

SSUSH18 – Evaluate Franklin D. Roosevelt’s New Deal as a response to the Great Depression and compare how governmental programs aided those in need.

a. Describe Roosevelt’s attempts at relief, recovery, and reform reflected in various New Deal programs.

When Franklin Roosevelt took his oath of office in March 1932, the nation was in grave crisis. Five thousand banks had closed. Unemployment hovered at twenty-five percent. Corporate profits had fallen to ninety percent and farm commodity prices had fallen sixty percent. Two million Americans were homeless. As a result of these issues and President Hoover's reluctance to appropriate Federal assistance, the American public had lost confidence in its government. Roosevelt's plan was to immediately provide relief to those struggling the most, recovery for the economic systems damaged by the economic crisis, and reform so that there would not be another Great Depression. His program of relief, reform, and recovery was known as the New Deal.

Roosevelt's first one hundred days in office was a declaration of war on the Great Depression. The new president immediately signed an executive order closing all banks in the United States temporarily until their solvency could be determined. He also called Congress into special session and sent the legislative body a series of bills designed to address the nation's problems. Collectively, these bills became known as the New Deal.

While specific New Deal Programs are not included in this SSUSH18 element, it is important for students to investigate some particular examples of the relief, recovery, and reform efforts Roosevelt implemented. Some of the relief measures teachers might want to introduce include the Federal Emergency Relief Administration (FERA) that granted federal money to state and local governments for operating soup kitchens and meeting the basic needs of the homeless. There were also a number of agencies created during the first few months of Roosevelt's administration that were intended to put people to work on government funded projects. Examples of the First New Deal's work agencies include the Public Works Administration (PWA) that provided money to states for the construction of roads, bridges, and dams. The Civilian Conservation Corps (CCC) hired young men to work on land projects. Another large program funded by the Federal government was the Tennessee Valley Authority (TVA), which hired thousands of workers in the very rural Tennessee Valley to build dams, power plants, and work to control flooding and erosion.

Other significant features of the New Deal were intended to help the financial systems recover from the Great Depression. The Federal Deposit Insurance Corporation (FDIC) was created to shore up public confidence in the banking system. The FDIC provided insurance on individual bank accounts with deposits up to \$5000. Farmers were granted subsidies through the Agricultural Adjustment Act (AAA), which would help recover crop prices by cutting production.

One major area of reform dealt with the Stock Market. The Securities and Exchange Commission (SEC) was created to regulate the Stock Market. The intent was to prevent another stock market crash by limiting the types of stock speculation that could be transacted.

All of these programs and organizations created significant government involvement in the economic system of the United States. This was quite a departure from the long history of the nation, which had typically followed a laissez-faire approach (other than the trust busting of the Progressives). In evaluating the programs of the New Deal, one has to consider both the immediate and long-term effects. In the short term, programs such as the CCC, PWA, and TVA put thousands of unemployed Americans back to work. However, much of the work available was hard, physical labor that benefitted young men and did not help some groups such as women or the elderly. The emergency banking measures and the creation of the FDIC helped to restore public confidence in America's financial institutions. The long term implications of these programs was not fully realized since America's involvement in World War II lifted the nation out of the economic crisis with the unprecedented production demands that benefitted businesses and ended unemployment.

Define

Relief Programs

Recovery Program

Reform Program

New Deal

1. What were the relief programs of the Great depression?
2. What were the recovery programs of the Great depression?
3. What were the Reform programs of the Great Depression?
4. How did the New Deal help to end the Great Depression?

