

▼ Franklin Delano Roosevelt

**WITNESS HISTORY** AUDIO

## Overcoming Fear

Franklin D. Roosevelt's March 1933 inauguration came at a somber moment in American history. The U.S. economy had hit rock bottom. Many Americans wondered if they would ever find work again. With the first words of his Inaugural Address, FDR reassured the American people:

“This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. 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 D. Roosevelt, *First Inaugural Address*, March 4, 1933

▼ Roosevelt campaign banner



# FDR Offers Relief and Recovery

## Objectives

- Analyze the impact Franklin D. Roosevelt had on the American people after becoming President.
- Describe the programs that were part of the first New Deal and their immediate impact.
- Identify critical responses to the New Deal.

## Terms and People

Franklin D. Roosevelt	CCC
Eleanor Roosevelt	NRA
New Deal	PWA
fireside chat	Charles Coughlin
FDIC	Huey Long
TVA	

## NoteTaking

**Reading Skill: Connect Ideas** Fill in a chart like the one below with the problems that FDR faced and the steps he took to overcome them.

FDR Tackles Tough Problems	
Problem	FDR's Policy
Failing banks	

**Why It Matters** The Great Depression challenged the faith of Americans that democracy could handle the crisis. Faced with similar circumstances, people in Germany, Italy, and Japan had turned to dictators to deliver them from despair. The New Deal had great significance because America's response to the Great Depression proved that a democratic society could overcome the challenges presented by the severe economic crisis. **Section Focus Question:** How did the New Deal attempt to address the problems of the depression?

## Roosevelt Takes Charge

In 1928, Herbert Hoover had almost no chance of losing his bid for the presidency. In 1932 however, Hoover had almost no chance of winning reelection. The depression had taken its toll. About 25 percent of the population was unemployed. Bank failures had wiped out peoples' savings. The hungry waited on long lines at soup kitchens.

Americans were ready for a change. In July of 1932, the relatively unknown governor of New York, **Franklin D. Roosevelt**, accepted the Democratic Party's nomination for President.

**Roosevelt Overcame Obstacles** Strangely enough, Americans had chosen a presidential candidate who had never known economic hardship. As a child, Franklin Delano Roosevelt had enjoyed all the privileges of an upper-class upbringing, including education at elite schools and colleges. From his parents and teachers, FDR gained a great deal of self-confidence and a belief that public service was a noble calling.

In 1905, Franklin married his distant cousin **Eleanor Roosevelt**. President Theodore Roosevelt, Eleanor's uncle and Franklin's fifth cousin gave the bride away. In time, Eleanor would become deeply involved in public affairs.

Like Teddy Roosevelt, Franklin rose quickly through the political ranks. After election to the New York State Senate, he served as Woodrow Wilson's Assistant Secretary of the Navy. In 1920, Roosevelt was the Democratic Party's vice presidential nominee. Although the Democrats lost the election, many considered him the rising star of the party.

Then, in the summer of 1921, tragedy struck. While vacationing, FDR slipped off his boat into the chilly waters of the North Atlantic. That evening, he awoke with a high fever and severe pains in his back and legs. Two weeks later, Roosevelt was diagnosed with polio, a dreaded disease that at the time had no treatment. He never fully recovered the use of his legs.

FDR did not allow his physical disability to break his spirit. With Eleanor's encouragement, Roosevelt made a political comeback. In 1928, he was elected governor of New York and earned a reputation as a reformer. In 1932, he became the Democrat's presidential candidate, pledging "a new deal for the American people."

**Voters Elect a New President** When FDR pledged a "**New Deal**," he had only a vague idea of how he intended to combat the depression. Convinced that the federal government needed to play an active role in promoting recovery and providing relief to Americans, he experimented with different approaches to see which one worked best.

#### Primary Source

"The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and to try it. If it fails, admit it frankly and try another. But above all, try something!"

—Franklin D. Roosevelt, speech at Oglethorpe University, May 22, 1932

The 1932 election campaign pitted Roosevelt against President Herbert Hoover. The two men advocated very different approaches to the problems of the Great Depression. Hoover believed that depression relief should come from state and local governments and private agencies. Roosevelt believed that the depression required strong action and leadership by the federal government. As Hoover noted, "This campaign is more than a contest between two men. . . . It is a contest between two philosophies of government."

Hoover's popularity declined as the Great Depression worsened. Even longtime Republicans deserted him. FDR—with the support of those who embraced his ideas as well as those who opposed Hoover's approach—won a landslide presidential victory, defeating Hoover by more than 7 million votes.

