

First and second new deals analysis



This investigation assesses the successes and failures the New Deals. It will reveal how the First New Deal was more successful than the Second New Deal in relieving the Great Depression. In order to evaluate the successes and failures, the investigation evaluates the goals of the First New Deal and the Second New Deal. Furthermore it will show how it either harmed or saved the economy from the Great Depression. The two sources used for this investigation are History of the New Deal 1933-1938 written by Basil Rauch and The New Deal, What Was It? written by Morton Keller. These sources will be analyzed for their origins, purposes, values, and limitations.

In contrary, this investigation does not assess the causes and effects of the Great Depression. Furthermore, it does not examine the initial reactions of the American people or outsiders toward the New Deal and the anger of the Great Depression.

B. Summary of Evidence

The New Deal created by Franklin Roosevelt tackled political, social, and economic issues. The program aimed for the conservation of human and natural resources, guided by the principle of the “greatest good for the greatest number”[1]. Some believed the New Deal was a program designed to prolong the capitalism. Meanwhile, other believe it was as the ambiguous label of Roosevelt’s safe multifarious program designed to make the United States safe for the Democratic Party. 1 The New Deals involved series of programs aimed at ending the Great Depression during the 1930s. Thus Franklin Roosevelt was considered to saved America from the peril of the depression.

The New Deal was divided into two parts, the First New Deal (1933-1934) and the Second New Deal (1935-1938). The overall goals of both of the New Deals were to relieve, reform, and recover the United States from the Great Depression. The primary goal of the First New Deal was to help the United States from the Great Depression, while the Second New Deal was to reform the economy. The objective during the first period of the Great Depression was to increase higher prices for industry and agriculture, whereas the objective of the second period was to increase the purchasing power and provide sense of security.[2]The First New Deal chiefly benefited the big business and large farmers. Whereas, the Second New Deal benefited the labors and smaller farmers. The First New Deal aimed in restoring the economy from the top down, while the Second New Deal from the bottom up.

The First New Deal's objectives were to tackle unemployment and farm relief. If the farmers are unable to prosper, the industries will also not prosper because industries rely on farmers to buy their products. The National Recovery Administration (NRA) supervise employing citizens and increasing production. The government sought to stimulate the economy by paying the farmers to produce less. The Agricultural Adjustment Act (AAA) addressed farmer's issue of overproduction because prices were too low. This program protected farmers from prices of surplus crops, inflation of currency and cheap credit. In January 1936, the Supreme Court ruled the AAA unconstitutional, stating the government had no constitutional authority to limit farmer's production. It was soon replaced by the Soil Conservation and Domestic Allotment Act, which permitted the government to pay farmers to reduce production to save the ecosystem from erosion and conserve soil.

Secondly, the Civilian Conservation Corps, Roosevelt's favorite program, provided 250, 000 unemployed young men with a job working in the national forest.[3]When the NRA campaign to increase employment and production failed, they presented the Civil Works Administration provided employment to four million unemployed people to work on immediately on federal projects such as building roads and schools.[4]Almost a billion dollars was able to go into consumers' hands. The National Industrial Recovery Act assure profit and wages for laborers. These changes were temporary because CWA ended on April 1, 1934.

In contrary, the goal of the Second New Deal was social justice. Reform was declared to be inseparable from recovery.[5]The central objective was to provide security to the citizens who were unhappy with the stricken economy and overwhelm by the affects of the Great Depression. The federal government provided security and housing for the poor, elders, sick, and disabled. Old-aged was address by the Social Security Act of 1935. It was the first national old-aged program that provided a pension for retirees. Additionally, the federal government gave purchasing power to small business to increase profit. The government funds attempted to turn non-consumers into consumers again. The Works Progress Administration offered jobs to the unemployed. By providing jobs, workers are able to strengthen their family's well-being and boost consumer demands. Although these programs were able to provide the population with a sense of security, it did not last because it was too weak and the some of programs addressed temporary issues.

C. Evaluation of Sources

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The History of the New Deal 1933-1938, written by Basil Rauch in 1963, is an in depth analysis of the First and Second New Deal that investigates the successes and failures of the policies. It was written with the purpose of examining the evolution of the policies during Roosevelt's economic from 1933 to 1938. The book's value lies in the fact it discusses the launching of the First New Deal and the Second New Deal, the success and failures, and promises of the New Deal. Rauch's work is credible due to the author's position as a leading historian of the Roosevelt's administration. However, the book is limited because he's admiration of Franklin Roosevelt.

The New Deal, What Was It?, written by Morton Keller in 1963, is a collection of written sources from the period that provides evidence different perspective of the New Deals. This compendium proves to be a valuable source because it analyzes the various reasons why Roosevelt passed the First New Deal and Second New Deal. This collection of personal accounts is limited because each author has their own perspective and knowledge of the issues. Their political and ethnical stances are different from one another. The authors write those passages in order to persuade the audience of a certain situation.

