

## HISTORY STANDARDS:

**H.5.USH.3:** Analyze the expanded role of the federal government's domestic interventions and fiscal policy in response to the Great Depression

**H.5.USH.4:** Evaluate the effectiveness of New Deal policies on various regions during the Great Depression, including their effects on unemployment, poverty, infrastructure, and the views of Americans toward the role of government in the economy

## ECONOMICS STANDARDS:

**E.3.ECON.5:** Evaluate intended and unintended consequences of government policies created to improve market outcomes

**E.4.ECON.4:** Compare and contrast the roles and functions of financial institutions in the United States including banking practices and regulation of savings and investments

## CIVICS STANDARDS:

**C.2.CIV.9:** Analyze the reasons for checks and balances, separation of powers, and federalism within the Constitution to limit government power and protect individual liberty

**C.2.CIV.10:** Examine ways the powers, responsibilities, and limits of the federal government have changed over time and are still contested

# FRANKLIN D. ROOSEVELT AND THE IMMEDIATE RESPONSE TO THE GREAT DEPRESSION



## MATERIALS INCLUDED:

- *Content Overview*
- *Pacing Guide*
- *Read & Respond: Roosevelt's First Fireside Chat*
- *Watch: FDR's First Inaugural Address*
- *Research & Present: Early Economic Policies of the Great Depression*



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## **ACRE**

*The Arkansas Center for Research in Economics is an Arkansas-focused research center housed in the College of Business at the University of Central Arkansas. Our scholars and policy analysts use academic research and original analysis to educate the public on important issues of public policy in Arkansas. Our research focuses on barriers to employment, taxes and subsidies, K-12 education, property rights, and government transparency. Through our K12 programs, we work to create learning opportunities for teachers and students exploring how economics works, how economists create & analyze data, and how economics applies to the lives of individuals, groups, and communities. The views expressed in this publication do not necessarily reflect those of the University of Central Arkansas.*

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# THE 1932 PRESIDENTIAL ELECTION

As the 1932 presidential election approached, most commentators believed that President Hoover was in trouble. The economy was in the throes of depression with unemployment over twenty percent. The American people had lost faith in Hoover and the Republican Party. Many Americans wanted Hoover to use the federal government to provide employment and other financial support. Hoover refused to do this. Further, Hoover raised income taxes and significantly increased tariffs, which only made the economic downturn worse.

The Democratic Party nominated the Governor of New York, Franklin Delano Roosevelt. FDR was a distant cousin of President Theodore Roosevelt and the younger Roosevelt had served in the Wilson Administration as the Assistant Secretary of the Navy. In 1920, he was nominated to be the vice presidential running mate to Ohio Governor James M. Cox. Unfortunately for Roosevelt, he and Cox were resoundingly defeated by the Republican ticket of Warren G. Harding and Calvin Coolidge. Shortly after Harding won the 1920 presidential election, FDR contracted polio which left him permanently paralyzed from the waist down.

Roosevelt's wife, Eleanor, insisted that he renew his political career. He won the governorship of New York in 1928 and served through the early years of the depression. While Governor of New York he supported government aid to workers negatively affected by the Great Depression. He was the first governor to embrace unemployment insurance. While running for a second term as governor, FDR embraced full employment, assistance to New York farmers, and old-age pensions. He was reelected in a landslide. Roosevelt's belief in an activist government endeared him to progressives in the Democratic Party and he won most of the seventeen states that held primaries. He secured the nomination at the Democratic Convention on the fourth ballot (1).

## ESSENTIAL QUESTIONS:

How did the Great Depression influence the 1932 Presidential campaigns?

What steps did the Roosevelt Administration take to combat the Depression? Were these actions effective?

## LEARNING OBJECTIVES:

Students will analyze historical documents to make determinations about past events.

Students will critique the economic recovery methods attempted in the early stages of the Great Depression.

