



Objectives

1. Learn how Franklin Roosevelt won the 1932 presidential election.
2. Find out how the New Deal tried to promote economic recovery.
3. Understand what new laws regulated America's economic system.
4. Identify obstacles and criticisms faced by the New Deal.

Prepare to Read

Reading Skill

Evaluate Causes and Effects

When events have multiple effects, some may be positive and others negative. As you read the following section, look for events that have multiple effects or trigger cause-and-effect chains. Decide if you think the effects are positive or negative.

Vocabulary Builder

High-Use Words

specify, p. 777

infrastructure, p. 778

Key Terms and People

Franklin D. Roosevelt, p. 776

fireside chat, p. 777

Huey Long, p. 781

Francis Townsend, p. 781

pension, p. 781

Charles Coughlin, p. 781

★ Background Knowledge In the last section, you learned how the Great Depression began. In this section, you will see how a new President tried to deal forcefully with the crisis.

Main Idea

In 1932, voters elected a new President, Franklin Roosevelt, who promised to take action against the Depression.

Franklin D. Roosevelt

The Democrats nominated **Franklin D. Roosevelt** to run against Hoover in 1932. He became known to Americans as FDR.

Background FDR was a wealthy New Yorker and distant relative of Theodore Roosevelt. He had served as assistant secretary of the navy and was nominated for Vice President in 1920.

A year later, Roosevelt was stricken with polio, a deadly disease. For the rest of his life, he depended on steel leg braces to stand up. Determined to appear strong, Roosevelt never allowed photographers to take his picture in a wheelchair. In fact, most Americans never knew that Roosevelt's legs were paralyzed.

In 1928, he was elected governor of New York. Four years later, the Democrats tapped the popular governor to run for President.



Roosevelt bumper sticker

A Voice of Hope During the campaign, Roosevelt pledged "a new deal for the American people." The term *New Deal* would later come to describe his entire political program. The election results were overwhelming. Roosevelt beat Hoover by a margin of 472 electoral votes to 59. Roosevelt received 57.4 percent of the popular vote.

On March 4, 1933, supported on his son's arm, Roosevelt slowly shuffled a few steps to the platform. After taking the oath of office, the new President reassured Americans:

"This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."

—Franklin Roosevelt, First Inaugural Address, 1933

FDR did not **specify** what actions he would take. Still, the American people were encouraged by the new President's confidence.

Bank Holiday An optimistic FDR quickly went into action. The day after he took office, Roosevelt declared a bank holiday, a four-day closing of the nation's banks. Its goal was to halt the nationwide epidemic of bank failures. The bank holiday gave FDR time to propose an Emergency Banking Relief Act, which provided more careful government regulation of banks.

To restore Americans' confidence in their banks, Roosevelt delivered the first of many **fireside chats**, or **radio talks**. He told Americans, "It is safer to keep your money in a reopened bank than under the mattress." The next day, most of the nation's banks reopened. A relieved public began to redeposit its savings.

✓Checkpoint What was the goal of FDR's bank holiday?

Relief for the Jobless

To decide what legislation to send to Congress, FDR conferred with a group of advisers. FDR's advisers were nicknamed the "brain trust" because several members had been college professors.

Fireside Chat

This coal miner (right) listens intently to a fireside chat by President Franklin Roosevelt (left). A friend of FDR said, "His face would smile and light up as though he were actually sitting on the front porch or in the parlor with them." **Critical Thinking:** **Link Past and Present** How do Presidents communicate their ideas to the American people today?



Main Idea

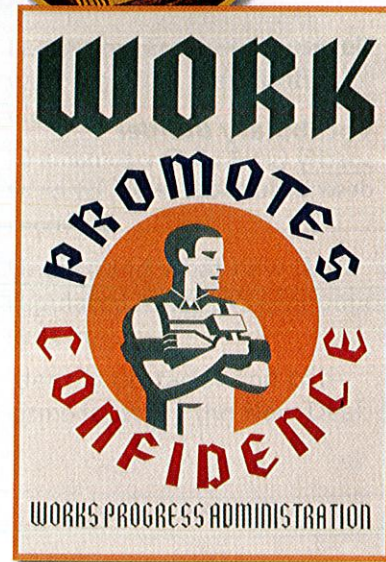
One goal of the New Deal was to provide jobs for the unemployed.