D. Analysis

The New Deals were series of programs aimed at getting the United States out of the disastrous Great Depression. Proposed by FDR with the purpose of relieving, reforming, and recover the economy from the “ widespread poverty in the land of plenty, frustration and despair in the land of opportunity”[6]. The series of laws, government actions, and social

development created continuous governmental responsibility for the welfare of the economy. The New Deals introduced broad social welfare programs and generated major shifts in national political allegiances.

The presidential leadership of Franklin Roosevelt must be evaluated before analyzing the success and failure of the New Deals. Afterward the goals of the New Deal and the notions of the New Deal was evaluated. Some perceive him as a major figure in the twentieth century, a man who saved American from the peril of depression and threat of fascism[7]. Consequently, FDR's leadership was the determining factor establishing the New Deal as a democratic alternative to Fascist or Communism. Historians such as Richard Hofstadter curtailed FDR's role as a successful leader of American[8].

The legislation of the New Deals was passed in a shorter time period than other important new legislation. The First New Deal attempted to restore America's economic vitality and reform the stricken economic institutions. Rauch, author of History of the New Deal and leading historian of the New Deal, interprets the First New Deal as “ a desirable, democratic program of recovery, relief, and reform, made necessary by the accumulated evils of a business-dominated economy”[9], suggesting the success of the New Deal should be measure by social relief and reform rather than economic recovery[10]. Others like Edgar Robinson believed development of the New Deal was not a response to national conditions and popular demand but it was to the work of administration officials influenced by alien and socialistic ideas who without popular mandate sought to recast American society[11].

The topic of the New Deal is debatable because it either prolonged the Great Depression or stabilized the economy. Many historians suggested Roosevelt introduced too many programs draining the US economy of the little money it had to create as many jobs as possible. Hence, the new programs contributed to the increase in the national taxes. Federal taxes as a percentage of gross national product jumped from 3.5 percent in 1933 to 6.9 in 1940, and taxes skyrocketed during World War II[12]. From 1934 to 1940, the average annual rate of unemployment was 17.2; at no point did unemployment go below 14 percent[13]. But others suggested the programs were the best decision at the time. The First New Deal assisted in alleviating financial problems, provided jobs and improved standard of living with the creation of new roads, schools and railroads.

Historians struggled to decide rather the New Deal was a good or a bad. Some believed FDR was both a radical and despot, while others believed he was a liberal. Leuchtenburg believed that most of the limitations of the New Deals were caused by restrictions imposed on Roosevelt by the ideological and political realities of his time. Ellis Hawley challenged liberal assumptions that the First New Deal was an enemy of private business interests. He argued the First New Deal was designed to enhance the position of private businesses. Ronald Radosh believed it was an effective agent for the consolidation of modern capitalism.

According to Basil Rauch, the Second New Deal central objective was to provide security for the citizens of the USA. It establish security for unemployment, old-age insurance, benefits for destitute children, mothers, sick, and physically handicapped persons; stranded population rescued by

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better use of natural resources and intelligent distribution of means of livelihood[14]. Additionally, the Second New Deal did not concentrate on the recovery and rehabilitation of the economic structure but rather on social relief and reform.

Raymond Mosley, an important adviser to FDR during the New Deals, reveals FDR increasing fondness for power and his pride as the source for the development of the New Deals. He concludes the New Deals had no consistency and unifying purposes; thus, the prime force directing the evolution of the New Deal was the growing demagoguery and desire for power of FDR and his advisers[15]. On the contrary, the editors of the New Republic suggest the New Deals were too friendly with big business and it stressed the administration's increasingly sensitive response to the social misfortunes of Americans.

Lastly, no event in the last four centuries of America besides the Civil War had stirred much controversy among historians as the New Deal. Historians still question what it actually was and meant. Some agree that Roosevelt's New Deal was the only possibility of alleviating the Great Depression, but many still ultimately blame him for prolonging the Great Depression.

E. Conclusion

The purpose of the First and Second New Deals was to help alleviate the depression. The economy was still in shambles due to failure of construction to revive and high production prices. By launching the New Deals, FDR was able to demonstrate the power he and his cabinet obtained over the United States. The First New Deal assisted in alleviating the financial crisis by

providing jobs, improved America's standard of living with the development of new roads, schools, and railroads. Unfortunately, Roosevelt drained the US's economy of the little money it had in order to create as many jobs as possible. Franklin Roosevelt was the only reform president who attempted to restore the stricken economy. Hence the success of the First New Deal was attributed to the coincidence of good politics and the determinations of social conscience. The First New Deal was able to accomplish more goals than the Second New Deal because it provided jobs to the unemployed. The First New Deal was an immediate solution; it called for a quick fix. The Second New Deal only provided a sense of security among the disgruntled citizens. Although the Second New Deal was less immediate, it was far reaching because some of the programs such as the Social Security Act is still being used today.