The New Deal

Reading Comprehension & DBQ

The New Deal

The government of the United States put several programs known as the "New Deal" into law during the Great Depression to help the country recover. They were passed in Franklin D. Roosevelt's first two years as president, so they are sometimes known as the "First New Deal." There were more programs later called the "Second New Deal.

Bank Holiday
President Roosevelt wanted to get things started quickly when he came into power in 1933. During his first one hundred days in office, he issued multiple executive orders, helping many preventions from Congress. One of his first actions was to close banks in what he referred to as a "bank holiday." The Emergency Banking Act was passed under the Banking Act of 1933.

Securities Act
In 1933, the Securities Act was passed to bring moral standards to the securities industry. This new federal law put a required level of disclosure of information about investments and sets standards for the disclosure of information about an investment.

Prohibition
The 21st Amendment in 1933 repealed the 18th Amendment, which had prohibited the sale of alcohol.

Public Works Administration
President Roosevelt started the Public Works Administration (PWA). The program provided work for people who were unemployed during the Great Depression.

Works Progress Administration
The WPA was created in 1935 to lower high unemployment rates. The WPA built unemployed workers to build various public projects such as airports, schools, roads, parks, and bridges. They also offered a number of writers to create guidebooks. This program employed around 8 million workers.

Civilian Conservation Corps
The Civilian Conservation Corps (CCC) created many jobs for men who worked on environmental projects like national parks.

Tennessee Valley Authority
The Tennessee Valley Authority (TVA) built dams and controlled flooding in the Tennessee River. This program provided jobs for those who were ready to work, and gave the people of Tennessee access to cheap power.

Agricultural Adjustment Administration
The Agricultural Adjustment Administration (AAA) was created in 1933 to help farmers who overproduced their crops. The AAA provided a profit-sharing plan to farmers. It reduced the price of cotton at the expense of other crops.

Housing
Two new agencies were created to deal with the housing crisis. The Home Owners Loan Corporation (HOLC) and the Federal Housing Administration (FHA) were founded to refinance mortgages and help keep people in their homes. The government reduced farm production to increase prices and give farmers a boost.

Social Security Act
The Social Security Act, passed in 1935, was one of the most important aspects of the New Deal. The act's purpose was to assist the elderly in retirement by providing a pension to retired people. Care for orphans and the disabled, and create a system of unemployment insurance. Retirement benefits are currently paid by a payroll tax.

Works Progress Administration
The WPA was created in 1935 to lower high unemployment rates. The WPA built unemployed workers to build various public projects such as airports, schools, roads, parks, and bridges. They also offered a number of writers to create guidebooks. This program employed around 8 million workers.

Fair Labor Standards Act
Another labor law, the Fair Labor Standards Act, was passed in 1938. It protected workers with a maximum work week (44 hours), a minimum wage (25 cents per hour), and outlawed child labor.

United States Housing Authority
The United States Housing Authority, created in 1938. This agency demolished slums and built new, better housing for the homeless.

Effectiveness
There are differing opinions on whether or not the New Deal worked. The Great Depression did not end until World War II, so many experts actually credit the recovery to the new economy generated by the war and not the New Deal. Others argue that many of the programs created, such as banking, stock market reform, and social security are still necessary for a strong economy and nation today. No matter what, the New Deal had a significant impact on America during the Great Depression and many of its programs remain today.
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Bank Holiday
President Roosevelt wanted to get things started quickly when he came into power in 1933. During his first one hundred days in office, he issued multiple executive orders, helping many laws pass through Congress. One of his first actions was to close banks in what he referred to as a “bank holiday.” The Emergency Banking Act was passed by Congress, allowing banks to reopen under the supervision of the Federal Treasury. This helped stabilize banks and brought back confidence in the banking system for Americans.

Securities Act
In 1933, a Securities Act was passed to help prevent another stock market crash. This required companies who were publicly traded to provide accurate information to the public including their profits, losses, and corporate officers.

Prohibition
The 21st Amendment was ratified, repealing prohibition. It popular among the people and allowed for new tax revenue from legal alcohol sales.

Public Works Administration
President Roosevelt started a large program known as the Public Works Administration (PWA). The program built things like roads, bridges, schools, hospitals, and dams across America. The program provided jobs for many people who were previously unemployed.
Civilian Conservation Corps
The Civilian Conservation Corps (CCC) created many jobs for men who worked on environmental projects, like national parks.

Tennessee Valley Authority
The Tennessee Valley Authority (TVA) built dams along the Tennessee River. This program provided jobs, controlled flooding, and gave the people of Tennessee access to cheap power.

Agricultural Adjustment Administration
The Agricultural Adjustment Administration (AAA) was started to help farmers in America. The program helped improve farming practices, reduced farm production to raise prices, and gave a voice to farmers in the government.

