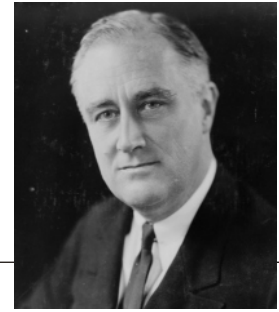


# The Great Depression and the New Deal

## Section 21.4 FDR as President



### Pre-View 21.4

- **Landslide** – a wide margin of victory in an election
- **New Deal** – programs implemented by President Franklin D. Roosevelt (FDR) in an attempt to end the Great Depression
- **Bank holiday of 1933** – a four-day holiday when FDR and Congress ordered that all banks be closed; the banks were inspected, and the ones that were in good shape were reopened
- **Hundred Days** – the flurry of New Deal legislation passed in the first 100 days of FDR’s presidency
- **20th Amendment** – the Lame Duck Amendment; shortened the time between the November elections and the inauguration of the new President; eliminated the December session of Congress
- **21st Amendment** – repealed the 18th Amendment for Prohibition
- **Fireside chats** – radio addresses by FDR to explain and gather support for his New Deal proposals

With the deep misery that many Americans faced, it’s little wonder that Hoover lost the 1932 election. Franklin D. Roosevelt (FDR), the Democrat, won in a **landslide** victory. A landslide occurs when a candidate wins an election with a large number of votes over his opponent. It would be up to FDR to get the economy going again.

In his inaugural address, FDR tried to reassure the American people.

*... 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. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. . . .*

— **Franklin D. Roosevelt**  
*Inaugural Address, 1933*

FDR’s approach was simple and honest. The President promised action. He would try some things. If they worked, great! If they didn’t work, he would try something else. His attitude is summed up in his quote, “*Do something. And when you have done that something, if it works, do it some more. And if it does not work, then do something else.*” FDR also planned to work in stages. He called his plan the **New Deal**.

### FDR’s New Deal

- **Relief** – Provide immediate help for the needy.
- **Recovery** – Get the economy going again.
- **Reform** – Change the things that had caused the depression in the first place.

**Section 21.4, continued**  
**FDR as President**

**Bank Holiday**

Once in office, the first action FDR took was to declare a four-day **bank holiday**. He closed all the remaining banks and promised the American people that the banks would not reopen until every bank had been inspected and declared solvent. (*Solvent* meant the banks were financially stable.) His actions along with the *Emergency Banking Act* passed by the Congress restored confidence in the banking system and stopped large numbers of people from trying to take their money out of the banks.



**Question 1: What did the banking holiday actually do for the banking industry?**

When FDR declared the bank holiday, it was to give the banks a little break so that they could regroup. As more and more people lost confidence in the banking system, bank runs became more frequent. The holiday stopped people from taking out all their deposits.

The bank holiday also helped restore confidence in the banking system. Roosevelt had promised that only healthy banks would be allowed to reopen. People were more likely to trust the banks that did open after the holiday.

**The Hundred Days**

FDR then proposed a number of bills to Congress aimed at rebuilding the economy. In the first 100 days of his administration, FDR with the help of the Congress passed more legislation than at any time before or since. The period has become known as the **Hundred Days**.

The legislation passed under FDR’s New Deal has sometimes been referred to as *alphabet soup* because the bills are often referred to by their initials. The table below is a summary of some of the important early New Deal legislation.

**New Deal Legislation Passed in 1933**

LEGISLATION	INITIALS	DESCRIPTION
<b>Civilian Conservation Corps</b>	<b>CCC</b>	The CCC gave young men jobs working on national parks and other conservation projects.
<b>Federal Emergency Relief Act</b>	<b>FERA</b>	This act provided federal money for state and local relief programs.
<b>Tennessee Valley Authority</b>	<b>TVA</b>	The TVA was a federal corporation that established conservation projects in the Tennessee River Basin. It built dams to generate electricity, provided flood control, improved navigation on the Tennessee River, and boosted economic development in the region.
<b>National Industrial Recovery Act</b> <b>National Recovery Administration</b>	<b>NIRA</b> <b>NRA</b>	The NIRA gave the President authority to regulate businesses. It established the NRA to oversee and enforce codes of conduct for fair competition. These codes set prices of products, minimum wages for workers, and maximum weekly work hours.
<b>Agricultural Adjustment Act</b>	<b>AAA</b>	The AAA was designed to increase farm prices by encouraging farmers to reduce production. It taxed food processors to get the money to pay farmers not to produce as much.
<b>Federal Deposit Insurance Corporation</b>	<b>FDIC</b>	The FDIC insured bank deposits up to \$2,500. It is still in effect today although deposits are now insured up to \$100,000.