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## FDR's New Deal - Social Security

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Franklin Roosevelt had won the elections of 1932 and 1936 by a wide margin. His party, the Democrats, also controlled Congress. All this added up to a powerful presidency. You might have thought the president would have very few worries.

Roosevelt's popularity did help him. He was able to make big changes in the way government worked. Through his policies, government became much more involved in the lives of people. He moved America toward a more planned economy. By and large, Congress and the people approved of this new approach.



*Harry Hopkins, President Roosevelt*

It couldn't be said, however, that Roosevelt had nothing to worry about. It was true that the voters had put their trust in him. But the Depression still seriously affected the nation. Millions of people in dire straits are a powerful force in themselves. They are apt to be short-tempered with leadership. They are also ready to jump at anything that promises to make things better.

In this time of crisis, several radical ideas popped up. Communism was gaining followers. It was easy for people in the depths of poverty to see the upper classes as the problem. "From each according to his ability and to each according to his need" sounded good. The Communist party won several elections during the 1930s.

The "Share Our Wealth" movement had somewhat the same appeal. Senator Huey P. Long of Louisiana backed this idea. Long thought that each American family should be given a plot of land worth \$5,000. Each family should also receive an income of \$2,000 a year. Huge taxes on the rich would finance the gifts. Those without homes and jobs liked the idea.

Another plan urged the government to give \$200 a month to senior citizens. The seniors would then be required to spend all the money in thirty days. This idea was fostered by a Dr. Townsend of California. Still another plan called for the use of silver to inflate the money supply. Father Charles E. Coughlin was the author of this plan. He was also very critical of Roosevelt and biased against Jews. He aired his views in sermons on radio. Many people listened.

In the hearts of the public, the hard times had evoked a deep need for security. Roosevelt saw this need. He also saw government as an agent for meeting the need. The president sent to Congress a bill to protect people from the fear of economic disaster. The bill became the Social Security Act.

The SSA was set up as a kind of insurance plan. It was designed to protect people from hardships in old age, disability, or unemployment. SSA awarded monthly benefits to people over 65. It also ensured incomes for the

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disabled. To fund these programs, the SSA taxed both workers and employers. These monies were put into a trust fund to provide benefits for future generations.

Another part of the SSA granted assistance to those who lost their jobs. Payroll taxes funded these benefits. SSA offered federal money to states for various programs. Care for needy mothers and babies as well as help for orphans and sick children was funded by federal grants. Aid for blind people was included, too.

The New Deal attended to other forms of security as well. Protection for consumers was the goal of the Food, Drug, and Cosmetic Act. This law stated that labels must contain honest and complete information about products. It also banned false advertising. The Civil Aeronautics Act established rules for aviation. It set up the Civil Aeronautics Board to regulate fares and to look into plane crashes.

These days, Americans may take it for granted that there are official programs to help in times of disaster. Very few such programs existed before the Depression. Then, in the desperate times of the 1930s, FDR's New Deal offered relief to those in need. Roosevelt's legacy, however, was his reform measures. Many of these laws continue to this day to provide safety nets for ordinary people.

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## Questions

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1. Describe the changes that Roosevelt made in the way government related to people.

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2. Explain the factors that enabled Roosevelt to make such big changes in the way government operated.

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- \_\_\_\_\_ 3. "From each according to his ability and to each according to his need" is the motto of:
- A. the "Share Our Wealth" plan
  - B. communism
  - C. Christianity
  - D. capitalism

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4. Name two of the radical ideas for economic change that arose from the Depression era and explain their proposals.

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- \_\_\_\_\_ 5. What groups of people did the Social Security Act cover?

- A. the disabled, orphans, and sick children
- B. the elderly and the unemployed
- C. mothers and babies and the blind
- D. all of the above

- \_\_\_\_\_ 6. How were SSA benefits for the elderly to be funded?

- A. from payroll taxes on lower and middle incomes
- B. from taxes on the wealthy
- C. from taxes on workers and employees which were put into a trust fund
- D. from the general federal budget

7. Explain how the Food, Drug, and Cosmetics Act and the Civil Aeronautics Board provided security for consumers.

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8. Some people thought that Roosevelt's security measures amounted to too much government meddling in business and the economy. What do you think about this issue?

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