Americans had to wait four long months between Roosevelt's election, in November 1932, and his inauguration, in March 1933. Meanwhile, they watched helplessly as thousands of banks collapsed and unemployment soared. What would Roosevelt do to combat the depression? Even the experts did not know what to expect.

**Putting Together a Winning Team** To help him plan the New Deal, FDR sought the advice of a diverse group of men and women. Among the most influential was a group of professionals and academics whom the press nicknamed the

#### FDR Not Slowed by Polio

Despite the debilitating effects of polio, FDR continued to serve in public office. *How do you think FDR's earlier jobs and experiences prepared him to serve as President?*

- 1903 Earned BA in history from Harvard University
- 1910 Elected to the New York State Senate
- 1913 Appointed Assistant Secretary of the Navy
- 1920 Campaigned as Democratic nominee for Vice President
- 1921 Contracted polio, which paralyzed his legs
- 1928 Elected governor of New York State
- 1933 Inaugurated as President of the United States



“Brain Trust.” Roosevelt, a Democrat, displayed his openness by nominating two Republicans, Henry Wallace and Harold Ickes (IHK uhs), to serve as his Secretary of Agriculture and Secretary of Interior. Roosevelt also nominated Frances Perkins, a social worker, to serve as his Secretary of Labor. She became the first woman Cabinet member in U.S. history.

Throughout his presidency, FDR depended heavily on his wife, Eleanor. She traveled widely, interacting with the American people and serving as FDR’s “eyes and ears.” For example, in 1933, the Bonus Army, which had marched on Washington, D.C., in 1932, returned to the capital, seeking an early payment of its bonus for World War I service. Like Hoover, FDR informed the marchers that the government could not afford to pay them their bonus. But unlike Hoover, who had sent the army to evict the Bonus Army, FDR sent Eleanor. She sang songs with the veterans and made them feel that the government cared.

✔ **Checkpoint** How did FDR’s background and actions help build confidence among the American people?

## The First Hundred Days Provide Instant Action

During his first hundred days in office, Roosevelt proposed and Congress passed 15 bills. These measures, known as the First New Deal, had three goals: relief, recovery, and reform. Roosevelt wanted to provide relief from the immediate hardships of the depression and achieve a long-term economic recovery. He also instituted reforms to prevent future depressions.

**FDR Swiftly Restores the Nation’s Confidence** Roosevelt wasted no time dealing with the nation’s number one crisis. Late in 1932, banks had begun to

### INFOGRAPHIC



## RELIEF, RECOVERY, AND REFORM THE FIRST 100 DAYS

**W**orking together, President Roosevelt and Congress quickly passed many new laws to provide job relief, speed economic recovery, and reform business practices. These New Deal programs marked the beginning of the federal government’s increasingly active role in shaping the economy and society.

▲ FDR used his first “fireside chat” to explain reform measures taken to end bank runs.

▼ Low-interest HOLC loans helped people meet mortgage payments, stimulating the housing industry.

### Achievements of the First Hundred Days

Federal Deposit Insurance Corporation (FDIC)
National Recovery Administration (NRA)
Civilian Conservation Corps (CCC)
Public Works Administration (PWA)
Agricultural Adjustment Act (AAA)
Tennessee Valley Authority (TVA)
Home Owners’ Loan Corporation (HOLC)



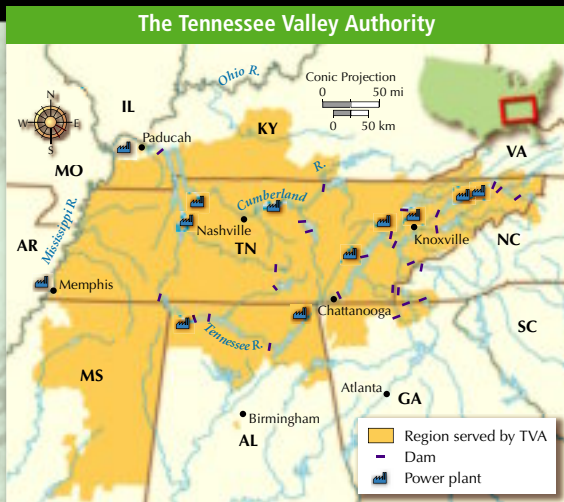
fail in great numbers. A banking panic gripped the nation as frightened depositors lined up outside banks, trying to withdraw their savings.

