

- Regulatory reform
 - Article I, Sec 8, Cl 3
 - What is commerce? Limitations?
 - *Gibbons v. Ogden* (1824)
 - Congress “delegated” power to agencies
 - Administrative Procedure Act of 1946
 - Fed Code = 185,000 pages
 - Trump acts
 - Executive Order # 13765
 - Executive Order #13777
 - Congress ends Obama regs
- History of regulations
 - Originally - Fed gov’t did little
 - Post Civil War = Era of “Gospel of Success”
 - Success = making money
 - All embraced Gospel
 - Goal = profits & material goods
 - Success linked w/ “qualities of character”
 - Ex. Hebert Spencer, English philosopher
 - Embraced *laissez faire capitalism*
 - Darwin’s “struggle for life” applied to economics
 - Congress leaves business alone
 - NOTE: Protestant ethic
 - Schools once taught code – *Try, Try Again*
 - Focus = qualities of character & moral virtues
 - Result = accumulation of wealth = natural, Christian, & progressive.
 - Individual responsible for own condition
 - Economy transformed post Civil War
 - From farmers to industrial power
 - US dominates many sectors
 - No one questions “the system”
 - Booms & Busts = natural
 - PLUS = opportunity for “faithful”
 - Both national parties supported
 - Unlike today, Dems & GOP = similar

- Both worked w/ business
- NOTE: corruption?
- Contentious issues left to 3rd parties
- Post-War Boom not built on firm ground
 - Initial trigger = growth by RRs
 - RRs spark industrialization, economic growth & urbanism
 - Result = RR execs rich & powerful
 - Initially all = privately financed
 - Constructed for profit
 - High financial stakes
 - Reputations of barons well deserved
 - “Cutthroat competition”
 - Most lost “struggle for survival”
 - Change = Transcontinentals
 - Idea by Dr. Hartwell Carver
 - Army drafts plans
 - Congress selects “central” route
 - Pacific Railroad Act of 1862 - Union Pacific & Central Pacific
 - NOTE: Credit Mobilier Scandal
 - Corruption & “pork”
 - Union Pacific RR & Credit Mobilier of America
 - Scandal = two parts
 - Congress involved
 - Story breaks in 1872 Election
 - Result = distrust of Congress & business
 - Signs of economic trouble appear 1871
 - Sept 8, 1873 – NY Warehouse & Securities Co. went in bankruptcy
 - Sept 18, 1873 – Jay Cooke & Co. suspends payments
 - Fear triggers Panic of 1873
 - NYSE suspends trading
 - Ripple spreads across nation
 - Economy “resets” unaided
 - Response to Panic of 1873 = reorganization
 - Goal = industrial efficiency; NOT gov’t intervention
 - Industries mechanize

- Factory assembly line
 - Catch 22 = boom & bust
- Reorganization
 - Pools
 - Trusts = Ex. Standard Oil
 - Positives = Ex. Sewing Machine Trust
 - BUT = domino effect
- Call for gov't involvement = gradual
 - 1st target = RRs
 - States move first
 - SCOTUS opens door - *Wabash, St. Louis & Pacific RR Co. v. Illinois* (1886)
- Congress gives into cries for regulation
 - Drafts Interstate Commerce Act (1887)
 - Goes further w/ Sherman Anti-Trust Act (1890)
 - Measures don't deter competition
- Panic of 1893
 - First signs = 1890
 - Congress reacts w/ Sherman Silver Purchase Act (1890)
 - Feb 20, 1893 – Philadelphia & Reading RR = bankrupt
 - Cleveland blames cheap silver
 - Trickle becomes flood
 - Demands for relief
 - Impacts US Treasury
 - Cleveland “borrows” from JP Morgan
 - Ex. JP Morgan = master of Bankers
 - Creates “conglomerate”
 - “Morganization”
 - Draws investors; touches entire economy
 - Terms
- Progressive Era = more gov't “intrusion”
 - T.R. Administration = 3 broad areas of achievement
 - 1) RR regulation
 - Ex. Hepburn Act 1906
 - By 1908, shippers made 9000+ appeals to ICC
 - Many RR rates revised downward

- 2) Consumer Protection
 - NOTE: Harvey Wiley & Samuel Hopkins Adams
 - Meat-Inspection Act of 1906
 - Pure Food & Drug Act of 1906
- 3) Conservation
 - Forest Reserve Act of 1891
 - Also numerous Executive Orders
 - Transfer Act of 1905
- Wilson Administration expands power
 - 1) Push to control value of currency
 - » Federal Reserve Act of 1913
 - 2nd expands regulation of economy
 - » 1) Federal Trade Commission Act of 1914
 - » 2) Clayton Anti-Trust Act of 1914
 - 3) Intrusion into private sector
 - » Keating-Owen Child Labor Act of 1916
 - » NOTE: *Hammer v. Dagenhart* (1918)
 - » Adamson Act of 1916
 - » NOTE: *Wilson v. New* (1917)
- Great expansion = FDR & New Deal
 - Justification = Great Depression
 - Policies = varied
 - FDR's advisers & "Brain Trust"
 - Experiment w/ currency inflation gov't subsidies
 - Result = deficit spending
- Greatest danger = bank insolvency
 - States declare "bank holidays"
 - FDR suspends all banking
 - Emergency Banking Act of 1933
 - Executive Order 6073
 - Fireside Chats
 - Banking reform follows
 - Glass-Steagall Act of June 1933
 - Banking Act of 1935
- Increased supervision of stock market

- Securities Act 1933
- Securities and Exchange Act 1933
- Moves to control business
 - National Industrial Recovery Act of 1933
 - NOTE: National Recovery Administration
 - General Hugh Johnson
 - NOTE: *Schechter Poultry Corporation v. United States* (1935)
- New Dealers also took action in Agriculture
 - Agricultural Adjustment Act of 1933
 - *United States v. Butler* (1936)
- FDR targets court - Hughes Court
 - Chief Justice = Charles Evans Hughes plus “Four Horsemen”
 - Proposes Judicial Procedures Reform Bill of 1937
 - Result = traditionalists terrified
 - “New Deal” Court (aka Stone Court) upheld New Deal policies
- Consequence = National government broadens powers
 - From 1937-1995, SCOTUS doesn’t block national regulations
 - Targets state, local, & private actions w/ “Preemption Doctrine”
 - NOTE: Article VI, Clause 2
 - Most egregious = *Wickard v. Filburn* (1942)
 - Result = explosion of Federal Regulations
- Apparent Change = *US v. Lopez* (1995)
 - Since, SCOTUS remains hesitant to act
 - Ex. *National Federation of Independent Business v. Sebelius* (2012) & Obamacare