

Effectiveness of the new deal in bringing assignment

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How effective was the New Deal in bringing about social and Economic change? Roosevelt: 2 weekly Press conferences - explained policies carefully + invited spontaneous questions Fireside chats -directly spoke to American public + instilled confidence Charismatic good communicator friendly and open , rather than Hoovers ' us' and them.

Flexible in politics , more accepting of direct gov action Not a properly thought out cohesive programmer, responded to circumstances as they arose, Often contradictory 100 days: Used Emergency legislation ' Trading with the Enemy Act' , gave the power bypass congress ratification allowing him to take action quickly and deal with the crisis, Indicating severity of Depression Unprecedented amount of emergency legislation introduced Set up alphabet agencies - which would enact legislation Hoover: Hoover was seen as aloof but he did care and tried to implement policies.

He rigidly stuck to his beliefs, but gave up his own money to help (maybe not being cruel- he genuinely believed it was for the best). He seemed distant when people were starving and said they didn't work hard enough alienating people. The ' us' and them' divide was worsened by the treatment of bonus army. Did set up veteran's administration, providing \$million on veterans disabilities- still only remembered for Bonus Army.

Veterans to be paid in 1945- because of depression- wanted pay early- by 1932 20000 camped out in protest. Feeling sorry for them, Hoover insisted he could not help them get their pay early but offered to pay \$100000 for their transport home. When they refused to leave, tanks and tear gas set on veterans. Hoover was blamed, despite it being General Macarthur idea.

Constant public optimism lead many people to think he had lost touch with reality Openness towards Press Corps - able to effectively control newspaper reporting

How effective was it in delivering reform of financial system: Passed laws to ensure economic disaster did not occur again Many contradictory measures believed in balancing budget reluctant to spend excessively on federal projects. ND designed to save capitalist system , measures restore capitalist confidence and expansion , many measures favored big business , frustrated fro their ingratitude for all the ND had done for them but recognized that solving economic problems lay in hands of large corporations Needed the cooperation of businessmen- no alternative structure to change things Led Gob. Alienable to accusation that any of the proposals reflected vested interests. Remained fiscal conservative -?? did not adopt a plan of permanent massive state spending. 1933 Emergency Banking Act 1933 1932- run on the banks , closing at 40 [day Closed all banks for 4 days. Banks brought under control of Treasury , who inspected all accounts, only those properly managed and with enough cash allowed to reopen Reconstruction Finance Corporation (RFC) 1933 Bought bank debts to make institutions financially sound before reopening.

Restored confidence in Banking system therefore more money deposited then withdrawn \$1 ban posited by April Glass Steal Banking Act 1933 Separated Commercial high street banks from investment banks ordinary peoples deposits would no longer be involved in investment that fuels speculation. Bank officials could not take out personal loans from their own

banks. Buying and selling government securities become centralized from Red Reserve banks to board in Washington Also established the Federal Deposit Insurance Act 1933 Individual bank deposits protected against bank failure up to \$2500, more permanent security.

Economy Act 1933 Made it clear Roosevelt intended to keep the Federal Budget under control. Cut alarmed of government workers and veteran's pensions- saved \$500 million a year Truth-in-securities Act 1933 Forced brokers to offer clients realistic information about the securities they were selling-?? greater regulation of stock market Securities Act 1934 Set up the Securities Exchange Commission.

Given strong legal powers to enforce rules on stockbrokers Prevented insider dealing banned buying shares on the margin. Joseph Kennedy to head the Commission- Seen as irresponsible = main perpetrator for insider dealing- still an effective regulator Highly successful, caught out Richard Whitney for embezzlement in 1938. This showed that the system could search out its own fraudsters Wall Street gained a new credibility US abandon the Gold Standard Foreigners could buy 15% more American goods than before.

Increase the amount of money in circulation in the USA prices increased Generate demand in economy Public Utility Holding Company Act 1935 Abolished pyramid structures- got rid of companies more than twice removed from operating company Allowing more profit for providers at bottom of structure rather than the company at the top who contributed very little but received most profits.

Getting rid of capitalist exploitation Banking Act 1935 Intended to give the federal government control of banking in the USA. Control of banking was removed from private banking to central government in Washington Each Federal Reserve Bank could elect its own head but that person had to be approved by the Federal Reserve Board Faced powerful opposition from bankers in the end final act = compromise.

