

## How did Roosevelt's New Deal go about fixing the problems of the Great Depression?

FDR came into office with no clear or specific plan for what to do. Roosevelt used to say "try something, if it doesn't work try something else." He and his brain trust recognized, at least, that they must try to do something. These attempts at least gave Americans the hope that *something* was being done. Roosevelt's basic philosophy of Keynesian economics manifested itself in what became known as the three "R's" of relief, recovery and reform. The programs created to meet these goals generated jobs and more importantly, hope. They also generated what refer to today as "alphabet soup;" a series of acts and agencies that created a huge federal bureaucracy.

### I. The New Deal

#### A. What did Roosevelt mean by relief, recovery and reform?

1. Relief - Immediate action taken to halt the economies deterioration.
2. Recovery - "Pump - Priming" Temporary programs to restart the flow of consumer demand.
3. Reform - Permanent programs to avoid another depression and insure citizens against economic disasters.

## **U.S. History A – Great Depression Notes**

## New Deal – Alphabet Soup

<b><u>Relief</u></b>	<b><u>Recovery</u></b>	<b><u>Reform</u></b>
Immediate action taken to halt the economies deterioration.	"Pump - Priming" Temporary programs to restart the flow of consumer demand.	Permanent programs to avoid another depression and insure citizens against economic disasters.
<b>Bank Holiday</b> Declared so that the panic would be stopped.	<b>Agricultural Adjustment Act (AAA)</b> Taxed food processors and gave the money directly to farmers as a payment for not growing food. This decreased supply so price would go up.	<b>Securities &amp; Exchange Commission (SEC)</b> Permanent Agency set up to monitor stock market activity and ensure that no fraud or insider trading was taking place.
<b>Emergency Banking Act</b> Closed the insolvent banks and only reopened the solvent ones.	<b>National Industrial Recovery Act (NIRA)</b> Created the NRA (National Recovery Administration) a consortium of businesses organized by the government and given the power to set rules and regulations for the economy. Members of the NRA displayed a blue eagle.	<b>Federal Deposit Insurance Corporation (FDIC)</b> Permanent Agency designed to insure depositors money in savings banks. Originally insured up to \$5,000 per depositor today it has increased to \$100,000.
<b>Federal Emergency Relief Act (FERA)</b> Gave immediate help to those that needed it in the form of cash payments.	<b>Home Owners Loan Corp.</b> Gave loans to home owners so they could pay their mortgages. This prevented people from going homeless and prevented banks from going under.	<b>Social Security Administration</b> Permanent agency designed to ensure that the older segment of society always would have enough money to survive. The key here is that they would then also be able to spend throughout their lives.
<b>Civil Works Administration (CWA)</b> Provided temporary jobs repairing roads and bridges.	<b>Works Progress Administration (WPA)</b> Provided long term government jobs building schools and other public works projects.	<b>National Labor Relations Act and National Labor Relations Board (NLRA/NLRB)</b> Otherwise known as the Wagner Act it helped unions and thus helped workers. This acted

		created the NLRB (National Labor Relations Board) which enforced labor law and made sure that fair business practices were upheld.
<b>Civilian Conservation Corps (CCC)</b> Temporary jobs to unmarried single adults filling sand bags and helping out at disaster type situations. Participants lived in barracks type housing.	<b>Tennessee Valley Authority (TVA)</b> Agency created to build dams in the Tennessee river valley. These dams provided more stable irrigation and cheap hydroelectric power.	<b>Soil Conservation Act</b> Laws mandating proper soil maintenance to make sure that another dust bowl was avoided.

### EARLY NEW DEAL MEASURES

FAIR LABOR STANDARDS ACT -- provided minimum wage for workers.

CIVILIAN CONSERVATION CORPS -- provided work for jobless males between 18 & 25 in reforestation, road construction, prevention of forest erosion. Ended in 1941.

AGRICULTURAL ADJUSTMENT ACT -- established principle of government price support for farmers and guaranteed farm purchasing power.

TENNESSEE VALLEY AUTHORITY ACT -- federal construction and ownership of power plants regional development of Tennessee Valley (7 State Area)

FEDERAL SECURITIES ACT -- required full disclosure of information related to new stock issues.

NATIONAL EMPLOYMENT SYSTEM ACT -- created US employment service.

HOME OWNERS REFINANCING ACT -- use of government bonds to guarantee mortgages.

BANKING ACT OF 1933 -- created Federal Deposit Insurance Corp., guaranteeing the safety of bank deposits.

NATIONAL INDUSTRIAL RECOVERY ACT -- minimum wages and self regulation of industry --- ended in 1935.

PUBLIC WORKS ADMINISTRATION -- appropriated funds to construct roads and other federal projects.

SECURITY AND EXCHANGE ACT -- federal regulation of the operation of stock exchange.

NATIONAL HOUSING ACT -- federal housing administration insured loans of private banks and trust companies for construction of homes.

COMMUNICATIONS ACT -- federal housing administration insured loans of private banks and trust companies for construction of homes.

HOME OWNERS LOAN ACT -- government financing of home mortgages.

NATIONAL HOUSING ACT -- construction of low cost public housing and slum clearance.

SOIL CONSERVATION ACT -- established federal soil conservation services.

RESETTLEMENT ADMINISTRATION -- built new model communities for low income city workers

RURAL ELECTRIFICATION ADMINISTRATION -- created and administered program of bringing electricity to rural areas.

NATIONAL YOUTH ADMINISTRATION -- federal work relief and employment for young people.

NATIONAL LABOR RELATIONS ACT -- encouraged collective bargaining and formation of unions to be supervised by the National Labor Relations Board.

SOCIAL SECURITY ACT -- created Social Security System -- old age and survivors insurance; aid to dependent children etc.