

THE NEW DEAL

BY AMERICAN EXPERIENCE

In 1932 Franklin Delano Roosevelt was elected overwhelmingly on a campaign promising a New Deal for the American people. Roosevelt worked quickly upon his election to deliver the New Deal, an unprecedented number of reforms addressing the catastrophic effects of the Great Depression. Unlike his predecessor, Herbert Hoover, who felt that the public should support the government and not the other way around, Roosevelt felt it was the federal government's duty to help the American people weather these bad times.

Together with his “brain trust,” a group of university scholars and liberal theorists, Roosevelt sought the best course of action for the struggling nation. A desperate Congress gave him carte blanche and rubber-stamped his proposals in order to expedite the reforms. During the first 100 days of his presidency, a never-ending stream of bills was passed, to relieve poverty, reduce unemployment, and speed economic recovery.

His first act as president was to declare a four-day bank holiday, during which time Congress drafted the Emergency Banking Bill of 1933, which stabilized the banking system and restored the public's faith in the banking industry by putting the federal government behind it. Three months later, he signed the Glass-Steagall Act which created the FDIC, federally insuring deposits.

The Civil Conservation Corps was one of the New Deal's most successful programs. It addressed the pressing problem of unemployment by sending 3 million single men from age 17 to 23 to the nation's forests to work. Living in camps in the forests, the men dug ditches, built reservoirs and planted trees. The men, all volunteers, were paid \$30 a month, with two thirds being sent home. The Works Progress Administration, Roosevelt's major work relief program, would employ more than 8.5 million people to build bridges, roads, public buildings, parks and airports.

The National Industrial Recovery Act (NIRA) and the National Recovery Administration (NRA) were designed to address unemployment by regulating the number of hours worked per week and banning child labor. The Federal Emergency Relief Administration (FERA), created in 1933, gave \$3 billion to states for work relief programs. The Agricultural Adjustment Act subsidized farmers for reducing crops and provided loans for farmers facing bankruptcy. The Home Owners' Loan Corporation (HOLC) helped people save their homes from foreclosure.

While they did not end the Depression, the New Deal's experimental programs helped the American people immeasurably by taking care of their basic needs and giving them the dignity of work and hope.

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