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CCC badge (top) and WPA poster (bottom)

Main Idea

Other New Deal programs were aimed to help industry and tackle rural poverty.

Vocabulary Builder

infrastructure (IHN frah struhk chahr) *n.* underlying foundation on which a community or nation depends, such as its roads, bridges, etc.

During the whirlwind first hundred days of FDR's administration, Congress passed and the President signed a record 15 new bills. These New Deal measures had three goals: (1) relief for the jobless, (2) economic recovery, and (3) reforms to prevent future depressions.

Unemployment Relief Some measures helped the unemployed by providing financial assistance. The Federal Emergency Relief Administration, or FERA, granted funds to states so they could reopen shuttered relief agencies.

Providing Jobs Other programs employed jobless adults. The Civilian Conservation Corps (CCC) hired city dwellers to work in America's national parks, forests, wilderness areas, and countryside. Millions of young men planted trees, built reservoirs, constructed parks, and dug irrigation canals. In addition to providing jobs, the CCC conserved the nation's natural resources.

Another program, the Works Progress Administration (WPA), put people to work building or repairing public buildings, such as schools, post offices, and government offices. WPA workers paved 650,000 miles of roads, raised more than 75,000 bridges, and built more than 800 airports. The WPA also paid artists to paint murals in post offices and government buildings and hired writers to write stories, state guides, and histories.

Checkpoint How did the CCC and WPA help the jobless?

Promoting Economic Recovery

In 1933, the President faced an enormous challenge. He needed to help two sectors of the economy recover: industry and agriculture.

National Recovery Administration As you saw, one of the causes of the Depression had been overproduction. Some competing businesses lured consumers by slashing prices. As a result, they had to lay off workers or cut wages.

A new federal agency, the National Recovery Administration (NRA) aimed to keep prices stable while boosting employment and buying power. Most of the country's major industries agreed to pay workers a minimum wage, to stop hiring children, and to keep wages and prices from falling too low.

The NRA succeeded in raising prices. However, critics charged that the agency's codes favored large businesses. More important, the NRA failed to improve the economy.

Public Works Administration Another agency, the Public Works Administration (PWA), was granted more than \$3 billion to build large public-works projects. The PWA improved the nation's **infrastructure** and employed many people.

PWA projects included New York's Lincoln Tunnel, Florida's Key West Highway, and the Grand Coulee Dam in Washington. In fact, nearly every county in the nation could boast at least one PWA project. Even so, the Great Depression continued.

Tennessee Valley Authority

MAP MASTER®
Skills Activity

The TVA combated flooding and brought electricity to millions of people.

(a) **Interpret Maps** What did the TVA do to control flooding on the Tennessee and the Cumberland rivers?

(b) **Apply Information** Based on the map, why was the Tennessee River valley a good area in which to build power plants?

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KEY

- Major dams
- Area served by TVA electric power

0 km 100
0 miles 100
Albers Conic Equal-Area Projection

Tennessee Valley Authority In 1933, Congress formed the Tennessee Valley Authority (TVA). This agency built giant dams along the Tennessee River. Planners believed that these dams would control flooding, provide cheap electricity, and increase jobs and prosperity in one of the country's poorest rural areas.

The TVA accomplished its major goals. By 1945, power from TVA plants lit thousands of farms that had never before enjoyed electricity. Still, the TVA failed to relieve the region's poverty. Conservatives criticized the TVA for driving some property owners off their land. They also argued that it was unfair for the government to compete with private power companies.

More recently, other critics have claimed that the TVA disrupted the natural environment and that some TVA projects led to increased air pollution. Still, in the 1930s, the popular TVA seemed to symbolize government planning at its best.

Checkpoint What was the goal of the NRA?

Reforming the Economic System

The third part of Roosevelt's plan—reforming the economic system—aimed to prevent future depressions. The Truth-in-Securities Act, for example, required corporations to inform the public fully about their stocks. This act corrected one of the conditions that had contributed to the stock market crash.

The Federal Deposit Insurance Corporation (FDIC), created in 1933, protected bank depositors. It guaranteed individual deposits up to \$2,500. By raising public confidence in banks, the FDIC stemmed the tide of bank failures.