The day after his inauguration, Roosevelt called Congress into a special session and convinced them to pass laws to shore up the nation's banking system. The Emergency Banking Bill gave the President broad powers—including the power to declare a four-day bank “holiday.” Banks all over the country were ordered to close. The closings gave banks time to get their accounts in order before they reopened for business.

Eight days after becoming President, Roosevelt delivered an informal radio speech to the American people. This was the first of many presidential **fireside chats**. They became an important way for Roosevelt to communicate with the American people. In the first fireside chat, FDR explained the measures he had taken to stem the run on banks. His calming words reassured the American people. When the bank holiday ended, Americans did not rush to their banks to withdraw their funds. Roosevelt had convinced them that the banks were a safe place to keep their money.

**Reforming the Financial System** A number of Roosevelt's proposals sought to reform the nation's financial institutions. One act created the **Federal Deposit Insurance Corporation (FDIC)**, which insured bank deposits up to \$5,000. In the following year, Congress established the Securities and Exchange Commission (SEC) to regulate the stock market and make it a safer place for investments.

These financial reforms helped restore confidence in the economy. Runs on banks ended, largely because Americans now had confidence that they would not lose their lifetime savings if a bank failed. The stock markets also stabilized as regulated trading practices reassured investors.



▲ The TVA built dams and power plants, providing electricity and improving living conditions in the Southeast.

◀ CCC workers like these young men labored on environmental conservation projects.

▼ PWA projects provided construction jobs on roads, bridges, and public buildings.

### Thinking Critically

- 1. Analyze Maps** Name the states that were affected by TVA projects.
- 2. Analyze Information** How did the programs of the first 100 days benefit both the economy and the environment?





## Government Puts People to Work

The Works Progress Administration poster (above) promoted the benefits of putting people to work. These TVA workers (right) assembled generators at the Cherokee Dam in Tennessee. *If you had been out of work during the depression, what effect might these images have had on you? Why?*

**Helping Farmers** A number of New Deal programs aimed at easing the desperate plight of American farmers. For years, the supply of crops grown by American farmers had far exceeded demand. Prices dropped to the point where it was no longer profitable to grow some crops. To counter this, Congress passed the Agricultural Adjustment Act (AAA), which sought to end overproduction and raise crop prices. To accomplish these goals, the AAA provided financial aid, paying farmers subsidies not to plant part of their land and to kill off excess livestock. Many Americans believed it was immoral to kill livestock or destroy crops while people went hungry. However, by 1934, farm prices began to rise.

**The TVA Aids Rural Southerners** Americans living in the Tennessee River valley were among the poorest in the nation. Few had electricity, running water, or proper sewage systems. In 1933, Congress responded by creating a government agency called the **Tennessee Valley Authority (TVA)**. The TVA built a series of dams in the Tennessee River valley to control floods and to generate electric power. The agency also replanted forests, built fertilizer plants, created jobs, and attracted industry with the promise of cheap power.

Despite its accomplishments, the TVA attracted a host of critics. Some called the TVA “socialist,” because it gave government direct control of a business. Private power companies complained that they could not compete with the TVA, because the agency paid no taxes. However, the TVA’s successes in improving life in the Tennessee Valley have ensured its survival to the present.

**Providing Relief and Promoting Industrial Recovery** During his first hundred days as President, Roosevelt proposed and Congress enacted numerous other relief measures. To counter the depression’s devastating impact on young men, FDR created the **Civilian Conservation Corps (CCC)**. The CCC provided jobs for more than 2 million young men. They replanted forests, built trails, dug irrigation ditches, and fought fires. As time went on, programs such as the CCC became more inclusive, extending work and training to Mexican American and other minority youth, as well as to whites. FDR called the CCC his favorite New Deal program.

Congress passed a number of other relief acts. The Federal Emergency Relief Act (FERA) granted federal funds to state and local agencies to help the unemployed. The short-lived Civil Works Administration (CWA) provided jobs on public-works projects. On another front, Congress created the Home Owners Loan Corporation (HOLC), which loaned money at low interest rates to homeowners who could not meet mortgage payments. The Federal Housing Administration (FHA) insured bank loans used for building and repairing homes.

These New Deal measures marked a clear break from the policies of the Hoover administration, which had disapproved of direct relief to individuals. The \$500 million appropriated for FERA represented the largest peacetime expenditure by the federal government to that time.

The centerpiece of the early New Deal's recovery program was the National Industrial Recovery Act, which established the **National Recovery Administration (NRA)**. Roosevelt called the NIRA "the most important and far-reaching legislation ever enacted by the American Congress." Working with business and labor leaders, the NRA developed codes of fair competition to govern whole industries. These codes established minimum wages for workers and minimum prices for the goods that businesses sold. The idea behind these codes was to increase the wages of workers so they could buy more goods and raise prices so companies could make a profit.

