

The Legacy of the New Deal

1. Extension of the Power of the Federal Government

- A. Banking reforms provide long-term stability
FDIC
- B. Industry monitored by government
SEC, TVA
- C. Agriculture supported by government
AAA – stills pays subsidies

2. Extension of the Power of the President

- active – “imperial presidency”

3. Deficit Spending

- A. Spending more money than government raises in taxes
 - \$300 billion – much of this debt reflected wartime spending
- B. Method to stimulate economy

4. Federal Social Programs

- A. Welfare state responsible for economic security of its people
SSA – expanded, students, mothers with dependents, handicapped
- B. Intended to help in times of need

5. Greater Concern for Workers

- A. National Labor Relations Act
 - right to join unions and bargain with employers – labor’s “magna carta”
- B. Fair Labor Standards Act
 - 40 hr work week, minimum wage, time and a half overtime, no child labor under 16
 - later administrations built upon these two laws to provide workers with safer workplaces, rights to company pensions, and freedom from racial and sexual discrimination.

6. Conservation Gains

- soil conservation, dams and reclaimed grasslands
- permanent part of the political agenda

7. Renewal of Faith in Democracy

- Roosevelt ensured that the US would be strong enough to defend democracy