

# **FDR AND THE NEW**

## **DEAL SSUSH18**

**The student will describe  
~~Franklin~~ Roosevelt's New  
~~Deal~~ as a response to the  
depression and compare  
the ways governmental  
programs aided those in  
need**

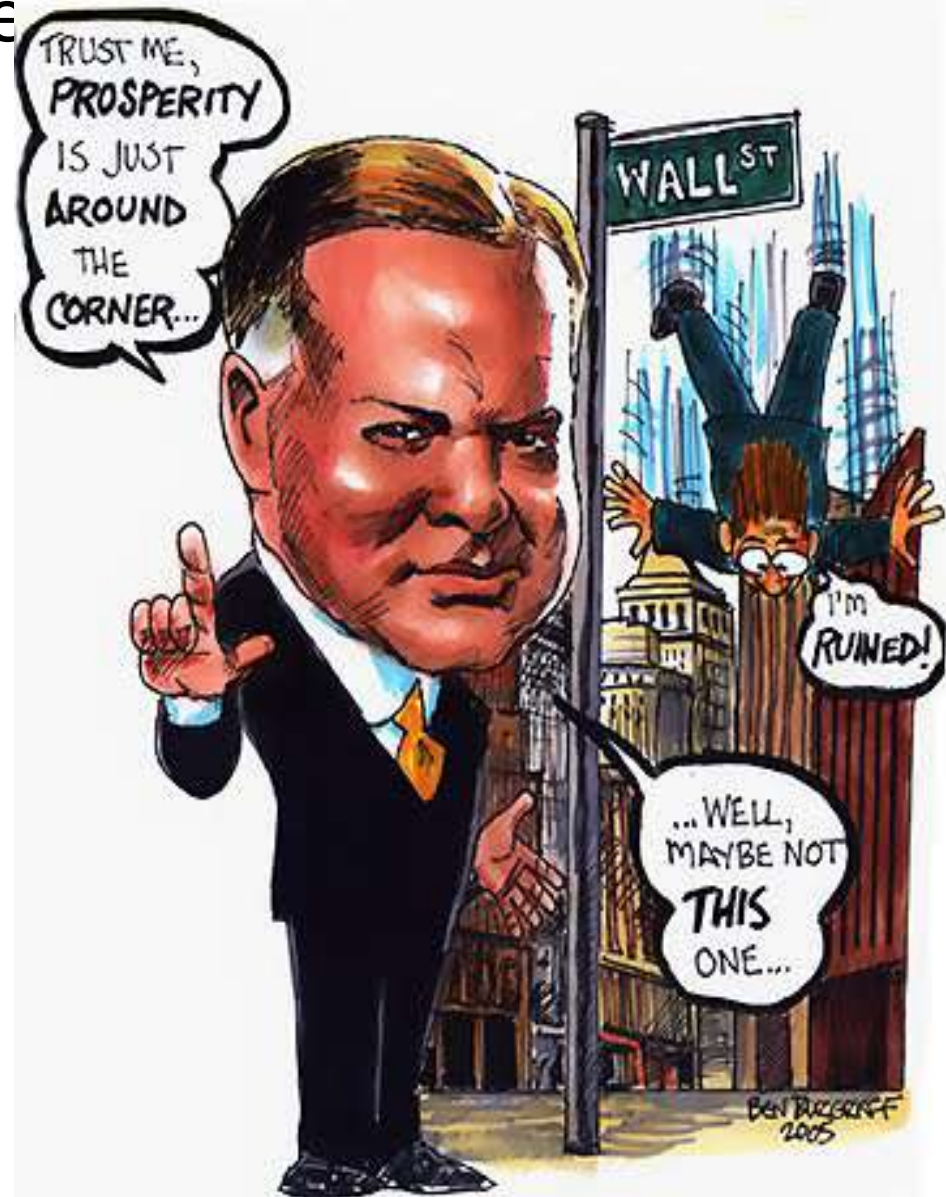
From 1929 to 1932, President Hoover was **criticized** for not doing more to **end** the

depression

Tens of thousands of **businesses** failed and unemployment rose to **25%**

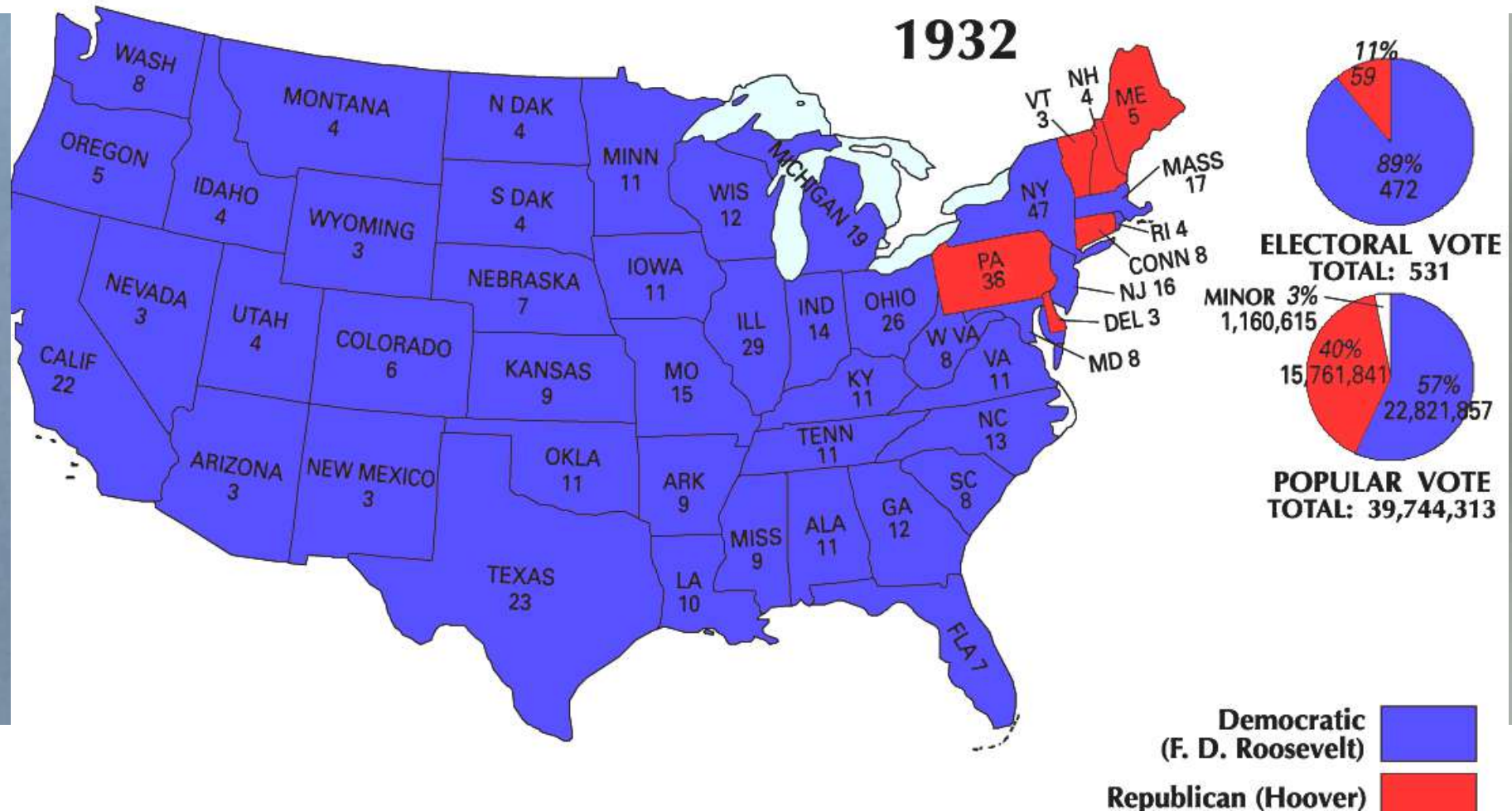
The American **banking** system collapsed

