

What You Will Learn...

Main Ideas

1. Congress approved many new programs during the Hundred Days.
2. Critics expressed concerns about the New Deal.
3. New Deal programs continued through Roosevelt's first term in what became known as the Second New Deal.
4. Roosevelt clashed with the Supreme Court over the New Deal.

The Big Idea

Franklin Roosevelt's New Deal included government programs designed to relieve unemployment and help the economy recover.

Key Terms and People

New Deal, p. 784
 fireside chats, p. 785
 Tennessee Valley Authority, p. 785
 Frances Perkins, p. 785
 Eleanor Roosevelt, p. 787
 Social Security Act, p. 787
 Congress of Industrial Organizations, p. 788
 sit-down strike, p. 788

TAKING NOTES

As you read, take notes on the challenges the nation and President Roosevelt faced during the Great Depression in a chart like the one below.

The Nation	President Roosevelt

Roosevelt's New Deal

If YOU were there...

It has been five months since you lost your job. One of your friends has found work in a new government program that is hiring young people to work in national parks and forests. The pay is low, and you would have to leave home, but you would have enough food, a place to live, and a little money to send back to your family every month.

Would you take a job with the Civilian Conservation Corps? Why or why not?

BUILDING BACKGROUND When he ran for president in 1932, Franklin D. Roosevelt promised to provide relief to people suffering from the Depression. Even before he took office, Roosevelt began making plans with his Brain Trust, a group of expert advisers. People endured the harsh winter of 1932–1933, looking forward to Roosevelt's inauguration.

The Hundred Days

Immediately after taking the oath of office in March 1933, President Franklin Roosevelt spoke to the nation. In his first inaugural address, Roosevelt told nervous Americans that economic recovery was possible. "The only thing we have to fear is fear itself," he said, "nameless, unreasoning, unjustified terror." It was only fear of the future, he argued, that could keep America from moving forward. Roosevelt spoke openly of the severe problems facing the American people—unemployment, failing banks, and products with no markets. He promised that the government would help. "This nation asks for action," he said, "and action now."

The action began when Roosevelt called Congress into a special session. Known as the Hundred Days, the session started just after the inauguration and lasted until the middle of June. During the Hundred Days, Roosevelt and Congress worked together to create new programs to battle the Depression and aid economic recovery. These programs became known as the **New Deal**.

Tennessee Valley Authority, 1933–1945



GEOGRAPHY SKILLS

INTERPRETING MAPS

- 1. Human-Environment Interaction** What changes were made to the environment by the TVA?
- 2. Place** Where were most of the dams built?

Restoring Confidence

One of Roosevelt's first goals was to restore confidence in American banks. The day after his inauguration, Roosevelt announced a "bank holiday," ordering all banks to close temporarily. Three days later, Congress's special session began. Congress quickly passed the Emergency Banking Relief Act, and President Roosevelt signed it into law.

That Sunday, President Roosevelt gave the first of his **fireside chats**—radio addresses in which he spoke directly to the American people. In this first fireside chat, he explained the new bank relief law. The government would inspect the finances of every bank and allow only healthy banks to reopen. The new bank law and Roosevelt's fireside chat helped Americans trust banks with their money again. As banks reopened, there were no rushes to withdraw money. Over the next month, Americans deposited almost \$1 billion in banks.

Relief and Recovery

Roosevelt next turned his attention to other serious problems. In 1933 some 13 million Americans—about 25 percent of the nation's workforce—were unemployed. New Deal programs helped to get Americans back to work. The Civil Works Administration (CWA)

employed more than 4 million Americans building roads and airports. One grateful CWA worker expressed the feelings of many when he said, "I was working, and I could again hold my head up when I met people." The Civilian Conservation Corps (CCC) provided jobs for hundreds of thousands of people through projects such as planting trees and improving national parks.

Another federal project, the **Tennessee Valley Authority (TVA)**, hired people to build dams and generators, bringing electricity and jobs to communities in the Tennessee River valley. The New Deal also included programs to help farmers. The Farm Credit Administration (FCA) helped farmers refinance their mortgages so they could keep their farms. The Agricultural Adjustment Act (AAA) helped stabilize agricultural prices.

The National Industrial Recovery Act (NIRA) addressed business concerns by eliminating unfair competition among companies. This law was passed with support from Secretary of Labor **Frances Perkins**, the nation's first female Cabinet member.

READING CHECK Categorizing Which New Deal programs employed people to build public projects?

FOCUS ON READING

What is the main idea of this paragraph?