Some criticized Roosevelt for not being radical enough, wanted more supervision of banking- through Nationalization Felt it favored big business and banks however this was Fad's intention , priority was not to reform financial structure in USA but to ensure it survived + functions efficiently to save capitalism, and they were essential for recovery. Many felt that banks were being rewarded for their past incompetence, as banks were given gov. Subsidies to help them stay in business, by requiring that state banks Join the Federal Reserve Board to qualify for insurance, large banks were given more control over smaller ones.

How effective was it in delivering relief and recovery: Civilian Conservation Corps (ICC) 1933 Young men between the age of 17-24 were recruited to work and get involved in building roads, working in soil conservation and taking part in irrigation and flood defense schemes. By 1935, half a million men enrolled in 2000 camps- they were paid \$30 a month- \$25 of which was sent home. Gave young men a sense of purpose- made them work hard for their relief. However, Jobs only lasted 6 months.

Experience primarily available to young white men ICC not guaranteed work when they returned hometown. Federal Emergency Relief Administration

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(FEAR) 1933 Allocated \$500 million to provide help for the unemployed. Half given as direct aid, half given to help projects particularly in the construction industry. Central government realized they should take responsibility for social welfare. Et important precedent of federal government giving direct funds for relief Gob. Would pay \$1 for every \$3 spent on relief Opposition - castrates generation reliant on gob handouts.

Those working on relief -treated very badly Overflow of queues/endless delays before relief received States who refused Act knew that Hopkins could not refuse them funds -as those who would suffer were those which the funds were mean to help - the needy + unemployed 1935 paying \$25 month to an average family on relief while average monthly minimum wage for subsistence = \$100, in sufficient to deal with widespread id needed FDA committed to balancing budged although a degree of direct gob. Essentially act was self-paying through tax rises and borrowing Civil Works Administration (CAW) 1933 Set up to create Jobs over hard winter Initial budget of \$million but surpassed this. It was spending \$200 million a month. Was successful in creating 4 million Jobs Some argue waste of money prohibiting real recovery as it was Short-lived measure Posts were created with no purpose Many argued lack of overall Strategy Tennessee Valley Authority (TVA) 1933 Only based around South-east of the US but provided Jobs constructing 20 dams which improved flood controls, irrigation and provided cheap electricity.

In 1932- only 2% had access to electricity- by 1945 this increased to 75% and average incomes increased by 200% in the area in this time period.

Emergency Relief Appropriation Act April 1935- Tried put as many people as possible into productive work workers would bring recovery through the increased spending power of their wages. Established the Works Progress Administration (WPA) Harry Hopkins ran it (leader of the CAW) largest provision of relief in the Aqua's history; \$5. Billion was provided Improved infrastructure built 2500 hospitals, 6000 schools and 570000 miles of road. Million people were employed by the scheme; however this was only a third of those who needed work. Wages were low (\$52 a month which is higher than other relief schemes but lower than industrial rates) - limiting purchasing power. It was only a relief scheme for a year , not long term employment. Trade unionists were also fierce critics arguing that workers were exploited as cheap labor. Federal Project Number One = group of projects \$27 million was approved for the employment of artists, musicians, actors and writers all projects were operated without discrimination

National Youth Administration set up to encourage education and provide part time jobs for students Division of Negro Affairs with a fund specifically for black students to make sure they got a fair chance 1935: Also established the Resettlement agency Plans to resettle 500, 000 families from overworked land Envisaged the building of new ' greenbelt' communities However, only 3 established, not on scale envisaged , which fell short of expectations only 4441 families were resettled. Reluctance of people to move many wanted jobs in their existing community Jobs short supply everywhere , rural problems too large to be resolved by resettling

Government set up various schemes to help farmers remain on their land, which contradicted the policies of the RA. Rural Electrification Act May 1935 Aimed to provide electric power throughout the country. Low interest loans given to rural communities to fund the coming of electricity to poorer areas. Electricity access in farming families increased from 12.6% in 1936 to 35% in 1941. Social conservation Act 1936 Passed in response to declaration that the AAA was unconstitutional. Meant to help with some of the problems of AAA, notably its failure to protect sharecroppers + tenant farmers.