Hoover initially relied on **rugged individualism** but offered relief checks and **job** programs, but it was seen as too little, too late



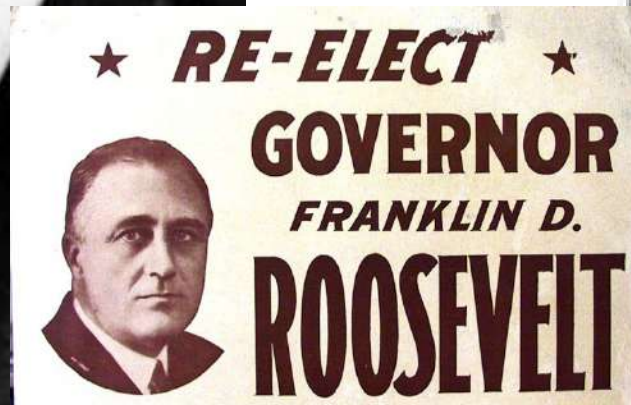
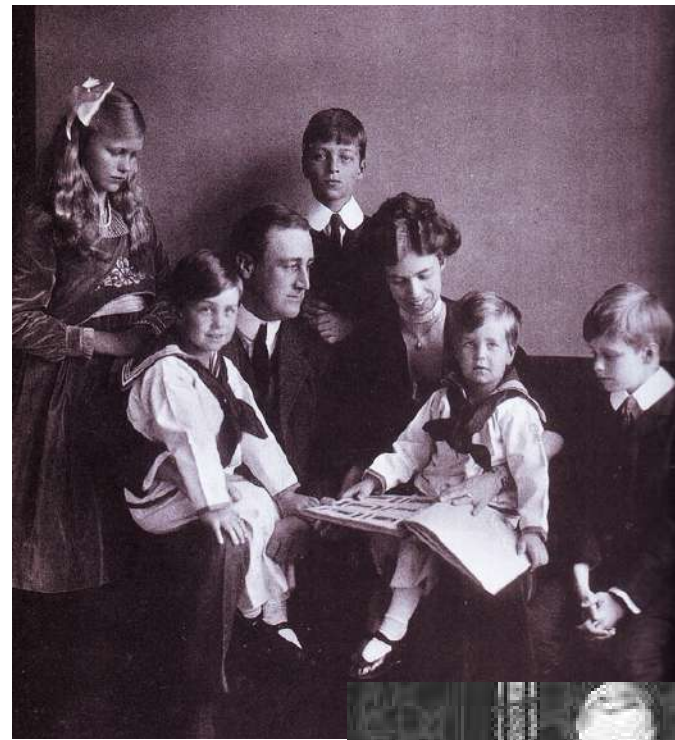
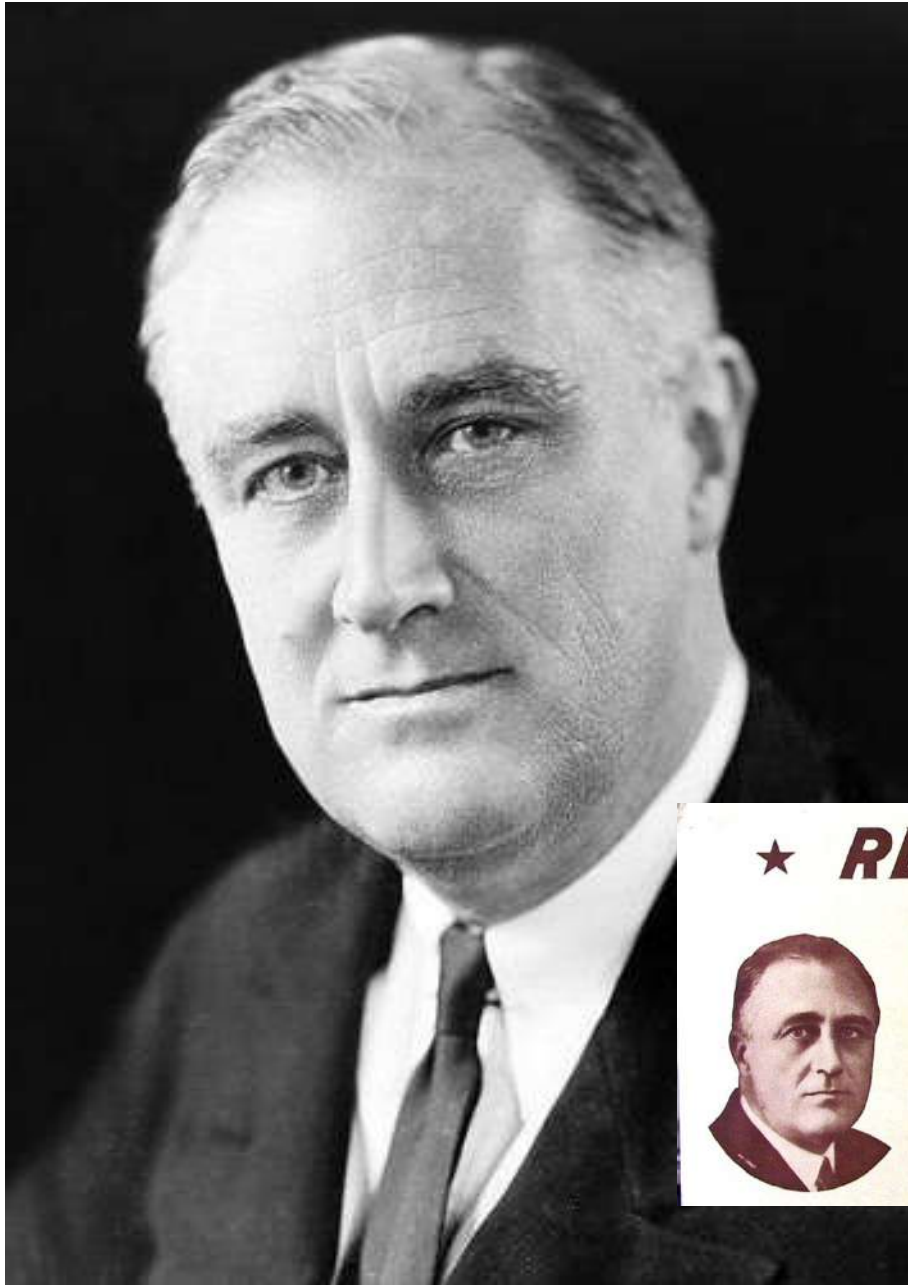
By the election of 1932,  
Hoover ran for re-election  
but Americans wanted  
**hope** and strong  
**leadership**

Democratic candidate  
**Franklin Roosevelt**  
defeated Hoover and  
won the presidency





# FDR Biography



When Roosevelt was inaugurated as president, **unemployment** was at an all-time high

In his inaugural address, FDR inspired hope, declaring “*the only thing we have to fear is **fear itself***”



Deal  
v  
36

World War II  
Begins  
1939

“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.”

