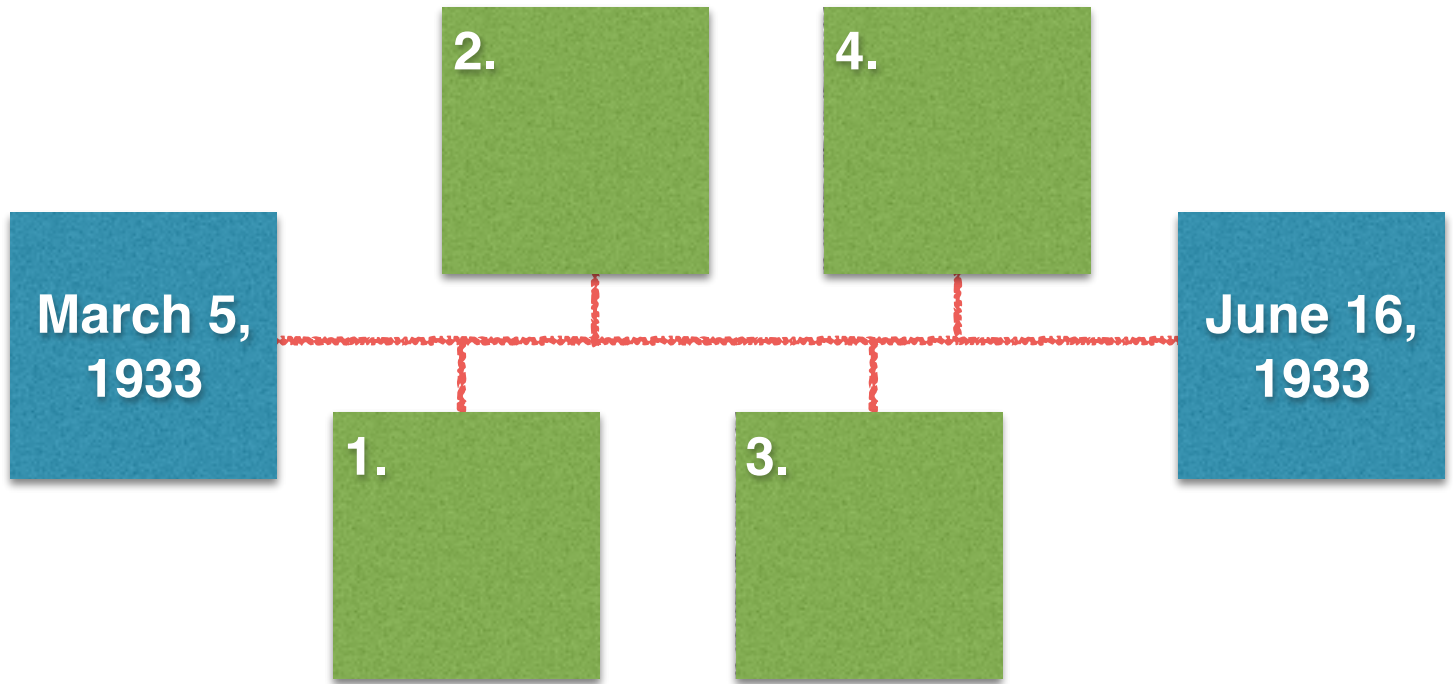


The First New Deal

Big Idea

As you read through these passages, complete this time line by recording the major problems Roosevelt addressed during his first 100 days in office.



Roosevelt's Rise to Power

Determining Cause and Effect

Identify the cause.

Cause:

Effect: Roosevelt's popularity paved the way for his presidential nomination.

The Republicans nominated Herbert Hoover to run for a second term. The Democrats choose the popular New York Governor Franklin D. Roosevelt. He pledged himself "to a new deal for the American people." The New Deal became the name for his policies to end the Depression.

Roosevelt was a distant cousin of President Theodore Roosevelt. He was born into a wealthy New York family and attended Harvard and Columbia Law School. After school, Roosevelt went into politics. He served in the New York legislature. Under President Wilson, he was assistant secretary of the navy. Roosevelt ran as the vice-presidential candidate in the 1920 election. He lost. A year later, Roosevelt came down with polio, a paralyzing disease. Eleanor Roosevelt, his wife, kept his political career alive through public speeches while he recovered.

By 1928, Roosevelt was active again in politics. As governor of New York, Roosevelt oversaw the creation of a relief agency to help the unemployed. His popularity paved the way for his presidential nomination. In November 1932, he won the election by a landslide.

