

The features of the new deal

[Countries](#), [United States](#)



The New Deal was introduced in 1933 by American President Franklin D. Roosevelt. It was set up to help America recover from the Wall Street Crash of 1929 and the Great Depression. To do this he used the New Deal as a series of laws. These laws were all introduced during "The Hundred Days". This meant that it all happened during Roosevelt's first 100 days running as President. At first it seemed quite unusual at first because many people were used to Hoover's policy of laissez-faire (meaning leave everything to sort itself out) but now Roosevelt was president and he wanted to get more involved with US business affairs.

Roosevelt promised relief of poverty (to stop the people losing their jobs and property, and to feed the starving). He also promised the recovery of industry so he could create more jobs, to reform (to provide unemployment insurance, old age pensions and to help the sick) and to improve the USA as a whole. One of the main features of the features of the New Deal was helping the banks. There were a number of Acts set up to solve this problem. The first act was called the "Emergency Banking Act".

This forced all banks to close for a "four-day holiday". The accounts were then checked by the government so then they could decide whether it was safe to re-open. This helped restore confidence allowing money to flow through to the banks again. This act also ensured that the banks that were safe to re-open had the backing of the government grants so it would help potential American customers have faith in the banks again. Another act was "The Securities Act". This issued the public with full information of the company they wanted to buy shares in.

This was done in a hope to give shareholders the confidence to invest again. The New Deal also set up an agency to help out the banks. This was called the " Securities and Exchange Commission". They were given " sweeping powers" by the government to control the activity of the stock market. This would help so in future, investors could have greater confidence and would not be swindled out of their money. This feature fulfilled Roosevelt's promise of the recovery of the economy and industry (creating more jobs). The second main feature was the helping of agriculture.

They did this by introducing the " Agricultural Adjustment Act" (AAA) also known as " Agricultural Adjustment Administration". This gave the government the power to influence prices by destroying surplus crops, told cotton farmers to plough their crops into the ground and tried to reduce production in the long term by agreeing a sensible amounts to be produced in future. This Act fulfilled the promise; the recovery of industry so he could create more jobs. Another main feature of the New Deal was the help given to the unemployed. To do this they introduced two acts/agencies.

The first was the " Civilian Conservation Corps" (CCC). This was where the government provided work for the unemployed, especially the young men on a whole range of environmental projects in the countryside. These projects involved strengthening river banks, fish farming, preventing forest fires and controlling mosquitoes in a bid to stop the spread of malaria. They said that being in the CCC was a bit like being in the army. They were even issued with their own uniforms and because the pay rates were so low the work could be considered as forced labour.

The second act set up to aid the unemployed was the "Federal Emergency Relief Administration" (FERA). This made grants of federal money to state and local governments to help give relief to the unemployed. It was considered as an emergency procedure as it was saving people from starvation before putting them back to work. This feature of the New Deal related to Roosevelt's aim of reform (to provide unemployment insurance, old age pensions and to help the sick) and the relief of poverty (to stop the people losing their jobs and property, and to feed the starving).

Next was the help given to industry. To do this they introduced two acts/agencies. They introduced the "National Recovery Act" (NRA) also known as "the National Recovery Administration". This act tried to create a partnership between the government and industry that would do away with "employment evils" like child labour, long hours and low pay. The code would guarantee fair wages and conditions in return for fair prices and goods. Each industry had to agree on the employment code with the government. They had an emblem of a "blue eagle".

The other act they introduced was the "Public Works Administration" (PWA) which used skilled workers on large scale public construction projects such as roads and bridges. The PWA workers would construct many of USA's public buildings, including city halls, schools, court houses and hospitals over the next few years. In this act workers were given the right to collective bargaining of wages and were given an enormous boost in trade unions which would now organise in industries where they had previously been excluded.

This Act fulfilled the promise; the recovery of industry so he could create more jobs. The New Deal also helped Home-Owners in the " Home-Owners Loan Compensation" (HOLC). This gave a low interest rate loans to home-owners. These loans would enable home-owners to adjust mortgage repayments in order to cope with temporary unemployment. This act was drawn up so then families didn't have to lose their homes. This referred to Roosevelt's aims; relief of poverty (to stop the people losing their jobs and property, and to feed the starving) and to improve the USA as a whole.