36 1937 1938 1939 1940 1941 1942

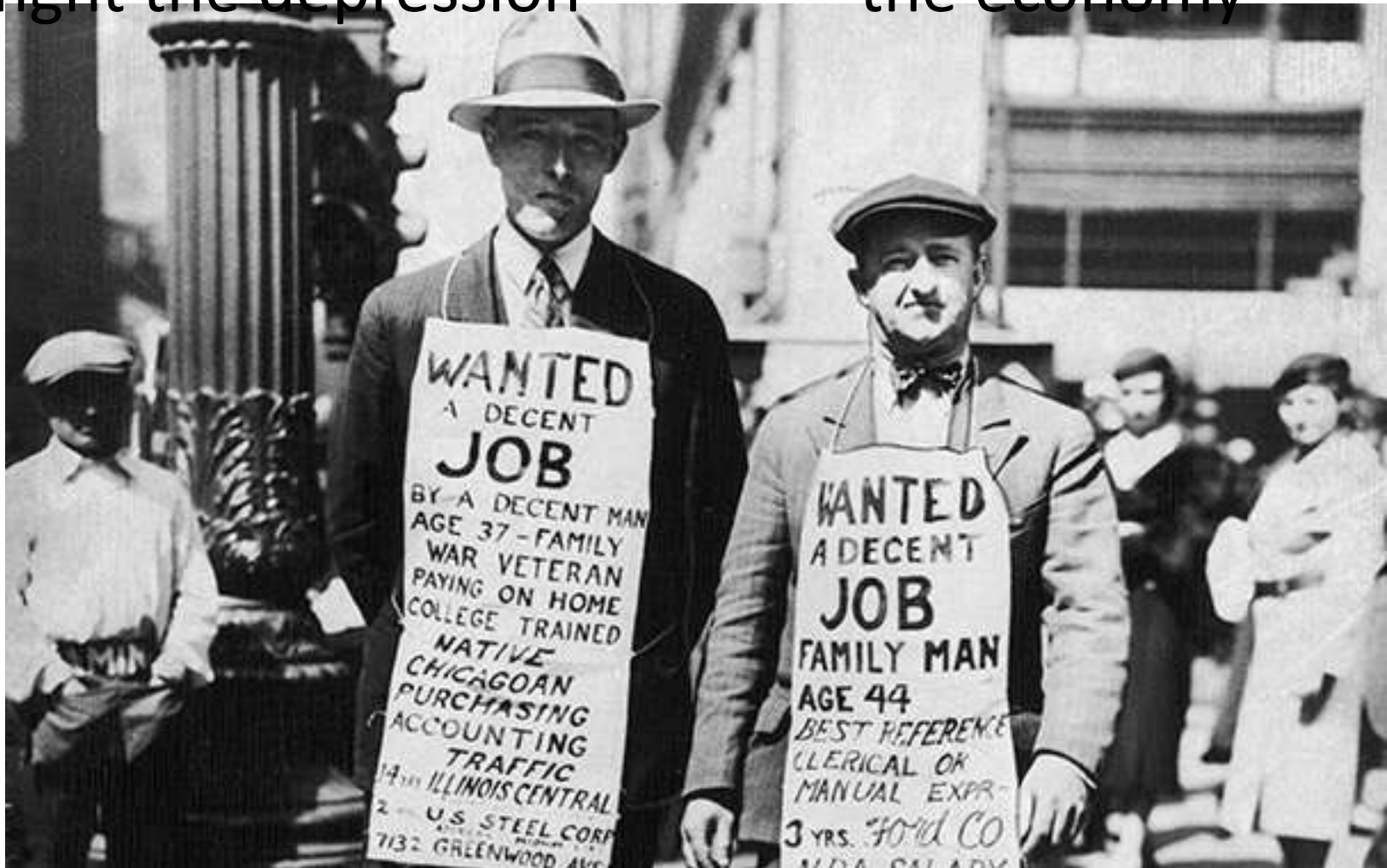


When FDR became president he promised **decisive gov't action**

to fight the depression

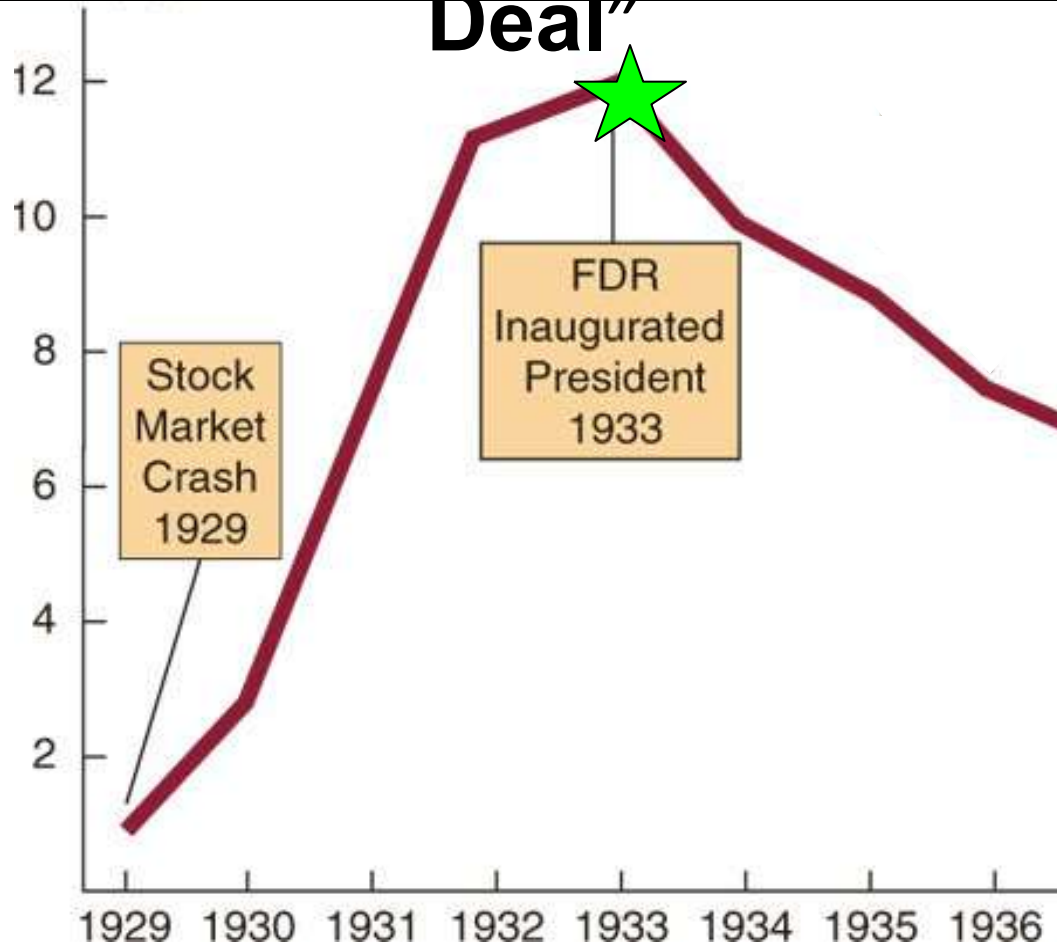
FDR believed the gov't should use **deficit spending** (spending that causes debt) to stimulate

the economy





In his first **100 days** in office, FDR and Congress passed a broad platform of legislation to attack the depression called the “**New Deal**”



FDR's first action was to address the **bank** crisis

By 1933, 25,000 banks had failed and the USA was in a complete **financial collapse**

