unconstitutional. **FDR planned an increase in Supreme Court justices** (disliked by Americans). **The Court, however, backed off**. Both the Wagner Act and Social Security were **not** declared unconstitutional.

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Last Updated: 2017
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¹ These two items from the 1920s provides background for the FCC (Federal Communications Act) in the 1930s.

- In 1922, the Secretary of Commerce Herbert Hoover had conferences (with industry + regions) in Washington and subsequently regulated who used what part of the airwaves.
 - In 1927, Congress passed the Radio Act specifying that the airwaves belonged to the United States (not the broadcasters) and requiring broadcasters to do such things as act in the public interest and show no favoritism for political candidates.
- Source of the two bullets: page 958 and 959 of the *Encyclopedia of American History* (7th edition) by Morris and Morris.

² FDIC - Abbreviation for Federal Deposit Insurance Corporation

³ When discussed in news programs, this is frequently referred to by the legislation—the Glass-Steagall Act—creating the FDIC and the rules that banks had to follow, such as that firewall (also called the “Chinese wall”)—if the bank was FDIC insured and therefore the U.S. taxpayers (*you*) reimbursed depositors if a bank failed.

⁴ *Public* offering (stock sold to the public) regulated only by the *private* stock market that did not require accuracy and disclosure of information.

⁵ SEC - Abbreviation for Securities and Exchange Commission

⁶ NRA - Abbreviation for National Recovery Administration - The Supreme Court later declared this act unconstitutional, with Congress responding by creating the National Labor Relations Board (below) and the Fair Labor Standards Act (below)

⁷ The NRA had included rights for labor unions. With the Supreme Court decision and the NRA gone, the Wagner Act (or National Labor Relations Act) dealt with workers being able to organize and negotiate as union. It sets up a National Labor Relations Board whose purpose included to monitoring union elections and to act if employers followed violated these laws.

⁸ The NRA had included standards for minimum pay and maximum hours. With the NRA gone, in 1938, Congress passed the Fair Labor Standards Act providing for minimum pay and maximum hours (40 per week).

⁹ PWA - Abbreviation for Public Works Administration (*Public works* = term used for taxpayer-owned resources such as water, electricity) – Programs hired both whites and blacks and also built in black areas (not just white)\

¹⁰ CCC - Abbreviation for Civilian Conservation Corps|

¹¹ NYA - Abbreviation for National Youth Administration, including the Office of Negro Affairs, under Mary McLeod Bethune

¹² FERA - Abbreviation for Federal Emergency Relief Administration (*relief* = term used for immediate issues such as food, shelter)

¹³ WPA - Abbreviation for Works Progress Administration - Jobs and relief to both whites and blacks

¹⁴ Funding - payroll tax jointly on employer and employee; discussed then as insurance

¹⁵ AAA - Abbreviation for Agricultural Adjustment Act

¹⁶ TVA - Abbreviation for Tennessee Valley Authority