## NOTES:

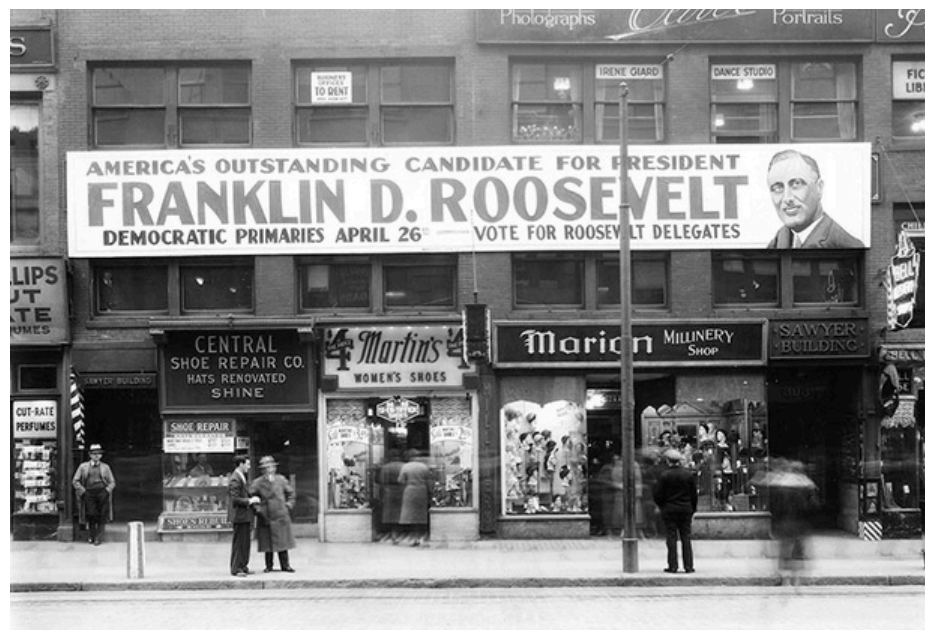
## NOTES:

# ON THE CAMPAIGN TRAIL

During the 1932 presidential campaign, FDR ran a conflicted campaign that failed to lay out a clear vision of what his election would mean. He promised a New Deal for the American people on the campaign trail, but it was unclear what that New Deal would consist of. FDR promised everything to everyone and contradicted himself on many issues. For example, at Oglethorpe University on May 22, Roosevelt called for “social planning” and bold experimentation in the economy. At another stop he criticized Hoover as being “committed to the idea that we ought to center control of everything in Washington as rapidly as possible.” In Pittsburgh on October 19, he even attacked Hoover’s deficits and called for a sharp reduction in government spending.

One political commentator complained that “the campaign speeches [of both candidates] often read like a giant misprint, in which Roosevelt and Hoover speak each other’s lines (2).

Regardless, on election day voters overwhelmingly rejected Hoover. FDR was elected with over fifty-seven percent of the popular vote to Hoover’s thirty-nine percent. In the electoral college FDR won 472 electoral votes to Hoover’s 59. Roosevelt had a mandate. Now he just had to figure out exactly what his plan was to tackle the Great Depression.



*Shops in Worcester, Massachusetts with a banner across the second floor windows urging people to vote for Franklin D. Roosevelt in the upcoming primary on April 26. Franklin D. Roosevelt Presidential Library & Museum*

# INAUGURATION APPROACHES

Roosevelt surrounded himself with some of the best and brightest intellectuals in the United States. They came to be known as the Brain Trust. Many people came and visited FDR between the time of his election on November 8, 1932, and his inauguration on March 4, 1933. They shared their ideas on how to combat the depression. Roosevelt listened to them and accumulated policies that would eventually make their way into his New Deal.

By the time he stood on the East Portico of the Capitol and delivered his Inaugural Address, FDR had decided to use the power of the federal government to fight the Great Depression with the same vigor that he would wage a war. Roosevelt declared that “the only thing we have to fear is fear itself.” Americans’ distress was not due to a “failure of substance” but rather had been caused by the greed of speculators and unbridled businessmen.

FDR bemoaned that the “rulers of the exchange of mankind’s goods have failed through their own stubbornness and their own incompetence, have admitted their failure, and have abdicated...The money changers have fled from their high seats in the temple of our civilization. We may now restore the temple to ancient truths.”<sup>(3)</sup> Roosevelt promised to use the power of the federal government to directly intervene as no president had ever done before—especially during peacetime.