Landlords were now required to share the payments they received from the government for cutting back production with those who worked on their land. Educated farmers on how to use their lands encouraged contour ploughing to hold soils and planting of trees Soil erosion had dropped 21.7% Long term = beneficial as soil more fertile farms became bigger and more efficient However All too little too late Farmers began to over plough again How effective was in delivering Just relief: Tackle suffering of depression Launched welfare state set up unprecedented relief agencies

Provided money as direct grants and Jobs for the unemployed For the first time, old age insurance and unemployment compensation were provided important precedents set by legislation that could be built on in future, never before had fed gov Ben involved in direct relief Home Owners Refinancing Corporation (HORN)1933 Many homeowners could not repay their mortgages Shortage of public sector accommodation aimed to raise levels of home ownership and the availability of affordable housing Federal Housing Administration 1934 Government backed insurance on long term mortgages-

this helped families afford heir homes and boosted the construction industry. Act mainly benefited white middle-class families not low income, unemployed people. Loans NOT be used to renovate existing properties FAA did nothing to aid the poverty-stricken inner cities Farm Mortgaging Refinancing Act Farmers were helped with their debts by rescheduling repayments and avoiding foreclosures.

Indian Reorganization Act 1934 Encouraged native culture allowed natives to take part in schemes- however still remained poorest in society Social Security Act 1935 Aimed to increase provision of unemployment befits within states. And a national yester of benefits Established the principle of federal responsibility, first federal measure of direct help Pensions Funded by contributions by employers and employees. Unemployment benefits paid by payroll taxes Employers were encouraged to made direct contributions unemployment scheme by being given a 90% exemption from tax. Still not relief - general taxes subsidizes system = self- financing . Pensions payments varied from state to state Pension payments weren't started until 1940, so everyone first receiving them had paid something towards it Unemployment benefit was a maximum of \$18 a week for 16 weeks only.

Scheme did not extend to farmers or domestic servants- Those needing most help Conservatives argued Would destroy initiative; make people dependent on the state States compensated for unemployment benefits by cutting back on other relief schemes, making means-tested benefits more strict. Wagner-Steal National Housing Act (September 1937) Designed to clear slums and build public housing. Established the US Housing Authority to loan up to

100% to build new homes, at low interest rates. Congress only allocated \$500 million No more than 10% could be spent in one state, even though the northeast cities were worst hit. Inadequate to solve the problem.

The northern cities were seen to be getting the chief part of benefits of the New Deal thus these southern congressmen were determined to reverse this trend. Conservatives feared that public housing was a threat to capitalism, driving the private landlord away. How effective was it in delivering Just economic recovery: Created Jobs Did not end unemployment in US , only brought partial economic recovery Economy grew 10 % per year 1933-1936 1939 level of manufacturing productions had returned to 1929 level , 17 % population still unemployed , not until 1941 that full employment and prosperity returned to America as a result of the rearmament program.

ND did mitigate the worst effects of the depression on the most vulnerable = a remarkable achievement given the prevailing political and economic beliefs at the time , which were so reluctant to see government taking this initiative. Many of the same programs designed to provide immediate relief were also geared toward long-term economic recovery. The Civilian Conservation Corps and the Public Works Administration put millions of men to work not only to keep them employed but also to improve the national infrastructure. When the United States finally emerged from the Great Depression during World War II, it had hundreds of new roads and public buildings, widespread electrical power, and replenished resources for industry. (Could be used to prove significance of New Deal of WWII) National Industry Recovery Act (NAIRA) 1933 Was set up and established two major schemes- very different-

shows the lack of coherence. National Recovery Administration (NEAR) 1933
Main focus was to restore purchasing power promote fair competition = They set up 541 codes to regulate prices, improve working conditions and minimum wages Yellow dog clauses outlawed Declared employees had a right to Join Labor unions + articulate in collective bargaining Firms which agreed to codes displayed blue eagle logo, hoped that consumers would support those who bore this eagle, aimed at small firms to take advantage of increased custom it would attract.

Codes = unworkable as they were Adopted so quickly so they had Little planning large manufactures such as ford never subscribed to them Small business argued they favored big business, could not compete found It hard to comply With all the regulations E. G. Minimum wage clauses. March 1934- National Recovery Review Board found small firms were disadvantaged, many codes drawn up y representatives big business advantage of them, To restrict competition + Increase profits big companies Dominated the market. Unions - argued it was too weak for their needs, ford still employed union bashers Labor Advisory Boards- set up to mediate disputes - ignored, had little influence, as they were advisory.