Primary Source

RADIO BROADCAST Fireside Chats

An American family sits around the radio listening to President Roosevelt answer his critics in his first fireside chat.

“There is an element in . . . our financial system more important than currency [money], more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing [driving away] fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work. It is your problem no less than it is mine. Together we cannot fail.”



ANALYSIS
SKILL

ANALYZING PRIMARY SOURCES

According to Roosevelt, how should the American people help the government deal with the banking crisis?

New Deal Critics

While many Americans approved of the New Deal, others criticized President Roosevelt's programs. New Deal critics fell into two main groups—those who believed the New Deal went too far, and those who believed it did not go far enough.

Those who felt the New Deal went too far criticized the enormous expansion of the federal government. For example, members of the American Liberty League said that New Deal laws gave the president too much **authority**. Many business leaders were concerned that the high cost of new government programs would lead to new taxes. As one writer explained:

“It's simple arithmetic to figure that taxpayers must pay the bills for current billions of emergency expenditures. The question is, Which taxpayers? Under this administration the answering finger points pretty much in the direction of business interests. Thus higher taxes of the future will eat into profits.”

—W. H. Kiplinger, quoted in *The New Deal and the American People*, edited by Frank Freidel

One critic who thought the New Deal did not go far enough was a U.S. senator

from Louisiana, Huey Long. Long proposed a program called “Share Our Wealth,” which would tax rich Americans and use the money to help the poor. Every family would be guaranteed an annual income of \$5,000. As Long prepared to challenge Roosevelt in the 1936 election, he announced his goal “to break up the swollen fortunes of America and to spread the wealth among all our people.” Long's White House dreams ended when an assassin shot him in 1935.

Another fierce critic of Roosevelt's New Deal was Father Charles Edward Coughlin. Coughlin was a Roman Catholic priest in Detroit who developed a large following by broadcasting sermons over the radio. Although he initially supported Roosevelt and his programs, Coughlin eventually decided that the New Deal helped only business interests. Coughlin wanted the government to nationalize, or take over, all of the country's wealth and natural resources.

READING CHECK Supporting a Point of View

Do you agree with any of the New Deal critics? Why or why not?

ACADEMIC VOCABULARY

authority power, right to rule

The New Deal Continues

Despite criticism of the New Deal, Democrats increased their majorities in both houses of Congress in the 1934 election. With this show of support from the American people, Roosevelt continued to introduce additional New Deal legislation. These later laws were known as the Second New Deal.

The Second New Deal

After the Civil Works Administration ended in 1934, Congress formed a new agency to provide jobs for unemployed Americans. Between 1935 and 1943, the Works Progress Administration (WPA) employed some 8.5 million people on tens of thousands of projects all over the country. WPA employees built more than 650,000 miles of roads; 75,000 bridges; 8,000 parks; and 800 airports. WPA workers also built the Grand Coulee Dam in Washington and New York City's Lincoln Tunnel, as well as prisons, swimming pools, hospitals, and courthouses nationwide.

First Lady **Eleanor Roosevelt** was an active supporter of New Deal programs. She was concerned, however, that the WPA was

not solving the problem of unemployment among young Americans in their teens and early twenties. "I live in real terror when I think we may be losing this generation," she said. "We have got to bring these young people into the active life of the community and make them feel that they are necessary." The first lady helped convince the president to create the National Youth Administration (NYA). The NYA gave part-time jobs to many students. These jobs allowed young workers to stay in school and help their families. One NYA worker said, "I tell you, the first time I walked through the front door with my paycheck, I was somebody!"

President Roosevelt also wanted to help those who were "unable . . . to maintain themselves independently . . . through no fault of their own." The **Social Security Act**, passed in 1935, provided some financial security for the elderly, the disabled, children, and the unemployed. To help pay for these programs, the law placed a new tax on workers and employers. The passage of the Social Security Act marked the first time the federal government took direct responsibility

THE IMPACT TODAY

Social Security today is a matter of great debate. Some Americans support the continuation of the program, while others believe that the government spends too much on the program and it should be privatized.