Roosevelt also indicated that he would use the federal government to put Americans directly to work. According to the president elect, what was needed was action and action now. He promised the American people that he would first ask Congress for the power and authority to meet the crisis, but added that if Congress did not act or if the crisis remained Roosevelt would “ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.”<sup>(4)</sup> Such language enthralled his supporters and terrified those who feared the encroachment of the federal government into spheres it didn’t understand and could not improve.

## FDR’S FIRST ADDRESS:

You can find audio and video of FDR’s 1933 address here: <https://www.youtube.com/watch?v=khFwYWWF6Tc>

Play it for your students and use these questions to guide a discussion (worksheet included in resources section.)

*How did FDR’s First Inaugural Address set the tone for his presidency?*

*What do you think Roosevelt meant by the statement, “The only thing we have to fear is fear itself.” How does this statement reflect the challenges facing the nation during the Great Depression?*

## NOTES:

3. As quoted in David M. Kennedy’s *Freedom from Fear: The American People in Depression and War, 1929-1945* (New York: Oxford University Press, 1999), 134.

4. Franklin Delano Roosevelt, “First Inaugural Address” Saturday, March 4, 1933.

## CIVICS & U.S. GOVERNMENT CONNECTION: SEPARATION OF POWERS

The framers of the U.S. Constitution designed the federal system to separate powers between three branches of government (legislative, judicial, and executive.)

Throughout these lessons, have students recall the relationship between the legislative and executive branches under the U.S. Constitution. Was was FDR hoping to change about the Executive office?

FDR need not have worried about pushback from Congressional legislators. Roosevelt appointed progressives to key positions within his administration—including secretary of the interior, secretary of agriculture, and secretary of labor. He was shifting his party to the left to appeal to urban industrial workers. At the same time, FDR went out of his way to not offend the foundation of the Democratic Party—southerners (many of whom were also ardent segregationists). This coalition came to be known as the New Deal coalition and it gave the Roosevelt administration complete control of Congress. Over half of the Seventy-third Congress elected in 1932 with Roosevelt were either freshmen or in their second term. These legislators had been elected to fix the depression and they looked to FDR to show them the way.

As historian David Kennedy explains: “the rank-and-file Democratic majorities in both houses were largely made up of fresh, norther, urban-industrial representatives of at least potentially liberal bent. At a minimum they were impatient with inaction...They were, as yet, an unformed and unreckoned force, one that Roosevelt might mold to his purposes of remaking his party.” (5) And mold them he did. At his request they would grant him an unprecedented flurry of legislation that would come to be known as the First New Deal.

## ADDRESSING THE BANKING CRISIS

Roosevelt and his advisors didn’t waste any time once they took office. The first order of business was to sure up the nation’s banking system. Following the November election, the American banking system virtually shut down. Hoover, and indeed many foreign investors, worried that FDR would embrace economic policies that emphasized abandoning the gold standard, economic nationalism, and inflation. In Hoover’s mind these reforms would destroy the U.S. and global economy and he attempted to meet with Roosevelt to try and get the president elect to commit to a series of policies that would, in Hoover’s view, strengthen the international economic system and reassure investors all over the world. FDR was unmoved during his two meetings and Hoover described Roosevelt as “amiable, pleasant, anxious to be of service, very badly informed and of comparatively little vision.” He added that the meeting with FDR consisted of him “educating a very ignorant...well-meaning young man.” (6)

### NOTES:

5. David M. Kennedy, *Freedom from Fear: The American People in Depression and War, 1929-1945* (New York: Oxford University Press, 1999), 127-129.

6. As quoted in David M. Kennedy’s *Freedom from Fear: The American People in Depression and War, 1929-1945* (New York: Oxford University Press, 1999), 109.