Another New Deal legislative achievement was the **Public Works Administration (PWA)**, which built bridges, dams, power plants, and government buildings. The PWA was responsible for building many important projects still in use today, such as New York City's Triborough Bridge, the Overseas Highway linking Miami and Key West, and the Bonneville Dam on the Columbia River in the Pacific Northwest. These public-works projects improved the nation's infrastructure and created millions of new jobs for workers.

✔ **Checkpoint** What actions did Roosevelt take during his first hundred days in office?

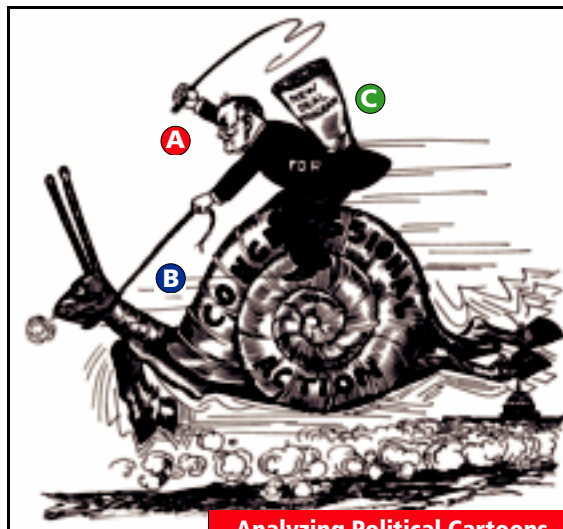
## Opposition to the New Deal Emerges

While Roosevelt had little difficulty gaining support from Congress for his proposals, a minority of Americans expressed their opposition to the New Deal. Some thought the changes it brought were too radical. Others thought that the New Deal was not radical enough. Several of FDR's critics attracted mass followings and made plans to challenge him for the presidency in 1936.

**The Right Says "Too Much"** The chief complaint against the New Deal was that it made the government too powerful. Critics contended that the government was telling business how to operate, spending large sums of money, and piling up a huge national debt.

To many conservatives, the New Deal was destroying free enterprise and undermining individualism. In a 1934 book entitled *The Challenge to Liberty*, former President Herbert Hoover described the New Deal as "the most stupendous invasion of the whole spirit of liberty" in the nation's history. Robert Taft, the son of former President William Howard Taft and a leading Republican in Congress, claimed Roosevelt's programs threatened individual freedom.

In 1934, these critics formed the American Liberty League. Supporters included prominent business leaders, such as Alfred Sloan and William Knudsen of General Motors. Leading Democrats, such as John W. Davis, the Democrat's presidential nominee in 1924, and Al Smith, the nominee in 1928, joined the Liberty League because they felt Roosevelt had deserted the Democratic Party's principles of a limited federal government.



### Analyzing Political Cartoons

**The Galloping Snail** This cartoon represents the relationship between President Roosevelt and Congress during FDR's first hundred days in office.

- A** President Roosevelt
- B** Congress
- C** Roosevelt's New Deal agenda

1. Why did the cartoonist use a snail to represent Congress?
2. What is the cartoonist saying about the relationship between the President and Congress?

## The New Deal: Too Much—or Not Enough?

Franklin Roosevelt's New Deal raised the issue of how involved the government should be in the economy and in the lives of its citizens. This question divided many Americans.

### ALFRED E. SMITH

Smith (1873–1944) served as governor of New York and ran for President in 1928. He believed the New Deal made the government too powerful and described it as a “trend toward Fascist control” and “the end of democracy.”

#### Primary Source

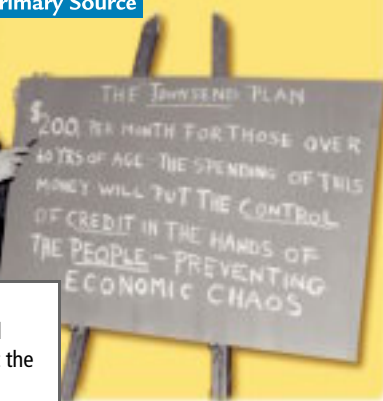
“... Something has taken place in this country—there is a certain kind of foreign ‘ism’ crawling over [it]. . . . There can be only one Capitol, Washington or Moscow! There can be only one atmosphere of government, [the] clear, pure, fresh air of free America, or the foul breath of Communist Russia.”



