



What Should Be Done About the Depression?

Directions: In this worksheet you will evaluate and make decisions about a number of proposals designed to end the Great Depression.

- It is March 1933 and you have just been inaugurated as President. Your main goal is to get the nation out of the worst depression in its history. Your secretary has given you the following proposals from advisors on how to combat the Depression. Put a check next to at least three proposals you would adopt and rank them in descending order.

1. _____ The government should plan our economy. With central planning by the government, the economy could grow without having periodic business depressions. Such public goals, like economic equality, should, if necessary, be forced on business leaders
2. _____ The government should help business out in order to restore public confidence in the economy. We should tax the rich business leaders less and give subsidies (aid) to businesses. The businesses will use this help to expand production. Then they will hire more workers, and the economy will get moving again. There should be a minimum of welfare for the poor, as this drains off money from business.
3. _____ The government should bring businesses together and set up a planning agency, run by the government, to help them get going again. Within the agency the businesses would set up their own guidelines and regulation. For example, they could charge higher prices and cooperate rather than compete. Of course, the government would watch over agency, but the business leaders would run the agency. They know how to get a business going again.
4. _____ The government must balance the budget. Almost all business leaders believe that this is a healthy way to run both government and business. Thus their confidence will be restored in the economy, they will expand production, and the economy will get moving again.
5. _____ The government must give much more welfare relief to the millions of people who are suffering from the Depression. It is the obligation of government to protect its poorer citizens from such suffering. The money to pay for the welfare should come from heavier taxes on rich people. If the poor have more money, they will buy more products and businesses will be able to expand. In this way the country will get out of the Depression.
6. _____ To get out of the Depression, the government should engage in the deficit spending -- that is, it should spend much more money than it takes in through taxes. By pumping more money into the economy, the government would stimulate more spending by both consumers and businesses. This would get the economy moving again.
7. _____ The nation should adopt a "share the wealth" program. The government should confiscate (take away) all the wealth of people who have more than \$50,000 and share it with the poor who are suffering.
8. _____ The government should expand the military and start a huge arms build up. This will create jobs for many millions of workers. People will feel they are contributing to the strength of the nation, and businesses and government will cooperate to get the country out of the Depression. People should be made to think of what is good for our nation, not just for themselves.
9. _____ The workers must take over all the industries in the country. The government, controlled by the common people, should abolish (do away with) private ownership of business and bring about real equality. As a result of this takeover, workers will no longer be exploited by the powerful business leaders, but will be truly free. Only in this way can the country get out of the Depression and avoid future depressions.
10. _____ Private charities should help the poor survive. The government really has no legitimate role in aiding the poor. In fact, government welfare causes people to lose the incentive to work, and thus destroys the moral fiber of the country.