Evaluate Causes and Effects
Evaluate the positive and negative effects of the TVA on the Tennessee Valley region.

Main Idea

The third goal of the New Deal was to prevent another depression.

FDR and the Supreme Court

FDR beats a drum labeled "New Deal."



This man is Chief Justice Charles Evans Hughes.



Reading Political Cartoons

Skills Activity

Congress passed most New Deal legislation. However, the Supreme Court overturned some key measures. This cartoon is based on a famous painting about the American Revolution.

- (a) **Interpret Cartoons** What do the three figures represent? What seems to be the attitude of FDR and Hughes toward each other?
- (b) **Draw Conclusions** Summarize the main idea of this cartoon.

Other New Deal agencies set fairness and safety standards for various industries. The Federal Power Commission (FPC), for example, helped control the oil and gas industries. The New Deal also strengthened the power of the Food and Drug Administration to ensure product safety.

✓ **Checkpoint** How did the FDIC protect bank depositors?

Main Idea

New Deal programs were challenged by the Supreme Court and by a number of critics.

Obstacles to the New Deal

Millions of Americans were enthusiastic about the New Deal. As a result, FDR won reelection in 1936 by a wide margin. Still, the New Deal faced a major challenge in the Supreme Court.

Supreme Court In 1935 and 1936, the Supreme Court declared several New Deal measures, including the NRA, to be unconstitutional. In response, Roosevelt proposed appointing up to six new Supreme Court justices. He claimed that he wanted to relieve the overworked judges. However, conservatives protested. They understood that FDR had designed this "court-packing plan" to gain a majority of justices.

Congress embarrassed the President by defeating his plan. Even so, FDR won a backdoor victory. When a conservative justice resigned in 1937, Roosevelt appointed a liberal in his place. FDR eventually named eight Supreme Court justices.

New Deal Critics Conservatives claimed that the New Deal went too far in regulating businesses and restricting individual freedom. On the other hand, some liberals thought it did not go far enough in helping the poor.

Three New Deal critics attracted widespread attention and some national support. **Huey Long**, a Democratic senator from Louisiana, argued that the government could end the Depression immediately. Long proposed to tax the wealthy and distribute their wealth to the poor. Long's radio speeches on behalf of what he called the Share Our Wealth plan won many enthusiastic followers.

A California doctor, **Francis Townsend**, called for a system of government **pensions, or retirement payments**. Under Townsend's plan, retired Americans over the age of 60 would receive \$200 each month as long as they pledged to spend all the money. Congress never approved the Townsend plan, but it later helped set the stage for the government-supported pensions of the Social Security system. You will read about Social Security in Section 4.

Like Huey Long, Father **Charles Coughlin** used the radio to attract followers. A Catholic priest from Michigan, Coughlin came to distrust Roosevelt's policies on banking and money. Coughlin called on the government to take over the banks.

Supporters of Long, Townsend, and Coughlin eventually joined forces to back a third-party candidate in the 1936 election. However, they were not strong enough to combat FDR's popularity.

✓ **Checkpoint** Why did FDR try to increase the size of the Supreme Court?

★ **Looking Back and Ahead** In this section, you have read how Roosevelt tried to tackle the problems of the Great Depression. In the next section, you will see how the Depression affected American life.



Huey Long addresses a rally in Louisiana.

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Comprehension and Critical Thinking

- (a) **Recall** What were the three goals of the New Deal?
(b) **Organize Information** Categorize five New Deal measures according to these three goals.
- (a) **Recall** How did the Supreme Court threaten the New Deal?
(b) **Draw Inferences** How might Roosevelt's response have threatened separation of powers in the federal government?

Reading Skill

- Evaluate Causes and Effects** Reread the text under the heading "Relief for the Jobless." Evaluate the positive or negative effects of FDR's plan to help the poor and unemployed.

Vocabulary Builder

Read each sentence below. If the sentence is true, write YES. If the sentence is not true, write NO and explain why.

- Townsend's **pension** plan forced retired people to pay higher taxes.
- In his **fireside chats**, FDR explained his programs directly to the American people.

Writing

- List two topics for a multimedia presentation about Franklin Roosevelt's presidency.