Housing
Two new agencies were created to get the housing industry in America going again: the Home Owners’ Loan Corporation (HOLC) and the Federal Housing Administration (FHA). The HOLC was formed to help refinance mortgages and help people keep their homes. The FHA, started in 1934, put government standards on the construction of homes to ensure their safety. It also help insure mortgages and stabilized the home mortgage.

Alphabet Soup
The New Deal is sometimes called “Alphabet Soup” because many new government agencies were started that were known by acronyms.

Second New Deal
Despite all the new laws and regulations put into place during the First New Deal, the Great Depression continued and things were not improving. President Roosevelt decided to implement a new round of laws and regulations to fix the economy starting in 1935. The laws passed between 1935 and 1938 are often referred to as the “Second New Deal.”
Social Security Act
The Social Security Act, passed in 1935, was one of the most important aspects of the Second New Deal. The act’s purpose was to assist the elderly in retirement by providing a pension to retired people, care for orphans and the disabled, and create a system of unemployment insurance. Retirement benefits are currently paid by a payroll tax. Half of the tax is paid by the worker and the other half is paid by the employer.

Works Progress Administration
The Works Progress Administration (WPA) was created in 1935 to lower high unemployment rates. The WPA hired unemployed workers to build various public projects such as airports, schools, roads, parks, and bridges. They also hired a number of writers to create guidebooks. This program employed around 8 million workers.

National Labor Relations Act
The National Labor Relations Act was passed by Congress in 1935, guaranteeing unions and workers certain rights. In addition, it established a federal board who helped both sides come to wage agreements.

Fair Labor Standards Act
Another labor law, the Fair Labor Standards Act, was passed in 1938. It protected workers with a maximum work week (44 hours), a minimum wage (25 cents per hour), and outlawed child labor.

United States Housing Authority
One of the last new deal agencies was the United States Housing Authority, created in 1937. This agency demolished slums and built new, better housing for the homeless.

Effectiveness
There are differing opinions on whether or not the New Deal worked. The Great Depression did not end until World War II, so many experts actually credit the recovery to the new economy generated by the war and not the New Deal. Others argue that many of the programs created, such as banking, stock market reform, and social security are still necessary for a strong economy and nation today. No matter what, the New Deal had a significant impact on America during the Great Depression and many of its programs remain today.
Roosevelt’s New Deal started many new programs known by their acronyms. Under each acronym, write what it stands for and describe the purpose of the program.

- PWA
- CCC
- TVA
- AAA
- FHA
- WPA
- HOLC
The Road to Recovery

Cut out the events on the right side and glue them in the correct order, using the article as a reference guide.

1933
- The Federal Housing Authority is created

1934
- Works Progress Administration created

1935
- Emergency Banking Act passed
- Fair Labor Standards Act Passed

1937
- Social Security Act passed
- United States Housing Authority created

1938
- FDR is elected U.S. President
- Prohibition is repealed
The New Deal

**Analogies:** Identify the answer that best completes each analogy.

1. First New Deal: 1933-1935 :: Second New Deal: ____________

2. Securities Act: Stock Market :: HOLC: ____________
   A. Farming  B. Mortgages  C. Unions

3. PWA: Roads :: CCC: ____________
   A. National Parks  B. Dams  C. Schools

4. TVA: Rivers :: AAA: ____________
   A. Banks  B. Farms  C. Oceans

5. Social Security Act: ____________
   Fair Labor Standards Act: Work Hours
   A. Banking  B. Farming  C. Retirement

6. Maximum work week: 44 hours :: Minimum Wage: ____________
   A. 10 cents  B. 20 cents  C. 25 cents

**Short Answer:** Answer each question.

7. Was the New Deal viewed as successful? Why or why not?

8. How did the Emergency Banking Act restore confidence in American banks?

9. Why is the New Deal often called “Alphabet Soup?”
**Document-Based Questions:** Choose the best answer.

10. Whose arm is holding the cards?
A. Herbert Hoover  
B. Franklin Roosevelt  
C. Calvin Coolidge  
D. Warren G. Harding  

11. When was this cartoon most likely created?
A. In the first 100 days of the president’s term.  
B. In the middle of the president’s term.  
C. At the end of the president’s term.  
D. When the stock market crashed.

12. Who does the “patient” in the cartoon represent?
A. Franklin Roosevelt  
B. Eleanor Roosevelt  
C. Uncle Sam  
D. Herbert Hoover

13. What do the acronyms on the bottles represent?
A. Congress  
B. Senators  
C. New Deal Organizations  
D. The American People

14. Which best describes the message of the cartoon?
A. FDR used many programs to “cure” America.  
B. FDR was unsuccessful, but kept trying.  
C. Congress continued to pass laws during the Great Depression.  
D. Uncle Sam was greedy during the Great Depression.
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