## NOTES:

Hoover's attempts to get FDR to cooperate in the face of the most catastrophic banking crisis the nation had ever seen failed. On February 18, 1933, Hoover wrote a ten-page letter to Roosevelt and had it delivered by a Secret Service agent to the president elect. In the letter, Hoover explained that the banking system was about to collapse, that gold was flowing out of the U.S. in quantities that could be extremely harmful, that Americans were withdrawing their deposits and turning to hoarding, and that as prices were falling unemployment was increasing. Hoover argued that these calamities were caused by a lack of confidence among the American people and even blamed FDR's election for raising the possibility of inflationary policies for the crisis. Hoover told Roosevelt that he was convinced "that a very early statement by you upon two or three policies of your Administration would serve greatly to restore confidence and cause a resumption of the march of recovery." (7)

Roosevelt refused to reply and refused to work with Hoover to address the banking crisis. A week later, Rexford Tugwell, one of Roosevelt's advisors and original members of his "Brain Trust," reportedly told a Hoover supporter that the incoming administration was "fully aware of the bank situation and that it would undoubtedly collapse in a few days, which would place the responsibility in the lap of President Hoover." Another member of the Roosevelt administration, Raymond Moley (who later became a critic of FDR and the New Deal) recalled that Roosevelt "either did not realize how serious the situation was or...preferred to have conditions deteriorate and gain for himself the entire credit for the rescue operation." (8) Roosevelt ignored Hoover's continued pleas for cooperation.

With the American banking system shut down, the Hoover and Roosevelt teams worked relentlessly for eighty hours. When a special session of Congress convened on March 9, the two economic teams presented their banking bill. The Emergency Banking Act passed in the House after thirty-eight minutes of "debate" and quickly cleared the Senate. It largely reflected the views of the outgoing Hoover administration but with one important addition: It would be presented to the American people by Roosevelt—a man most Americans believed in and hoped would rescue them from the throes of depression. The Act "provided for the reopening of banks as soon as examiners found them to financially secure." (9)

7. As quoted in David M. Kennedy's *Freedom from Fear: The American People in Depression and War, 1929-1945* (New York: Oxford University Press, 1999), 109-110.

8. As quoted in David M. Kennedy's *Freedom from Fear: The American People in Depression and War, 1929-1945* (New York: Oxford University Press, 1999), 110.

9. "Emergency Banking Act of 1933," Federal Reserve History, accessed at <https://www.federalreservehistory.org/essays/emergency-banking-act-of-1933>. Accessed on 2/16/2024



## NOTES:



*FDR's Fireside Chats, from the Franklin D. Roosevelt Presidential Library & Museum*

One congressman later quipped “The President drove the money-changers out of the Capitol on March 4th—and they were all back on the 9th.” The Act gave Roosevelt “broad discretionary powers” over the financial sector of the American economy. The banking holiday, which FDR declared on March 6th was extended to the 13th. The holiday was meant to allow the federal government to hammer out a proposal for their reopening. There was surprisingly little panic during the holiday and the day before the banks reopening, President Roosevelt addressed the American people in the first of his thirty-one “Fireside Chats.”

Just as President Ronald Reagan revolutionized the presidency’s use of television, Roosevelt transformed the medium of radio into a valuable asset during his administration. FDR bypassed the professional press and went directly to the American people. He spoke to them from radio receivers in their living rooms. On the evening of January 12, with sixty million Americans listening, FDR explained in simple and relatable terms what was being done in Washington to address the banking crisis. In a calm voice, he reassured the American people “that it is safer to keep your money in a reopened bank than under the mattress.” The next day when banks reopened, it was clear that Roosevelt’s tactics had been successful. Americans deposited both cash and gold back into their banks and the panic was over. Whether or not Roosevelt could have achieved this feat while working with Hoover a month earlier is a point that historians will continue to debate.

## LISTEN FOR MORE:

Sometimes well intended policies don't turn out the way lawmakers plan. For a deeper understanding of the economic concept of deadweight loss in law making, listen to this *Econ Talk* podcast. The speaker discusses some of the idealized theories of government intervention compared to the long term outcomes of those policies.

<https://www.econtalk.org/winston-on-market-failure-and-government-failure/>



Roosevelt and his administration weren't done with the banking system. In June, FDR signed the Banking Act of 1933—also known as the Glass-Steagall Banking Act. Glass-Steagall separated commercial and investment banking to try and curb “speculative” bank activities and it also provided for a system of federal deposit insurance. Advocates of separating commercial and investment banking argued that this would protect average Americans from those engaged in more speculative, uncertain, and dangerous investments. In short, they argued that separation would provide stability. Critics of the separation argued that it would discourage competition and thereby result in a less robust and efficient banking system.