Selected New Deal Programs



Program	Purpose
Emergency Banking Relief Act	Gave the executive branch the right to regulate banks
Farm Credit Act (FCA)	Refinanced loans to keep farmers from losing their land
Civilian Conservation Corps (CCC)	Created jobs for single, unemployed young men
Agricultural Adjustment Act (AAA)	Paid farmers to grow less (declared unconstitutional)
Tennessee Valley Authority (TVA)	Built dams and power plants in the Tennessee Valley
Federal Deposit Insurance Corporation (FDIC)	Guaranteed deposits in individual bank accounts
National Industrial Recovery Act (NIRA)	Established fair competition laws (declared unconstitutional)
Civil Works Administration (CWA)	Provided jobs for the unemployed
Works Progress Administration (WPA)	Created jobs in construction, research, and the arts
National Youth Administration (NYA)	Provided part-time jobs to students
National Labor Relations Act (Wagner Act)	Recognized unions' right to bargain collectively
Social Security Act	Provided government aid to the retired and unemployed

for many citizens' economic well-being. In a national radio address, Secretary of Labor Perkins told Americans she believed Social Security was "a most significant step in our national development, a milestone in our progress toward the better-ordered society."

New Deal Labor Programs

The National Industrial Recovery Act of 1933 helped regulate business by requiring minimum wage and allowing collective bargaining. In 1935, however, the Supreme Court declared the NIRA unconstitutional.

In response to this setback, Congress passed the National Labor Relations Act (NLRA). This law is sometimes called the Wagner Act after its sponsor, Senator Robert F. Wagner of New York. This law allowed workers to join labor unions and take part in collective bargaining. It also established the National Labor Relations Board to oversee union activities. Union membership grew after the passage of the Wagner Act. Organized labor became a powerful political force.

At the start of the Depression, many skilled workers belonged to craft unions. Such unions were often associated with the

American Federation of Labor, which had existed since the 1880s. Unskilled workers, however, such as those who worked on assembly lines, did not qualify to belong to AFL unions. In 1935 a new union called the **Congress of Industrial Organizations (CIO)** organized workers into unions based on industry, not skill level. For example, all workers in the automobile industry would belong to the same union. The CIO also welcomed African American and Hispanic members, as well as women and immigrants.

Unions led a number of major strikes during the Depression. On New Year's Eve 1936, the CIO went on strike against General Motors for 44 days. Instead of leaving the buildings as strikers usually did, workers stayed in the factories so they could not be replaced by new workers. This strategy became known as the **sit-down strike**. The success of the General Motors strike attracted more workers to CIO unions.

READING CHECK Comparing and Contrasting

How were the WPA and the Social Security Act similar, and how were they different?

National Youth Administration

A New Deal program called the National Youth Administration (NYA) helped thousands of young people continue their education while working to support their families. Eleanor Roosevelt was a strong supporter of the program, which aimed to teach young people the skills they would need to remain part of the workforce.

How did the NYA demonstrate the ideals of the New Deal?



Clashes with the Court

Roosevelt won re-election by a huge margin in 1936, carrying every state but Maine and Vermont. Democrats expanded their dominant control of Congress. But Roosevelt and the Democrats in Congress could not control the Supreme Court.

In 1935 the Supreme Court issued a series of rulings declaring several New Deal programs, including the AAA, unconstitutional. Roosevelt and his advisers felt that the entire New Deal was in danger. “Mr. President, they mean to destroy us,” said Attorney General Homer Cummings.

Roosevelt decided to propose a plan for reorganizing the federal judiciary that was soon to be labeled the “court-packing” bill. This bill would allow the president to appoint a new Supreme Court justice for every justice who was 70 years old or older. Roosevelt would be able to appoint six new justices immediately.

Roosevelt’s judiciary plan drew harsh criticism from Congress and the public. Critics charged that Roosevelt was trying to change the balance of power so carefully defined in the U.S. Constitution. After a heated debate, Congress rejected the bill. The Supreme Court, however, did not overturn any more New Deal legislation. Roosevelt eventually had the opportunity to nominate nine new Supreme Court justices to replace those who had retired or died.

READING CHECK Analyzing Information Why did Roosevelt try to alter the Supreme Court?

SUMMARY AND PREVIEW Roosevelt’s New Deal programs brought economic relief to many Americans. In the next section you will read about how the country continued to suffer the effects of the Depression.

Section 2 Assessment

Reviewing Ideas, Terms, and People

- Recall** What were the Hundred Days?
 - Make Inferences** What was the purpose of the bank holiday Roosevelt declared?
 - Evaluate** Which of the **New Deal** programs that passed during the Hundred Days was most effective? Why?
- Describe** Who were some of the critics of the New Deal?
 - Contrast** How were the ideas of Huey Long and the American Liberty League different?
 - Elaborate** Why do you think people supported New Deal critics such as Huey Long and Father Coughlin?
- Identify** What programs were part of the Second New Deal?
 - Make Inferences** Why did the Wagner Act encourage people to join unions?
- Recall** What happened to some of the New Deal programs when they were challenged in court?
 - Make Inferences** What was the purpose of Roosevelt’s judiciary reorganization bill?