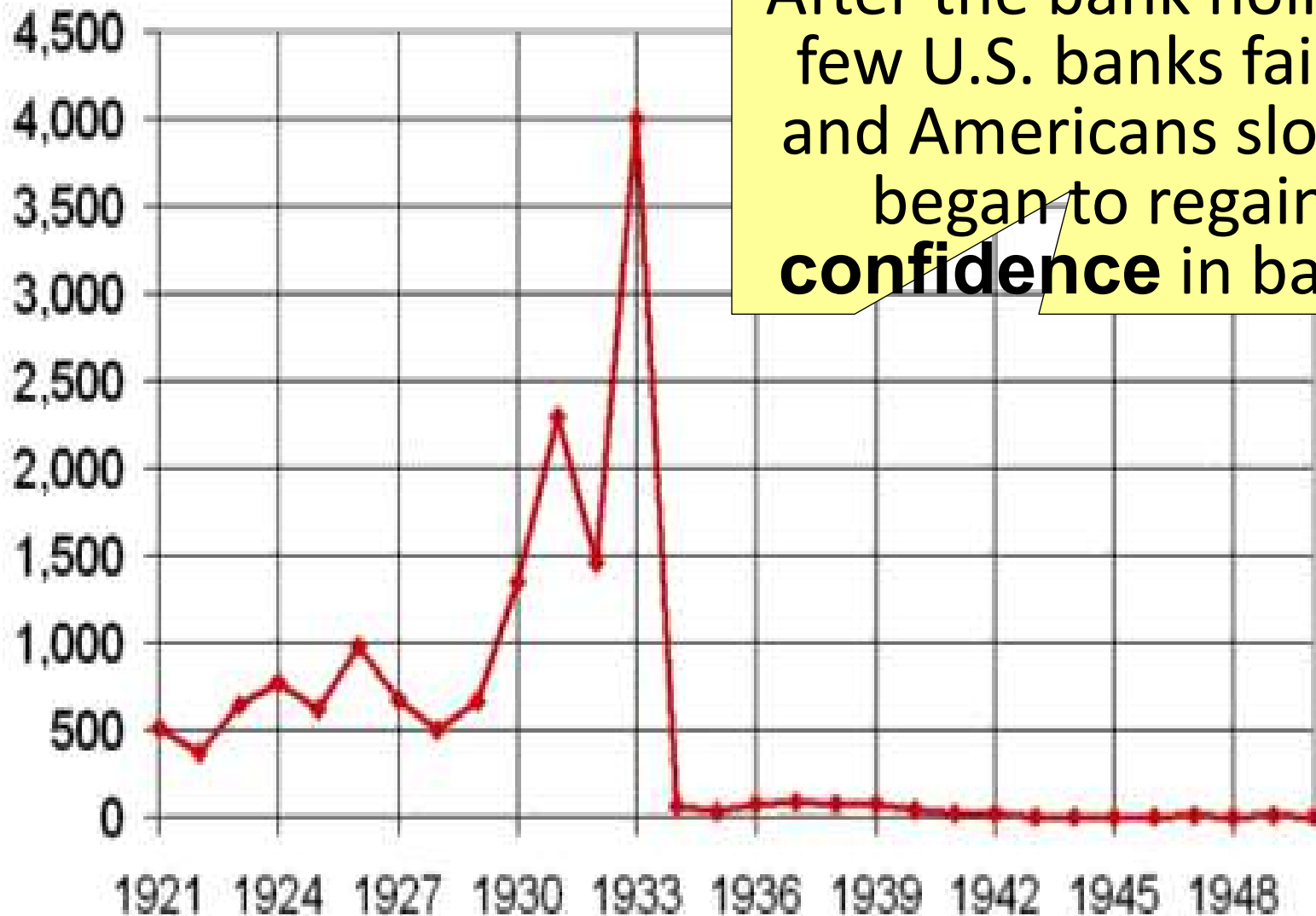
FDR declared a four-day “**bank holiday**”: all banks were closed and **inspected** by federal regulators to determine which banks were healthy...

...Only healthy banks could **reopen** after the bank holiday





## Number of Bank Failures, 1921-1950



After the bank holiday, few U.S. banks failed and Americans slowly began to regain **confidence** in banks

FDR used the power of the **radio** to **communicate** to the American people the steps the government was taking to address the problems of the depression

FDR's "fireside chats" used **simple**, clear language to explain New Deal programs

These weekly radio addresses gave people confidence that the government was **actively** fighting the Great Depression



First Lady Eleanor Roosevelt served as FDR's "**legs and eyes**" as she toured the nation

Eleanor became the "**conscious** of the New Deal" as she expressed concern for the needs of the American people

She was the first **First Lady** to give lectures, radio broadcasts, write a daily **newspaper** column, and speak out on behalf of **African Americans**





# The New Deal focused on the three “Rs”

## New Deal Programs

### Relief

Relief checks and job programs to lower unemployment



### Recovery

Programs to stimulate agriculture, industry, and the economy to end the depression



### Reform

Programs to correct problems in the economy and prevent future depressions



# Your Task

Using the resources provided, complete the New Deal Legislation chart on the back of the sheet you took notes on today.

The Great New Deal		New Deal Legislation	
Banking reform:	Describe the program	How did this program affect society?	Does this program still affect society today? If so, how?
The Bank Holiday			
Federal Deposit Insurance Corporation (FDIC)			
Securities and Exchange Commission (SEC)			
Rural Assistance			
TVA			
Public Works Projects			
Civilian Conservation Corps (CCC)			
The Second New Deal			
Works Project Administration (WPA)			
Social Security Act			

**The Great Depression & New Deal** Rubric: Match each quote with the vocabulary word (See word bank below) that it relates to.

1. "Maybe we can start again in the new rich land — in California, where the first grows well starts over. But you can't start. Only a baby can start. You and me — why, we're all that's been... this land, the red land, is us, and the flood years and the dust years and the years are us. We can't start again!"  
— from *The Grapes of Wrath*  
Related Vocabulary Term: \_\_\_\_\_

2. "We are clearly enhancing the value of our natural resources, and we are releasing an appreciable amount of actual abilities. This great group of men has entered upon its work on a purely voluntary basis, no military training is involved and we are consuming not only our natural resources, but also our human resources. One of the great values in this work is the fact that it is direct and requires the intervention of very little machinery."  
— FDR's second Inaugural, May 7, 1933  
Related Vocabulary Term: \_\_\_\_\_

3. "We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty when old age. This law, too, represents a compromise in a structure which is being built, but is by no means complete... It is a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness."  
— President Roosevelt, August 16, 1935  
Related Vocabulary Term: \_\_\_\_\_

Civilian Conservation Corps

Dust Bowl

Social Security Act

# BellRinger

2/16

Write the question and answer on your bellringer sheet.

1. A major cause of the economic depression of 1929 was
  - A. a return to the gold standard.
  - B. decline in consumer purchasing power.
  - C. increased number of public works projects.
  - D. government programs designed to reduce agricultural production.
2. Which of these contributed to the Crash of 1929 and the Great Depression?
  - A. stock market speculation
  - B. the effects of World War II
  - C. success of the U.S. farm economy
  - D. foreign boycotts of U.S. products



# BellRinger

2/17

**Write the question and answer on your bellringer sheet.**

1. In 1935, the elderly, physically disabled, and orphans began receiving government benefits following the passage of the
  - A. Welfare Act.
  - B. Medicare Act.
  - C. Medicaid Act.
  - D. Social Security Act.
2. Which of these New Deal programs would have had the largest impact on rural electrification during the 1930s?
  - A. The Social Security Act (SSA)
  - B. The National Recovery Act (NRA)
  3. The Tennessee Valley Authority (TVA)

# The Impact of the New Deal



From 1933 to 1935, FDR's New Deal programs helped **lower unemployment** and restored hope, but the Great Depression had not come to an end

FDR's failure to end the depression led to **criticism** of the New Deal

Millions



The most vocal critic was Louisiana Senator **Huey Long**

Huey Long's **Share the Wealth** plan proposed taxing all personal **income** over \$1 million and give each U.S. family **\$2,500** per year