Although the Roosevelt administration actually opposed the creation of federal deposit insurance in the Act, it became a central part in the memory of the New Deal and the security it provided. The idea of deposit insurance had been around for a long time and was opposed by many members of Congress. Representative Henry Steagall, one of the chief authors of the legislation, was the major proponent for the inclusion of deposit insurance. Senator Carter Glass from Virginia was the other sponsor of the bill. He actually opposed deposit insurance and embraced extending branch banking as a means to reform the banking system. The idea behind branching was that it would allow banks to open more than one bank in a state, would increase competition, and lead to a more diverse and robust banking system. In short, deposit insurance and branch banking were competing banking reform options. Ultimately, Steagall won the day and federal deposit insurance was adopted.

The Federal Deposit Insurance Corporation was set up to issue short term insurance on deposits up to \$2,500 per account holder. This was increased after July 1, 1935 to up to \$5,000. The goal of the creation of the FDIC was to further encourage public confidence in the banking system by providing some level of safety for all investments. Interestingly, some states had systems of deposit insurance before the Great Depression and those states actually suffered higher rates of bank failures. This is due to the moral hazard that bank deposit insurance creates. If the state or federal government is going to protect a bank's depositors, at least in part, the bank may be less prudent when investing those deposits.

# REGULATING THE STOCK MARKET

## NOTES:

Roosevelt and his allies in Congress also took legislative action to regulate the stock market. In late May, Congress passed the Security Exchange Act of 1933. The goal of the legislation was to provide more transparency for investors. Corporations that were publicly traded now had to disclose all the relevant information for potential investors.

A year later, Congress passed the Security Exchange Act of 1934 which created the United States Securities and Exchange Commission (the SEC) to enforce the regulations in the 1933 Act and to further “increase the safety requirements for stock-trading companies.” Economic historian Burt Folsom argues that FDR deserves credit for forcing unscrupulous companies “to increase their standards.” Folsom also notes, however, that the creation of the SEC “increased red tape and penalties to the point that legitimate investors were scared off.” Raymond Moley argued that “the market for new securities was virtually frozen during the year that followed. Bankers and lawyers were unwilling to advise investors to risk entanglement with a law that might be enforced with Draconian severity.” The reality is that every government regulation of the economy brings with it dead weight loss. As Americans, we simply have to decide if we are okay with the tradeoffs that will likely result from proposed legislation.

## CONCLUSION

President Roosevelt’s most immediate task upon taking office was to shore up the banking system and restore confidence in the fledgling American economy. Had FDR worked with Hoover earlier some banks that failed might have been saved and the crisis might have been prevented—but it is impossible to say for sure. What we do know is that Roosevelt’s first fireside chat and the legislation that his and the Hoover treasury team put together worked and Americans’ confidence in the banking system was restored. Believing that greed and speculation had contributed in a significant way to the Great Depression, the Roosevelt administration turned to regulating the stock market. Their efforts resulted in providing some level of investor protection while significantly slowing investment due to the uncertainty around the new legislation. As Roosevelt began to fashion the First New Deal it seemed likely that he was ready to use the power of the federal government to remake the American economy.

# SUGGESTED PACING GUIDE:

## INTRODUCTION (15 MINUTES)

Play the video resource for Roosevelt's Inaugural address and guide a short discussion on his main ideas. Have students identify the rhetorical strategies they notice in this political speech. Who is the intended audience? What is the overall tone? What kind of language is being used? Ask students to imagine how a person living and working during the Great Depression might react to hearing this speech from the new President.

## LESSON (30 MINUTES)

Guide students through the timeline of the election of 1932 and the various actions taken by the Hoover & Roosevelt administrations during the transition of power. Students will critique the economic recovery methods attempted in the early stages of the Great Depression. During this time, students will also learn the basic background information they can build upon when completing the optional research project.

## FIRESIDE CHAT LISTEN & RESPONSE (30 MINUTES)

Students will read & listen to Franklin D. Roosevelt's first fireside chat where he discusses the banking crisis then respond to questions on its contents. How does Roosevelt's use of the radio impact the everyday American and their relationship with politics? Students can write their responses on the provided worksheets or work through discussions in small groups or as a class.