Finally the New Deal helped the depressed areas of America. It did this by introducing the " Tennessee Valley Authority" (TVA). This was set up to regenerate the area in its industry and agriculture. It planned to tame the Tennessee River by conducting a series of dams to generate hydroelectricity as well as encouraging activities within the area on the new lakes. This feature of the New Deal related to Roosevelt's aim of improving the USA as a whole. In conclusion, all of the main features of the New Deal referred to Roosevelt's main aims.

These were also known as the " Alphabet Agencies". These were set up to carry out work from the New Deal to help deal with employment and support. These acts put new heart into the American people. The acts began to regenerate trust and confidence and begin the long journey to prosperity.

Explain why Roosevelt introduced the New Deal (8) In 1933 Roosevelt introduced the New Deal. These were a series of laws designed to help " cushion the blow" that the Great Depression had caused to America as a whole. In late-October 1929 the Wall Street Stock Exchange crashed.

The worst days were "Black Thursday" (24th October 1929) when nearly 13 million shares were sold and on Tuesday 29th October 1929 when over 16 million shares were sold. Stocks and shares were worthless. This meant that banks that had lent money to investors "on the margin" lost huge amounts. This resulted in 5,000 banks closing from 1930-33. Industry suffered because many people had no money to buy anything and factories were in a state of "over-production" causing some companies to go out of business.

The customers lost their money in the banks and suffered as interest rates rose. Many became homeless and had to live in "Hoovervilles". Farmers were overproducing and as the amount of food being bought had fallen, farmers were going out of business. Unemployment rose from 1.6 to 14 million by 1933. The Wall Street Crash was caused by a decline in agriculture because people thought that there would be a bigger opportunity in the ever-growing cities, industry was suffering from foreign competition and tariffs, and the failure of the domestic market to grow fast enough.

The effects that the Depression had on America were described as a "vicious downward spiral". This was because of the unemployment rate and the extreme poverty at this time. By 1932 1/4 of the working population was unemployed and 1/3 of the population were members of families in which breadwinner was unemployed= increasing poverty. This confirmed that the American economy had "ceased to function" and American society was "crumbling". As all this happened, President Hoover was defiant to respond- he wanted to stick to his policy of laissez-faire (leaving everything to sort itself out).

This proved to be the wrong decision to make and eventually people starved, they lost their houses and were forced to live in shanty towns which they called "Hoovervilles", under "Hoover blankets" (newspaper). Still Hoover continued to follow his policy and the longer he stuck by his policy, the more poverty and unemployment spread. He introduced the Hawley-Smoot tariff in 1930. This increased import taxes as high as 50% to encourage people to buy American goods of which they could not afford to buy anyway.

President Hoover also failed with the Bonus Marchers lead by the veterans of WWI. It occurred because many of the veterans were out of work and lived in "Hoovervilles" and wanted their bonus of \$500 from fighting in WWI (They were promised to have receive it in 1945). So the veterans held a protest outside the White House- thinking that Hoover would give them their bonuses- and Hoover decided to get the Army and tanks to remove the Veterans from outside the White House. He then claimed that the Veterans were just homeless people looking for somewhere to stay.

In conclusion, Roosevelt introduced the New Deal because he wanted America to economically and socially active again and wanted to sort out the problems Hoover created in trying to sort out the Depression. "The New Deal was not a complete success". Explain how far you agree with this statement (10). There are many views on the New Deal. Some thought that it brought success, whereas others thought it was a failure. Many historians believe it was a success because even though it did not solve unemployment, it did reduce it and helped most Americans get back on track after the Depression.

The others thought it was a failure because it did not completely solve unemployment or prevent poverty. The New Deal was a success because it helped many groups of people sort out their lives. One group it helped was the workers. The New Deal helped the workers by setting up the NRA which tried to regulate the working conditions. During the 1930's the membership of Trade Unions rose and during 1937 there were 4700 strikes with over 80% of them going in favour settling in favour of the workers. All these successes are down to the New Deal.

The New Deal also helped the farmers because of the various acts the New Deal introduced. It made their lives better it helped solve the problem of over-production by giving money for the surplus crops. The New Deal also encouraged conservation and provided loans for farming equipment and to pay for the property so the farmers were not evicted. The final group it helped was the poor. It did this by introducing Emergency Relief which prevented people from starving by providing jobs for those who were unemployed. The other act it introduced was the Social Security Act which began to set up a system of international insurance.