The Hundred Days

Distinguishing Fact from Opinion

Complete the sentences.

1. The opinion that Roosevelt would

led to bank runs.

2. It is a fact that under the gold standard

_____.

Between Roosevelt's election and his inauguration, unemployment continued to rise. Bank runs increased. Some people feared Roosevelt would lower the value of the dollar to fight the Depression. Under the **gold standard**, one ounce of gold equaled a set number of dollars. To lower the value of the dollar, the United States would have to stop exchanging dollars for gold. Depositors in American banks took out money. They wanted to convert deposits to gold before the dollar lost value. Thirty-eight state governors declared **bank holidays**. They closed banks before runs could put them out of business.

Roosevelt began his term by sending bill after bill to Congress. During the first three months of his administration, Congress passed 15 major acts to attack the economic crisis. Roosevelt chose advisors with different points of view. One group believed business and government should work together. A second group distrusted business and wanted government to run important parts of the economy. A third group wanted to break up companies to introduce competition.

Banks and Debt Relief

Identifying the Main Idea

Write the main idea of the passage:

President Roosevelt realized that one of the first things he needed to do was restore people's confidence in the banks. He declared a national bank holiday and then called a special session of Congress. On the day Congress met, the House and Senate passed the Emergency Banking Relief Act. The president signed it into law. It said federal officials would check the nation's banks and license those that were financially sound.

On March 12, Roosevelt addressed the nation on radio in the first of many **fireside chats**—talks in which he told the American people what he was trying to accomplish. He told them it was safe to put their money back into banks. The next day there were more deposits than withdrawals.

Roosevelt's advisors pushed for regulation of the bank industry and the stock market. The Securities Act of 1933 required companies to provide investors with complete and truthful information. The Glass-Steagall Banking Act created the Federal Deposit Insurance Corporation. It insured bank deposits up to a set amount. Roosevelt asked Congress to establish the Homeowners Loan Corporation to help people pay their mortgages. Congress also created the Farm Credit Administration to help farmers refinance their mortgages.

Farms and Industry

Formulating Questions

Write two questions you have about the passage.

To help farmers hurt by the Depression, Roosevelt started a new farm program. Under the program, the government paid farmers not to raise certain livestock and crops. The Agricultural Adjustment Administration ran the program. Over the next two years, the farm surplus fell sharply. Prices and farm income rose. The program mostly benefited large commercial farmers who grew one crop. Many poor tenant farmers became homeless.

In June 1933, Roosevelt turned his attention to industry. Congress enacted the National Industrial Recovery Act (NIRA). It suspended antitrust laws. It let business, labor, and government set up voluntary rules for each industry. These rules were known as codes of fair competition. Some codes set prices, minimum wages, and limited factories to two shifts per day. The National Recovery Administration (NRA) ran the program. Participating businesses displayed signs with the NRA symbol. NRA codes were difficult to administer and tended to favor large corporations. By the time the Supreme Court declared the NRA unconstitutional in 1935, it had lost much of its support.

Relief Programs

Comparing and Contrasting

As you read, complete the sentences.

1. The PWA and the CWA both

2. Only the PWA

3. Only the CWA

Some presidential advisors thought the major cause of the Depression was a lack buying power. They supported work programs for the unemployed, which would get money into the hands of individuals. One such relief program was the Civilian Conservation Corps (CCC). The CCC employed young men 18 to 25 years old under the direction of the forestry service. They planted trees, fought forest fires, and built reservoirs. The young men lived in camps near their work areas, earning \$30 per month. The program put about 3 million people to work.

Congress set up the Federal Emergency Relief Administration (FERA). The FERA provided federal money to state and local agencies to fund their relief projects. The Public Works Administration (PWA) was a federal relief agency. The PWA built highways, dams, sewer systems, schools, and government buildings. It gave contracts to construction companies. The PWA broke down racial barriers in construction trades.

The Civil Works Administration (CWA) hired workers directly and placed them on the federal payroll. It built roads, airports, schools, playgrounds, and parks before Roosevelt ordered it shut down. The New Deal programs inspired hope and restored faith in the country.

Section Wrap-Up

Answer these questions to check your understanding of the entire section.

1. What events and experiences were part of Franklin Roosevelt's early political career?

2. Why did New Deal advisors feel it is sometimes necessary to regulate industry and labor?