This excluded agricultural workers and domestic servants. (Farmers, ethnic minorities and women lack benefits as usual) Tried to please too many people some helped workers/some industries- contradicted each other , did not bring about economic recovery 1935 SC led hat if congress could make laws like Nora , there was no limit to Jurist ion of federal government , damage federalism as little else for state governments to govern. Public

Works Administration (PAW) 1933 To provide funding for public works schemes to stimulate social and economic recovery. Funds of \$3. Bill to improve road buildings, hospitals, dams and schools- infrastructure is improved and puts money in workers pockets.

Funded 34000 major construction schemes- putting tens of thousands of people in work. Agricultural Adjustment Act (AAA) 1933 Wanted to tackle the key issue of overproduction. Farmers were subsidized to cut production to reduce surplus increase prices and raise income. Farmers owning their own land were paid to stop producing certain crops. The Commodity Credit Agency made loans to farmers who stored their surplus, they only had to repay when prices reached a specified level. It only employed less than 3000 people at its height, however was successful in pushing up prices but it is argued the AAA helped large scale corporations and not the poorest, sharecroppers and migrants.

Therefore as the majority of rural workers suffered more, the only impact was unemployed industrial workers had to pay more for food which they could not afford and starved. While people were starving, the AAA stored food- or destroyed it. In California peaches were left to rot and 6 million pigs were slaughtered. Many believed agriculture was handled the wrong way- should have focused on increasing demand rather than restricting production. In actual fact, to feed the population adequately production would need to increase. Farm Credit Act- 1933 Offered short-term loans for agricultural production \$100 million was designated to re-balance mortgages and stop more farmers losing their land.

The Wagner-Connery Labor Relations Act (1935) Response to the striking down of the NEA in 1935. Guaranteed workers rights to collective bargaining through unions of their own choice. Greater stability + putting a fair wage in peoples pockets, help to stimulate long term recovery. National Labor Relations Board set up as a fair minded organization in negotiation Ensured employers did not resort to unfair practices such as discrimination hiring against union members First act to gave union rights in law and in the long-term committed federal government to labor relations role. Agricultural workers and domestic workers excluded wealth Tax Act 1935 Implemented to help pay for the New Deal reforms.

Raised maximum tax for earners over \$50000 to 75% FDR's main aim was to reduce the need for government deficit spending, NOT for major redistribution of wealth. Could not tax the middle classes , he would have cut their spending power adversely affect economic recovery original proposals were watered down e. G. Inheritance tax was dropped , tax on incomes was cut back from 79% to 75%. Raised comparatively little: \$250 million, only 1% of the population earned more than \$10, 000 Loopholes in the taxes on corporations Seen as attack on the fundamental right of Americans to become rich Bonehead Jones Farm Tenant Act 1937 Help tenants acquire low interest loans and restock their farms as farm ownership declining Tried to readdress ill effects of first AAA. Set up 30 camps for displaced families.

Established a farm security administration. By 1947- 40000 farmers brought farms and 900000 families borrowed \$800 million to rehabilitate their farms.

Due to the return to prosperity as a result of the Second World War, the vast majority of loans were repaid. Second Agricultural Adjustment Act (AAA)- 1938 Established quotas for 5 staple crops- those who kept to quota received subsidies. Fairer to small scale farmers than the first AAA which gave subsidies to those with most land , lingering feeling that the AAA only really benefited the large wealthy farms wealthy, Came in to operation too late, some had already overproduced before they knew the quotas for 1938.

Fair Labor Standards Actuate Fixed minimum wages ICC an hour and maximum 44 hours of work a week for all industries in interstate commerce, wages of 300000 people immediately increased and hours of 1. Million reduced Ana fines imposed n those who ignored legislation Transport of goods made by child labor was forbidden Minors were forbidden to work in hazardous environments Farmer laborers and domestic servants once again exempt- poorest remain poor Fad's policies intended to keep people on the land, but due to mechanization, industrialization and economic opportunities in the cities, mass migration ND planned to keep people on land but speeded up flight from the land - this was a huge social change , sped up by WWW economic manufacture and recruitment. ND developed urban sprawl though housing policies