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.

- 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

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