# "The Kingfish" Huey Long



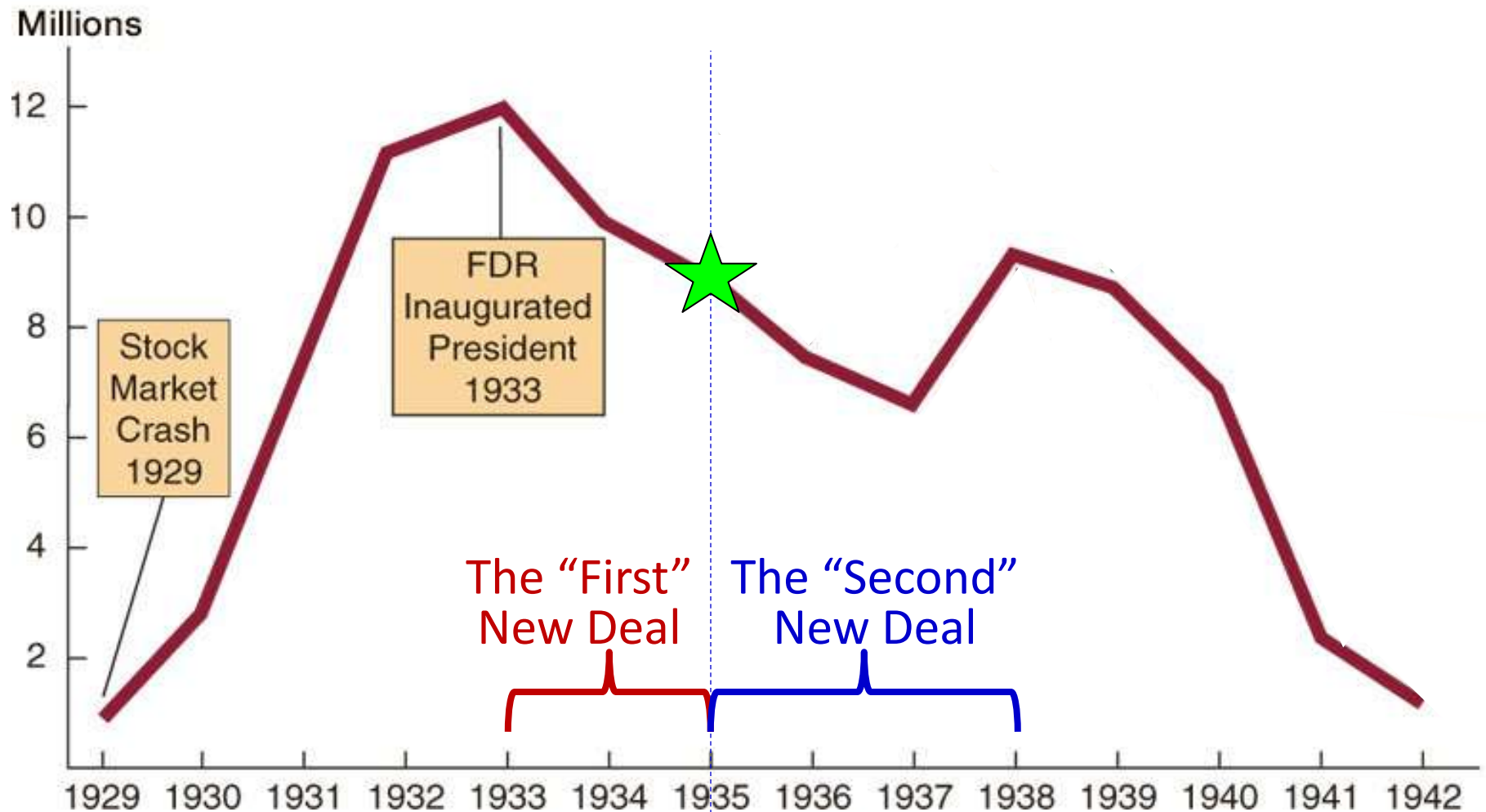
Huey Long threatened to run as a 3<sup>rd</sup> party candidate but was **assassinated** in

*...But when they've got everything on God's loving earth that they can eat and they can wear and they can live in, and all that their children can*

*...then we've got to call Mr. Morgan, Mr. Mellon, and Mr. Rockefeller back and say: "Come back here, put that stuff back on this table here that you took away from here that you don't need. Leave something else for the American people to consume."*

In 1935, FDR began an aggressive series of laws called the **Second New Deal**

The Second New Deal was passed by Congress in a rapid succession known as the Second **Hundred Days**



# One of the most important reforms on the New Deal was the **Wagner**

The law protected workers' right to **strike** and collectively bargain

It created a Fair Labor Practices Commission to regulate unfair practices used by companies to discourage **union** membership

