IV. **The New Deal**

Aim: How did different aspects of the New Deal affect the conditions of the Great Depression?

Do Now: Use the Political cartoon to answer the questions.

1. Identify the people in the cartoon.

   Doctor -

   Nurse -

   Patient -

2. What remedies does the doctor propose?

3. What is the main message of the cartoon?

Slide Presentation: The Great Depression

SEQ : Read and listen to FDR's 1st fireside chat and then identify the 5 W's.

I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State Capitols and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

First of all let me state the simple fact that when you deposit money in a bank the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit-bonds, commercial paper, mortgages and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks.

What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold. A rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

By the afternoon of March 3 scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the Governors in almost all the states. It was then that I issued the proclamation providing for the nation-wide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

Who: What: Where: When:	What is happening? Why?

Assessment: Complete the chart Alphabet Soup by identifying the correct new deal program from the list Provided.

1. Emergency Banking Relief Act
2. Securities Exchange Act
3. Tennessee Valley Authority
4. Civilian Conservation Corp
5. Glass-Steagall Act
6. National Labor Relations Act
7. Federal Deposit Insurance Corp
8. Agricultural Adjustment Act
9. Social Security Act

Alphabet Soup	
New Deal Program	**Summary**
	“Bank Holiday” Closed and inspected banks to determine which ones could reopen – builds confidence in the banks
	Put men 18 to 22 to work planting trees, building parks
	Put men to work building dams and electric plants - Modernized the Tennessee River Valley
	Paid farmers not to grow crops to raise prices

	Sets up the FDIC Restores confidence in the banks
	Insurance for bank accounts - restores confidence in banks
	Creates commission to supervise stock market
	Provided old age insurance & unemployment – assisted children, elderly, ill, and handicapped
	Also called the Wagner Act - Labor has the right to form unions Creates National Labor relations board – fair union practices