### FRANCIS TOWNSEND

Townsend (1867–1960) was a medical doctor who felt the New Deal did not do enough to help older Americans devastated by the depression. He proposed a pension plan funded by a national sales tax.

#### Primary Source



#### Compare

1. Which man thought that the New Deal went too far? Which man thought that the New Deal did not go far enough?
2. Why does each oppose the New Deal?

### Vocabulary Builder

**ensure**—(ehn SHUR) *v.* to make safe; guarantee

**The Left Says “Not Enough”** While conservatives accused FDR of supporting socialism, some leading socialists charged that the New Deal did not do enough to end the depression. Norman Thomas, the Socialist Party's presidential candidate, claimed that FDR's only concern was saving the banking system and **ensuring** profits for big business. The American Communist Party described the New Deal as a “capitalist ruse.”

**Populist Critics Challenge FDR** The most significant criticism of FDR came from a cluster of figures whose roots were in the Populist movement. They saw themselves as spokesmen for poor Americans, challenging the power of the elite. Roosevelt's strongest critics were Francis Townsend, Father Charles Coughlin, and Huey Long.

Townsend, a doctor from California, had a simple program. It called for the federal government to provide \$200 a month to all citizens over the age of 60. These funds, he argued, would filter out to the rest of society and produce an economic recovery. To promote this plan, he established “Townsend Clubs” and held meetings that resembled old-time church revivals.

Father **Charles Coughlin** presented an even bigger challenge to FDR. Coughlin, a Roman Catholic priest, had attracted millions of listeners to his weekly radio show. At first, Coughlin supported the New Deal, but in time he broke with FDR, accusing him of not doing enough to fight the depression. Coughlin

said that Roosevelt had “out-Hoovered Hoover” and called the New Deal “the raw deal.”


Coughlin mixed calls for the nationalization of industry with anti-Semitic remarks and attacks on “communists” who, he charged, were running the country. By the early 1940s, Coughlin’s views became so extreme that Roman Catholic officials forced him to end his broadcasts.

Canadian by birth, Coughlin could not run against FDR in the 1936 election. However, he threatened to throw his support behind an even more popular New Deal critic, Senator **Huey Long** of Louisiana. Long was an expert performer whose folksy speeches delighted audiences. Long’s solution to the depression was his “Share Our Wealth” program that proposed high taxes on the wealthy and large corporations, and the redistribution of their income to poor Americans.

**Primary Source** “God invited us all to come and eat and drink all we wanted. He smiled on our land and we grew crops of plenty to eat and wear. . . . [But then] Rockefeller, Morgan, and their crowd stepped up and took enough for 120,000,000 people and left only enough for 5,000,000 for all the other 125,000,000 to eat. And so the millions must go hungry and without those good things God gave us unless we call on them to put some of it back.”

—Huey Long radio broadcast, 1934

Roosevelt viewed Long as a serious political threat. But unlike Roosevelt, Long did not have a deep faith in democracy. Ruling Louisiana as if he owned the state, he made many enemies. In 1935, a political enemy assassinated Long, ending the most serious threat to Roosevelt’s presidency.

 **Checkpoint** What were the two major criticisms of FDR’s New Deal economic policies?



### Huey Long Challenges the Roosevelt Administration

Huey Long used his Share Our Wealth Society to promote the redistribution of wealth in the country. *How might Long’s efforts have influenced FDR’s policies?*

## SECTION

# 1

## Assessment

### Progress Monitoring Online

For: Self-test with vocabulary practice  
Web Code: nea-0902

### Comprehension

**1. Terms and People** For each item below, write a sentence explaining how it affected the lives of people during the New Deal.

- Eleanor Roosevelt
- fireside chat
- TVA
- PWA
- Charles Coughlin
- Huey Long

### 2. NoteTaking Reading Skill:

**Connect Ideas** Use your problem-solution table to answer the Section Focus Question: How did the New Deal attempt to address the problems of the depression?

### Writing About History

#### 3. Quick Write: Identify Main Ideas

Before you can synthesize, you must understand the main idea, or thesis, of each source. Study the political cartoon in this section and write a sentence summarizing its main idea about FDR. Then, review the Alfred E. Smith primary source quote. Write a sentence summarizing Smith’s view of FDR.

### Critical Thinking

- 4. Draw Inferences** Why did President Roosevelt need his wife, Eleanor, to serve as his “eyes and ears”?
- 5. Make Comparisons** How did FDR’s economic policies differ from those of Herbert Hoover?
- 6. Identify Central Issues** Why do you think the depression led to the development of some extreme proposals?