

Ch 23 The New Deal

Section 1 A New Deal Fights the Depression

Americans Get a New Deal

Electing Franklin Delano Roosevelt

- Democrats nominate NY governor **Franklin Delano Roosevelt**
 - reform-minded; projects friendliness, confidence
- Democrats overwhelmingly win presidency, Senate, House

Waiting for Roosevelt to Take Over

- With “Brain Trust,” FDR formulates policies to alleviate problems
- **New Deal**—relief for needy, economic recovery, financial reform

The Hundred Days

- FDR launches Hundred Days; passes over 15 major New Deal laws
- Emergency Banking Relief Act permits Treasury Dept. to inspect banks
 - decides which are insolvent, sound, or need loans
 - public confidence in banks revived

An Important Fireside Chat

- FDR gives fireside chats—radio talks explaining New Deal measures
- First chat discusses need for public support of government, banks

Regulating Banking and Finance

- **Glass-Steagall Act** establishes Federal Deposit Insurance Corporation
 - insures individual bank accounts, regulates banking practices
- **Federal Securities Act**—companies must give all information on stocks
- Securities and Exchange Commission created to regulate stock market
- FDR gets law allowing production of some alcoholic beverages
- 21st Amendment repeals prohibition by end of 1933

Helping the American People

Rural Assistance

- **Agricultural Adjustment Act (AAA)** raises food prices, lowers supply
- **Tennessee Valley Authority** creates jobs renovating, building dams

Providing Work Projects

- **Civilian Conservation Corps**—public works jobs for young men
- Public Works Administration—money to states to create jobs
- Civil Works Administration builds rural schools, pays teachers

Promoting Fair Practices

- NIRA establishes codes of fair practice for industries
 - creates National Recovery Administration (NRA)
- NRA sets standards, prices, limits production

The New Deal Comes Under Attack

Opposition to the New Deal

- **Deficit spending**—spending more money than government takes in
 - funds New Deal
- Liberals: New Deal does not do enough to help poor, fix economy
- Conservatives: New Deal used to control business, socialize economy

The Supreme Court Reacts

- Supreme Court strikes down NIRA, AAA as unconstitutional
- FDR proposes “Court-packing bill”; Congress, press protest

- Starting in 1937, justices retire; FDR appoints seven new ones

Three Fiery Critics

- Some conservative opponents form American Liberty League
- Think measures violate respect for personal rights, property
- Father Charles Coughlin withdraws initial support of New Deal
 - wants guaranteed income, banks nationalized
- Dr. Francis Townsend devises pension plan for elderly
- Presidential hopeful, Senator **Huey Long** has popular social program