Due to the Wagner Act, union membership in the USA **increased**

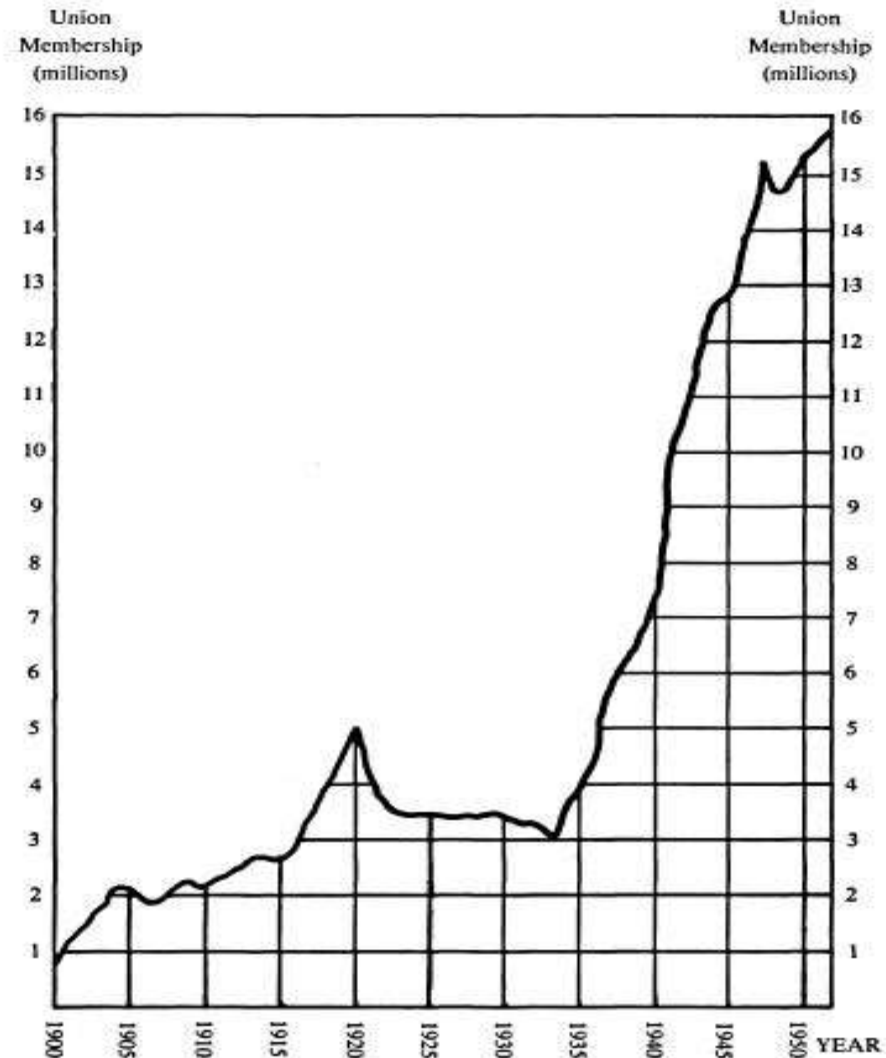
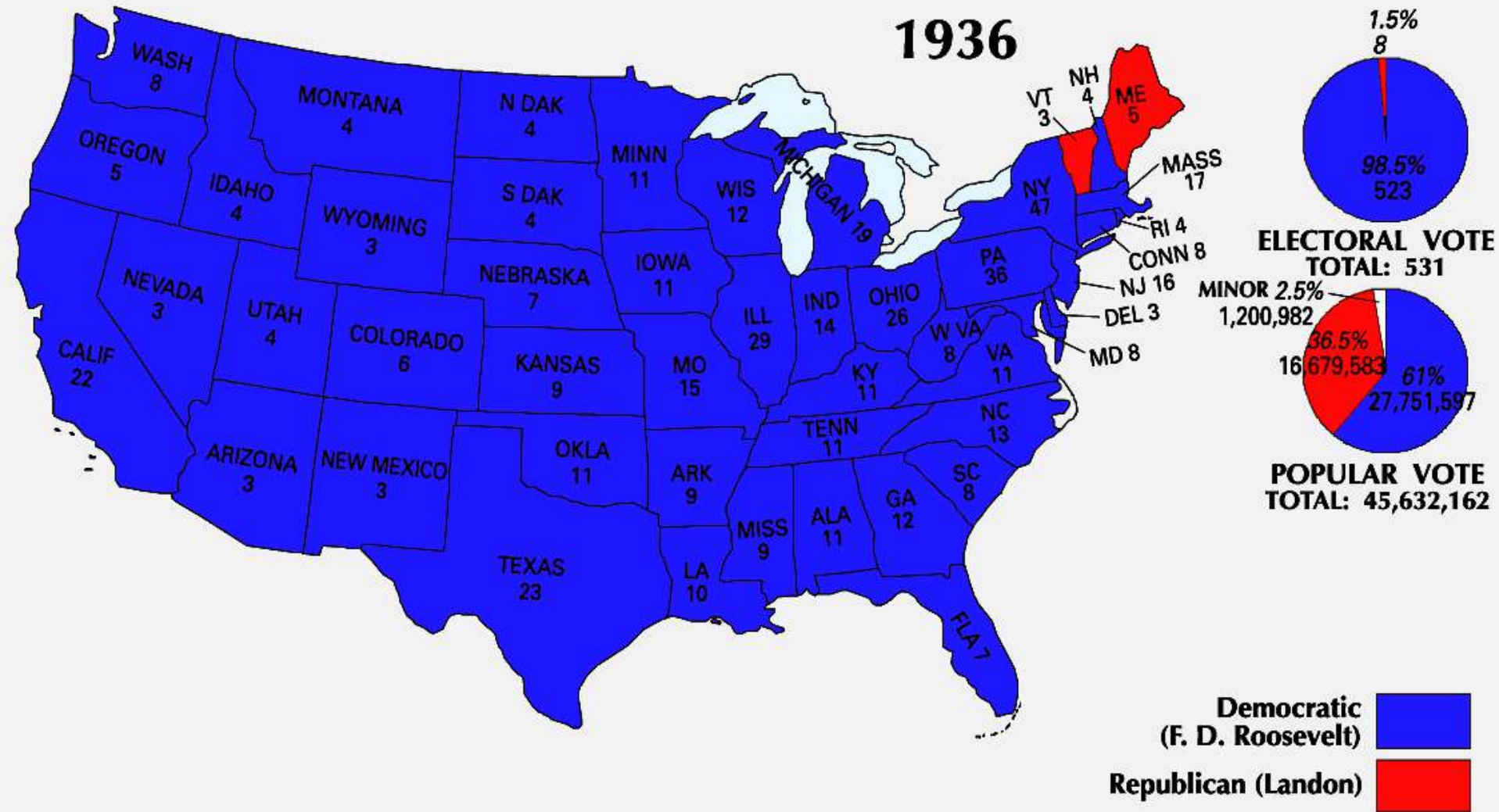


Figure 5-1. Union Membership, 1900-51, NBER figures (Canadian membership included). (Source: U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*, pp. 176-77.)



In 1936, FDR was overwhelmingly elected to a second term...

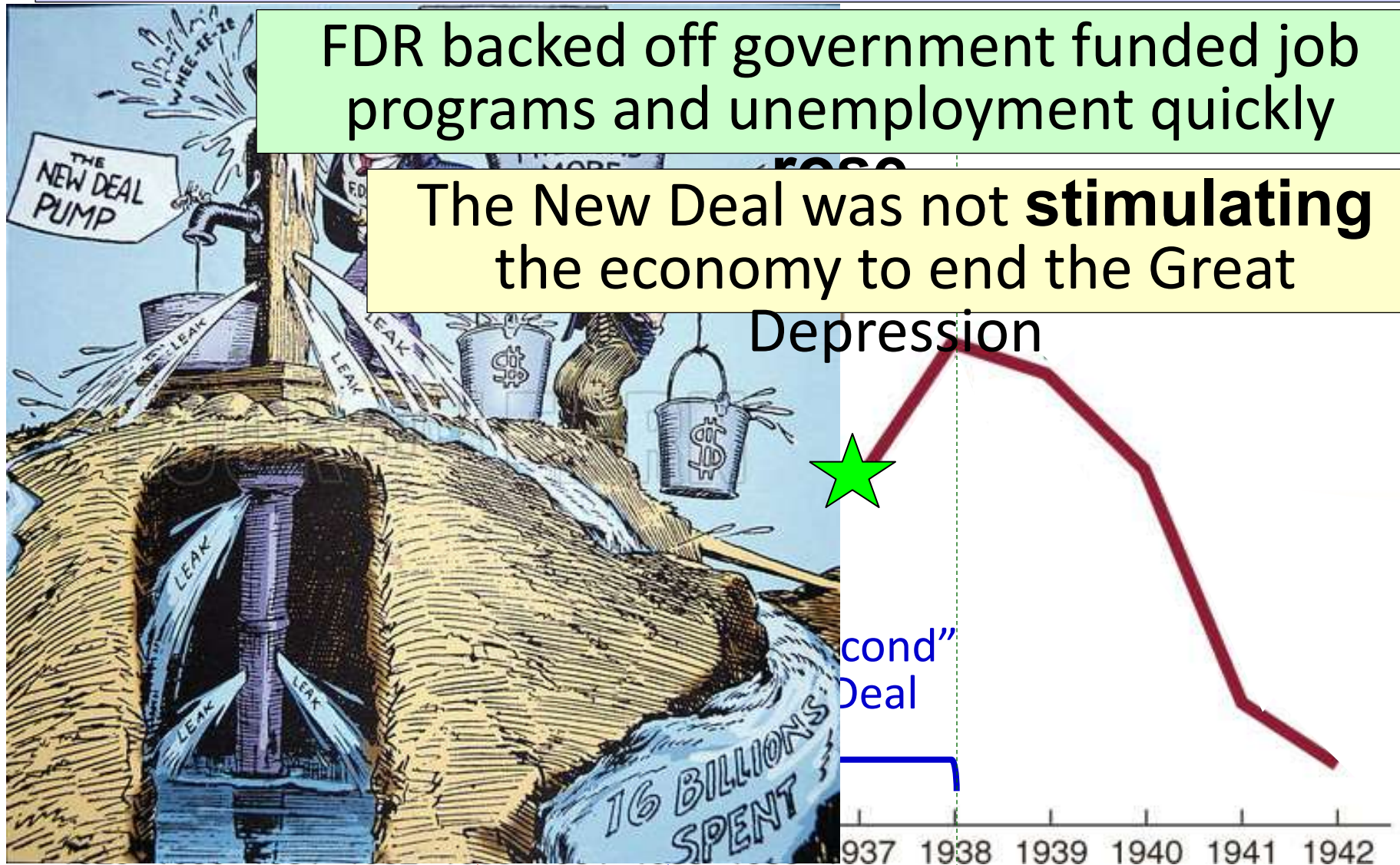
...But his second term would prove more **difficult** than his first



By 1937, President Roosevelt faced criticisms that the New Deal was too **expensive**, did not eliminate **unemployment**, or end the depression

