

Note-Taking Tool

Think about what you've already learned about the New Deal and its effects. (It may be helpful to listen to [Episode 6, 24:26-31:22](#) and 38:30-39:45, or skim the [Episode 6 transcript, pp. 20-24 and 30-31](#), to refresh your memory. You can find these resources under "Listening Guides" at <https://sceneonradio.org/capitalism-educator-resources/>.)

Then, examine sources to consider how the New Deal changed American capitalism and how those changes may connect to the decades of prosperity that followed.

Part 1 FDR's Views of Economic Freedom

Read the excerpt from "Acceptance Speech for the Renomination for the Presidency" and take notes in the first part of the chart. Then, consider the questions in the second part of the chart to reflect on your understanding.

Reading/Listening Notes

According to Roosevelt, what do people need in order to be economically free, and what role should the government play in protecting this freedom?

According to Roosevelt, what kind of tyranny did colonists seek freedom from in 1776? How did this tyranny limit their lives and freedom?

According to Roosevelt, what kind of tyranny are American workers, farmers, and small business owners seeking freedom from in 1936? How does this tyranny limit their lives and freedom? What forces does Roosevelt believe are responsible?

Why does Roosevelt compare 1776 to 1936?

Summarize Roosevelt's definition of economic freedom in your own words.

What role does Roosevelt believe the government should play in securing Americans' economic freedom, and why?

Reflection Notes

How does Roosevelt's understanding of economic freedom compare with the different meanings of economic freedom explored in Episode 6? What questions does this source raise for you?

Part 2 The New Deal and American Capitalism

As you examine the timeline, choose three programs or laws that you think significantly changed the way capitalism operated in the United States. Refer back to the **Features of Capitalism explainer** (<https://sceneonradio.org/explainer/>) as you identify which feature(s) each program or law affected.

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Looking across the timeline, what larger changes do you notice in the federal government's role in the economy?

How did these changes reflect Roosevelt's views about economic freedom and the role of government?

How did these changes move the United States toward the mixed economy described in Episode 6?

Part 3 After the New Deal

Use the chart to record your observations, analysis, and questions as you examine the sources in Part 3.

Source	What does it measure?	What patterns or changes do you notice before, during, and after the New Deal?	What questions does the source raise for you?
GDP per capita			
Income inequality			
Union density			

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Income tax rates			
Labor income share			

Synthesis & Reflection

- What do these sources suggest about economic growth in the decades that followed the New Deal? About how that growth was shared by Americans?

- Read the following quotes from John (shared in Scene on Radio, Season 7, Episode 6) and Paul Krugman, an American economist and journalist who received the 2008 Nobel Prize for Economics:

The results of this experiment in social democracy, in the lives of the American people, are plain to see in hard numbers. It's been called The Great Compression – that time in the twentieth century when the incomes of the richest and poorest Americans got squashed closer together, relatively. If you look at a graph showing a measure of inequality in the U.S., the line looks like a hammock: It starts high, early in the century, sags downward from the 1940s through the '70s, then heads back up again after 1980. Other graphs that look just the opposite help to explain why inequality declined. A chart of labor union membership starts low at the time of the Depression, rises and peaks in the 1950s, then plunges again starting in the 70s. The top marginal tax rate for folks with the biggest incomes? In 1930 it's 25%. It soars through the next four decades, ranging from 70- to 95-percent.

- **John Biewen**

The middle-class society I grew up in didn't evolve gradually or automatically. It was created, in a remarkably short period of time, by FDR and the New Deal...income inequality declined drastically from the late 1930s to the mid 1940s, with the rich losing ground while working Americans saw unprecedented gains. Economic historians call what happened the Great Compression, and it's a seminal episode in American history.

- **Paul Krugman**

- What claims do John and Krugman make about the relationship between the New Deal and the economic patterns you observed? To what extent do the sources support their claims?
- Do these sources provide enough evidence to conclude that the New Deal helped cause these economic patterns? Why or why not? What additional evidence would you need to reach a stronger conclusion?