

CHAPTER 15 Section 1 (pages 488–494)

A New Deal Fights the Depression

BEFORE YOU READ

In the last section, you read about Herbert Hoover's reaction to the Great Depression.

In this section, you will learn about Franklin Delano Roosevelt's programs to fight the Depression.

AS YOU READ

Use the chart below to take notes on the problems Roosevelt faced at the beginning of his presidency and how he tried to solve them.

TERMS AND NAMES

Franklin Delano Roosevelt
32nd president

New Deal Franklin Roosevelt's programs to end the Depression

Glass-Steagall Act Law that created insurance for bank deposits

Federal Securities Act Law to regulate stock information

Agricultural Adjustment Act (AAA)
Programs to help farmers

Civilian Conservation Corps (CCC)
Program to employ young men in work projects

National Industrial Recovery Act (NIRA) Programs to help industry

deficit spending Spending more than the government receives in revenue

Huey Long Political leader from Louisiana who criticized the New Deal

PROBLEM	SOLUTION
Bank failures	bank holiday Emergency Banking Relief Act

Americans Get a New Deal

(pages 488–490)

What were the goals of the New Deal?

By the end of 1932, Americans were ready for a change. Democratic candidate **Franklin Delano Roosevelt**—often called FDR—beat Hoover in the presidential election of 1932 by a landslide. Democrats also won large majorities in the House and Senate.

Roosevelt and his advisors planned programs to end the Depression. These programs became known as the **New Deal**. It had three goals: relief for the needy, economic recovery, and financial reform.

In the first Hundred Days, Congress quickly passed many important laws. These laws expanded the federal government's role in the nation's economy.

Roosevelt declared a "bank holiday." He closed the banks to prevent more bank failures. Then Congress passed the Emergency Banking Relief Act, which allowed healthy banks to reopen. This restored public confidence in banks. So did the **Glass-Steagall Act**. It established the Federal Deposit Insurance Corporation (FDIC), which protects the savings people put in banks. Congress also passed the **Federal Securities Act**. This law made companies give accurate information in its stock offerings. Later, Congress created the

Securities and Exchange Commission (SEC) to regulate stock markets.

FDR spoke directly to the American people in radio talks called "fireside chats." He explained the New Deal measures and asked for public support. These chats did a lot to restore the nation's confidence.

1. Describe the three goals of the New Deal.

Helping the American People

(pages 491–492)

Who did the New Deal help?

Roosevelt worked to help farmers and other workers. The **Agricultural Adjustment Act (AAA)** helped to raise crop prices by lowering production.

The New Deal included programs that gave relief through work projects and cash payments. The **Civilian Conservation Corps (CCC)** put young men to work building roads and planting trees. The Federal Emergency Relief Administration (FERA) provided direct relief of food, clothing, and cash to the needy.

The **National Industrial Recovery Act (NIRA)** set codes of fair practice for industries. It also guaranteed the workers' right to organize unions. The NIRA set up the National Recovery Administration (NRA) to stop the trend of wage cuts, falling prices, and layoffs.

The Home Owners Loan Corporation (HOLC) was set up to provide government loans to homeowners who faced foreclosure because they could not make their loan payments. The Federal Emergency Relief Administration (FERA) provided direct relief to the needy.

2. How did the New Deal provide help to different groups of Americans?

The New Deal Comes Under Attack

(pages 492–494)

Who criticized the New Deal?

Roosevelt reluctantly financed the New Deal through **deficit spending**—spending more money than the government receives in revenue. Although the New Deal programs benefited many people and helped restore public confidence, some people criticized it. Some liberals said it did not do enough to help the poor. Conservative critics said it gave the federal government too much control over agriculture and business.

The Supreme Court found two important parts of the New Deal unconstitutional. The Court struck down the NIRA and the AAA. This upset Roosevelt. He proposed a bill to allow him to appoint more new Supreme Court justices.

Critics claimed that Roosevelt was trying to "pack the Court" with justices who supported him. Protest over this proposal cost Roosevelt support. But as justices resigned from the Court, Roosevelt was able to appoint seven new justices. Court decisions began to favor the New Deal.

Three critics of Roosevelt were particularly important. Father Charles Coughlin was a Roman Catholic priest. He used his popular radio sermons to criticize Roosevelt. His anti-Jewish views eventually cost him support.

Dr. Francis Townsend proposed a *pension plan* to give monthly payments to the elderly. Many elderly voters liked Townsend's plan.

The most serious challenge to the New Deal came from Senator **Huey Long** of Louisiana. He was an early supporter of the New Deal. But he wanted to become president himself. Long proposed a program called Share Our Wealth. In 1935, at the height of his popularity, Long was assassinated.

3. List two critics of the New Deal and describe their arguments.
