THE NEW DEAL

How did the New Deal attempt to address the causes and effects of the Great Depression?

Roosevelt gives a speech—he promised America a “new deal”.

(National Archives)
New Deal

- This program changed the role of the government to a more active participant in solving problems.
- Roosevelt rallied a frightened nation in which one in four workers was unemployed. ("We have nothing to fear, but fear itself.")

FDR was elected 4 times as President!
The "3 R's"

- Relief: direct assistance to the poor
- Recovery: stimulating the economy to get it rolling again
- Reform: government policies to prevent another economic collapse
RELIEF MEASURES PROVIDED DIRECT PAYMENT TO PEOPLE FOR IMMEDIATE HELP

- **Works Progress Administration (WPA):** provided immediate jobs for people to do a wide variety of tasks.

- **Civilian Conservation Corps (CCC):** gave jobs to young men to build roads, plant trees and other conservation jobs.

This CCC worker is planting trees to prevent soil erosion.

(National Archives photo)
Recovery programs were designed to bring nation out of depression over time

- **Agricultural Adjustment Administration (AAA):** Subsidies to farmers who cut production - caused prices of crops to rise - helping farmers.

- **National Recovery Administration (NRA):** Set codes for “fair trade” - minimum wage and workers’ rights

Member businesses of the NRA displayed the “Blue Eagle”. The AAA and the NRA were eventually declared unconstitutional by the Supreme Court.
Reform measures corrected unsound banking and investment practices

- Federal Deposit Insurance Corporation (FDIC): established to protect people’s deposits in banks to renew faith in banking system
- The Securities Exchange Commission (SEC) provided new rules under which the stock market could prevent another crash.
Social Security

- **Social Security Act** provided retirement plan for workers
- Provides old age, survivor, and disability compensation
- Longest lasting program...and still an explosive issue today!
A Permanent Change in America:

- The New Deal altered permanently the role of American government in the economy.
- It also fostered changes in people’s attitudes toward government’s responsibilities.
- Organized labor acquired new rights, as the New Deal set in place legislation that reshaped modern American capitalism.

Cartoon by Talburt in the Pittsburgh Press
Legacies of the New Deal

- Greater government involvement in people’s lives – the government assumed the responsibility to deliver public services
- Government size and power grew as the expectation to intervene in the economy
- Relationship changed between the government and the people as the government increased its role to “promote the general welfare”
- The New Deal did NOT bring us out of the Great Depression...It would take another World War!