## RESEARCH & PRESENT (EXTENTION OPTION)

In this activity, students are paired with partners or in small groups to further research one of the economic policies explored during the lesson. Students locate interesting sources and create presentation materials that tell the story of the development and implementation and reception of various acts of Congress during the Great Depression.

**NAME:**

**DATE:**

**CLASS PERIOD:**

# **FDR'S FIRST FIRESIDE CHAT: THE BANKING CRISIS**

**MARCH 12, 1933**

*Instructions: Read & listen to the following radio address from Franklin D. Roosevelt. **Highlight sentences that focus on his main ideas or arguments.** Then answer the questions using full sentences.*

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 3rd, 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 nationwide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirement of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the national Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

# FDR'S FIRST FIRESIDE CHAT

MARCH 12, 1933

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of payrolls.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the twelve Federal Reserve Banks to issue additional currency on good assets and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the Bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

A question you will ask is this: why are all the banks not to be reopened at the same time? The answer is simple. Your Government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result, we start tomorrow, Monday, with the opening of banks in the twelve Federal Reserve Bank cities—those banks which on first examination by the Treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearing houses. That means about 250 cities of the United States.

On Wednesday and succeeding days banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans, to obtain currency needed to meet their requirements and to enable the Government to make common sense checkups.

Let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow. I know that many people are worrying about State banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These State banks are following the same course as the National banks except that they get their licenses to resume business from the State authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the State Banking Departments will be as careful as the national Government in the policy relating to the opening of banks and will follow the same broad policy.

It is possible that when the banks resume a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

# FDR'S FIRST FIRESIDE CHAT

MARCH 12, 1933

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the Reserve Banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security, and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively and even allows the Government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your Government is doing that there is nothing complex, or radical, in the process.

We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money entrusted to them in speculations and unwise loans. This was, of course, not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible. And the job is being performed.

I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided; and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

It is your problem no less than it is mine. Together we cannot fail.

**NAME:**

**DATE:**

**CLASS PERIOD:**

1. *How does Roosevelt explain the banking crisis? What actions does he describe being taken to mitigate the financial crisis?*

2. *What American fears does Roosevelt address during the broadcast?*

3. *Roosevelt says "People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress." Why did people at the time feel that their money wasn't safe in a bank?*



# ROOSEVELT'S FIRST INAUGURAL ADDRESS (1933)

[HTTPS://WWW.YOUTUBE.COM/WATCH?V=KHFYWWF6TC](https://www.youtube.com/watch?v=KHFYWWF6TC)

**NAME:**

**DATE:**

**CLASS PERIOD:**

1. *How did FDR's First Inaugural Address set the tone for his presidency?*

2. *What do you think Roosevelt meant by the statement, "The only thing we have to fear is fear itself." How does this statement reflect the challenges facing the nation during the Great Depression?*

# EARLY ECONOMIC POLICIES TO COMBAT THE GREAT DEPRESSION

**NAME:**

**DATE:**

**CLASS PERIOD:**

1. *HIGHLIGHT* the economic policy you/your group will be investigating:

- a. *The Emergency Banking Act 1933*
- b. *Banking Act of 1933 (Glass-Steagall Banking Act)*
- c. *Security Exchange Act 1933 & 1934*

2. *Locate multiple resources (articles, videos, etc.) that provide additional information on your policy. Provide the title and a description of each resource used.*

- *Resource One:*
  
  
  
  
  
  
  
  
  
  
- *Resource Two:*
  
  
  
  
  
  
  
  
  
  
- *Resource Three (Optional):*
  
  
  
  
  
  
  
  
  
  
- *Resource Four (Optional):*

3. Create a presentation using PowerPoint, Google Slides, or another software. Your presentation should answer the following questions:

- When was the policy created?
- What did lawmakers hope to achieve?
- What costs were associated with the new policy?
- What was the public reaction to the new law(s)?

*Other guidelines: 5-7 informational slides, including 2-3 images, clear titles for each slide, provide links to any outside resources or images used by hyperlinking or using the notes area of your slides*



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