

Chapter Summary

Roosevelt and the New Deal, 1933–1941

ESSENTIAL QUESTIONS

*Can the government fix the economy?
Is government responsible for the economic well-being of its citizens?*

This chapter discusses Franklin Roosevelt's rise to the presidency, his legacy, and the major changes he made to government that both helped and hindered Americans.

The First New Deal

- Roosevelt's popularity paved the way to his presidency.
- FDR launched the New Deal and the Hundred Days by sending 15 major pieces of legislation to Congress.
- The Emergency Banking Relief Act regulated banks.
- The Federal Deposit Insurance Corporation insured bank deposits.
- The Farm Credit Administration refinanced farm mortgages.
- The Home Owners' Loan Corporation financed home owners' mortgages.
- The Agricultural Adjustment Administration paid farmers to limit surplus production.
- The National Industrial Recovery Act limited industrial production and set prices.
- The Tennessee Valley Authority financed rural electrification and developed the economy of a seven-state region.
- The Civilian Conservation Corps created forestry jobs.
- The Federal Emergency Relief Administration funded city and state relief programs.
- The Public Works Administration was created.
- Huey Long, Father Coughlin, and Francis Townsend were among the many critics of the New Deal.
- The political right criticized Roosevelt's deficit spending to pay for his programs.
- The political left criticized Roosevelt for not going far enough with his programs.
- In 1935, the Works Progress Administration (WPA), the largest public works project, began massive road construction.
- The National Labor Relations Act, or Wagner Act, gave workers the right to organize unions and bargain collectively.
- The Social Security Act provided income for senior citizens, the handicapped, and the unemployed.

The New Deal Coalition

- Roosevelt won a landslide victory due to a new voting coalition of African Americans, women, and laborers.
- Roosevelt's court-packing plan was a political mistake.
- In 1937 unemployment surged, leading to a recession.
- The U.S. Housing Authority was created to subsidize loans for builders and provide low-cost housing.
- Many agencies created by the New Deal continue to help Americans today.

The Second New Deal

- In 1934 The American Liberty League was created to oppose the New Deal.