FDR backed off government funded job programs and unemployment quickly

The New Deal was not **stimulating** the economy to end the Great Depression





In addition, two New Deal recovery programs (AAA and NRA) were declared **unconstitutional** by the Supreme Court

FDR feared that the Supreme Court would **weaken** the New Deal

FDR threatened to “**pack** the Supreme Court” and increase the number of justices from **9** to **15**

People were outraged as FDR appeared to be overstepping his **Constitutional**

powers



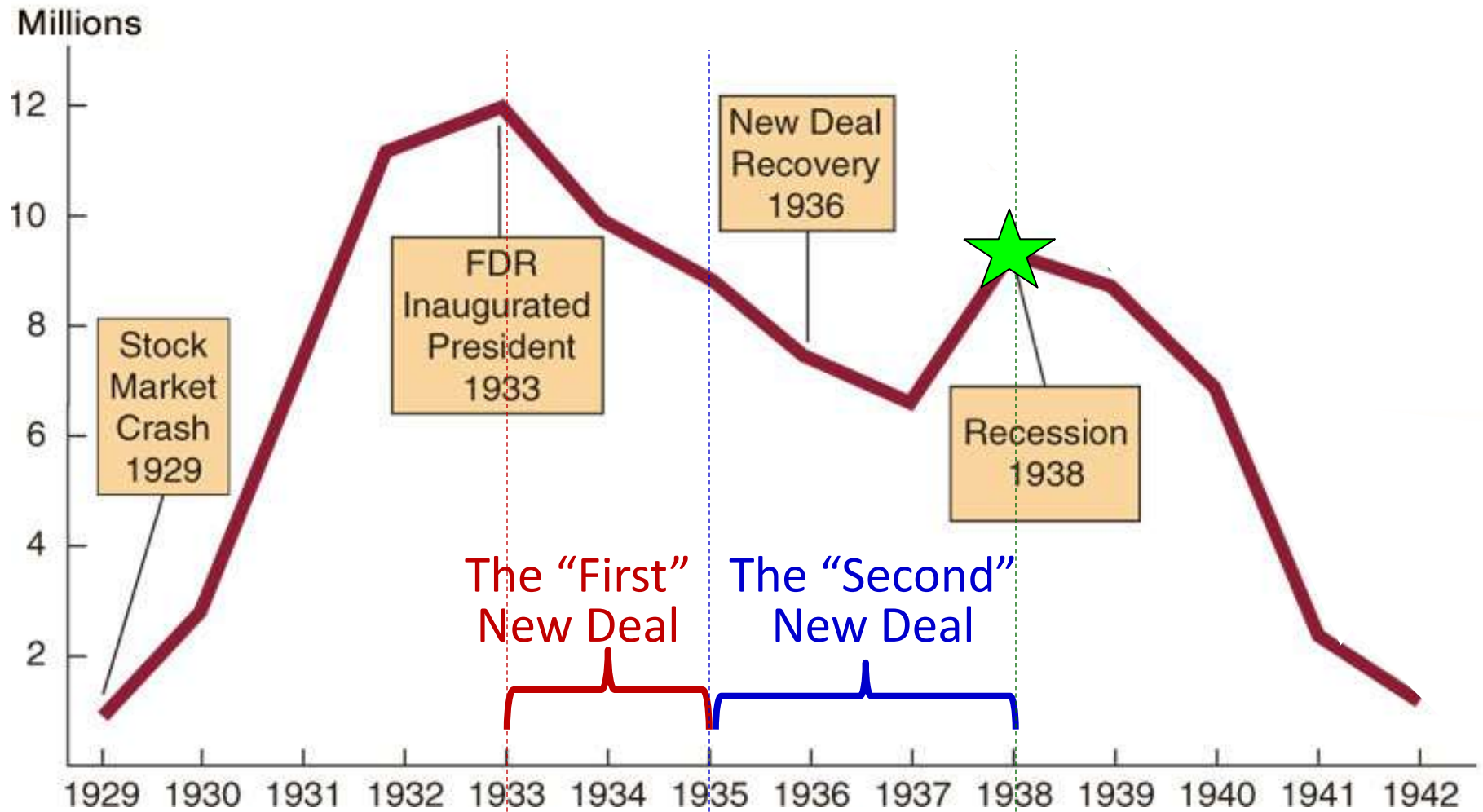
- After much protest by Congress and many Americans, the bill suggested the extra justices was killed in the Senate
- Idea of “packing the court” was dropped after the U.S. Supreme Court upheld the constitutionality of the Social Security Act
- Roosevelt over estimated his power

# Court Packing





After 1938, Congress focused on trying to control **spending** and did not pass any more **New Deal** laws

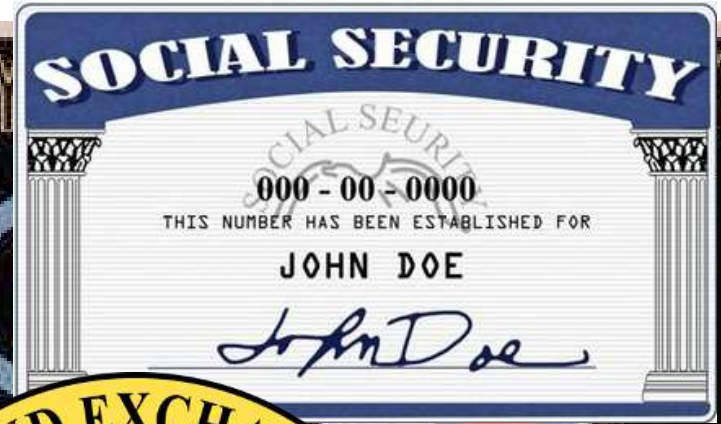


# FDR's New Deal dramatically changed America

The New Deal was successful in offering **relief** programs like the CCC, PWA, WPA to help people through the Depression

★ ★ **USA** ★ ★

New Deal was successful in offering reform to the stock market (SEC), **banking** (FDIC), **unions** (Wagner Act, FLPC), **elderly** (Social Security)



Each depositor insured to at least \$250,000

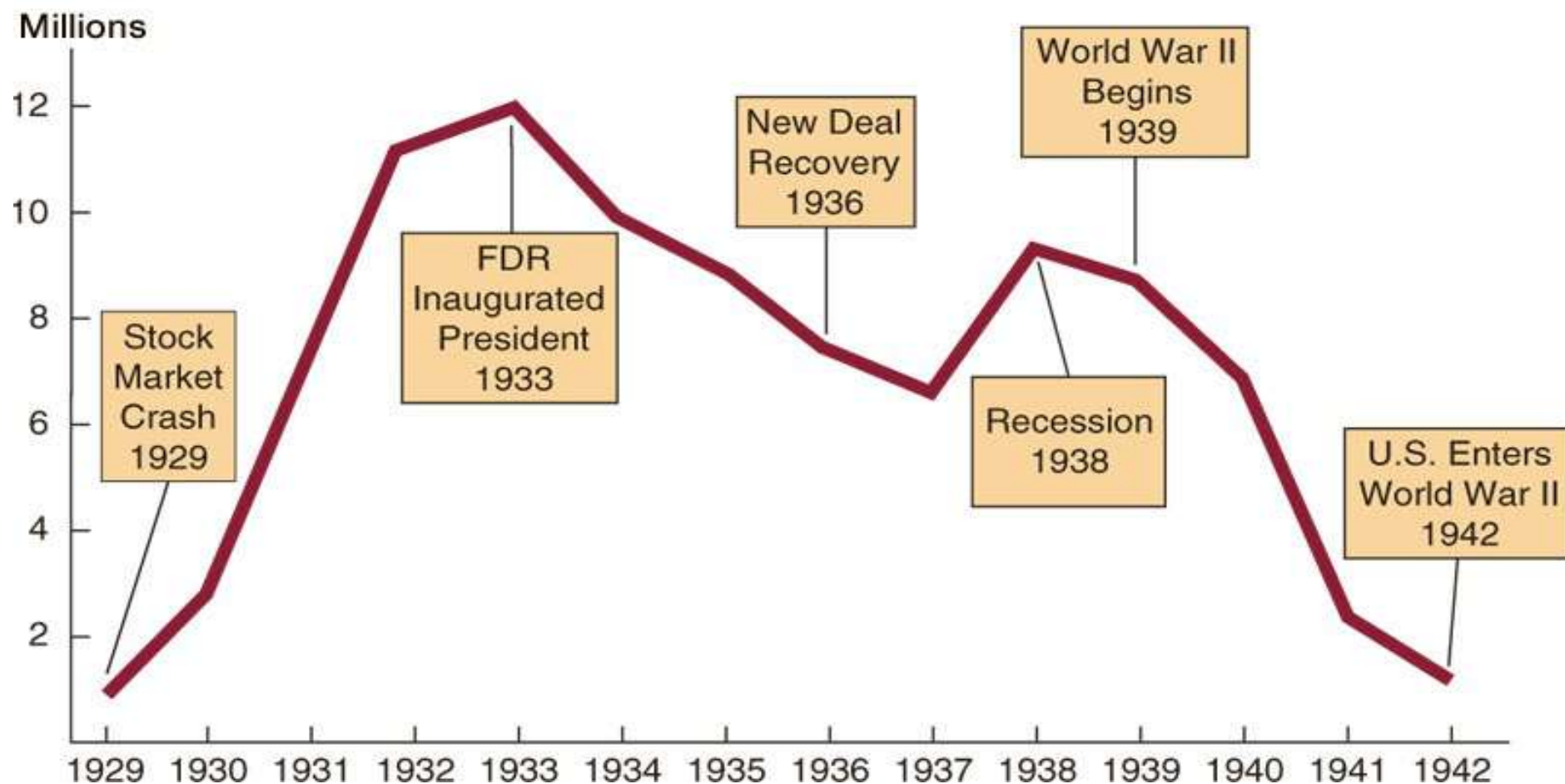
**FDIC**

# FDR's New Deal dramatically changed America

But, the New Deal did not lead to **recovery** in the American economy

By 1938, nearly **10 million** people were unemployed

Wealth remained unevenly **divided**





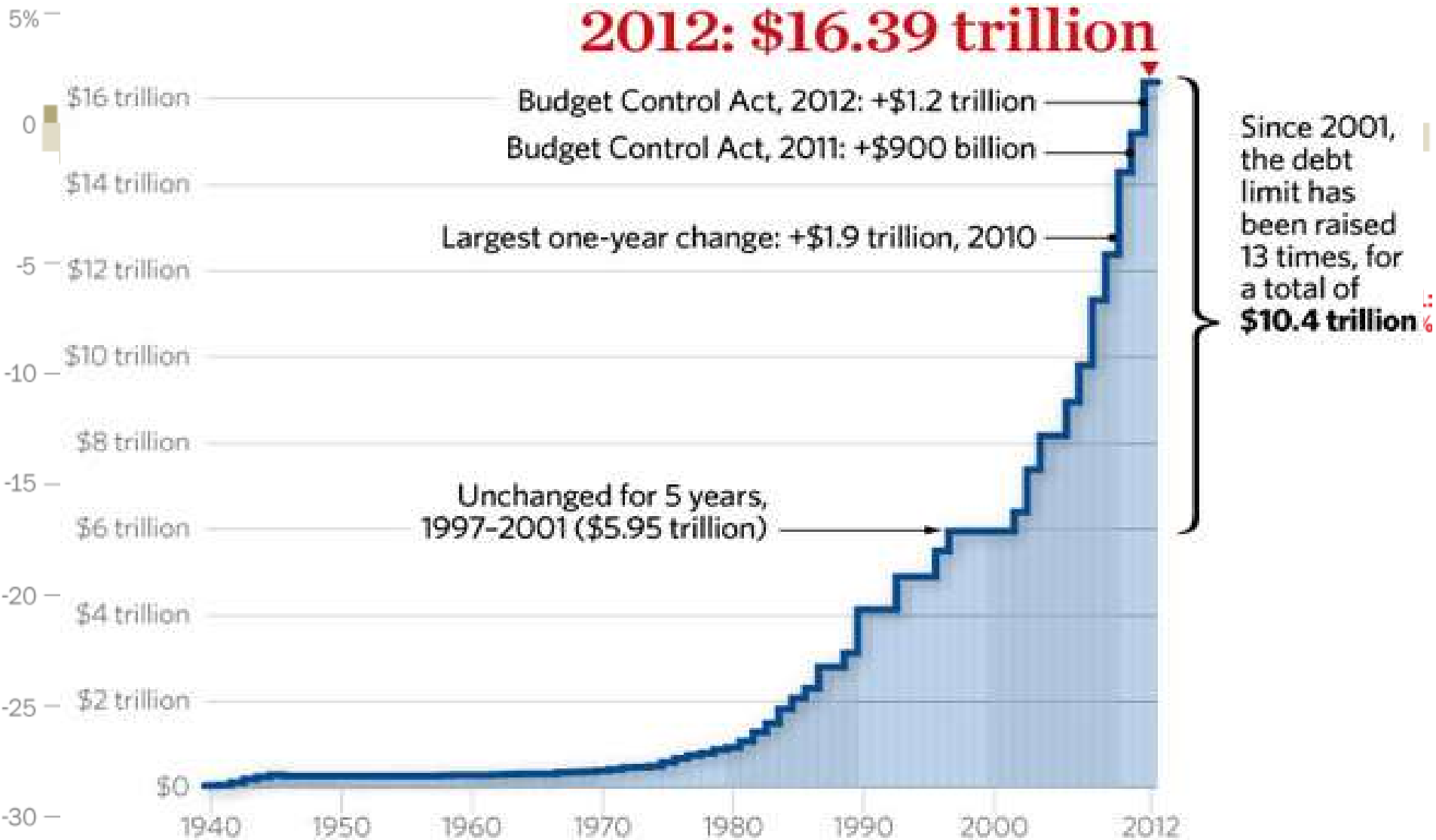
FDR's **charisma** and active involvement in the economy in changed the role of the **presidency** and expectations of gov't

FDR's leadership unified **African Americans**, unions, immigrants, and **poor** voters under the Democratic Party





For the first time, the gov't used **deficit spending** and created welfare programs to help groups in need



Note: Figure for 2012 is current as of April 6.

### CAUSES

- stock-based economy; superficial prosperity
- unequal distribution of income
- problems in industry and the farm sector
- increasing consumer debt
- stock market speculation and crash

## THE GREAT DEPRESSION

### EFFECTS

- people out of work
- rise of shantytowns
- banks fail and schools close
- world economy suffers
- Hoover employs more active governmental involvement

## THE NEW DEAL

### PROBLEMS

- Industries and farms failed.
- U.S. stock market crashed and banks closed.
- Bankrupt businesses
- Unemployment
- Homelessness

### SOLUTIONS



- Work projects help the unemployed.
- Money given to farmers, sharecroppers, and migrant workers
- New opportunities for women and minorities
- Social Security Act allocates money to the elderly, the unemployed, and the disabled.
- NLRB protects workers' rights.
- SEC monitors stock market.
- FDIC protects individuals' deposits in banks.
- Fireside chats increase public confidence.



### CONTINUING EFFECTS

- Banking and finance are reformed.
- Government takes a more active role in the economy.
- Workers benefit from labor standards.
- Social Security system continues to provide for the needy.
- Conservation efforts continue to preserve the environment.