

Why the new deal failed to revive the u.s. economy assignment

[History](#)



Why the New Deal Failed to Revive the U. S. Economy BY Blameless 8. Use sources 10, 11 and 12 and your own knowledge ' The New Deal failed to revive the US economy Explain your answer, using Sources 10, 11 and 12 and your own knowledge of the Issues relating to this controversy. It Is thoroughly debated whether the New Deal did actually provide the momentum to boost the US out of the depression, or whether it was merely coincidental factors such as WI which provided the real recovery.

Johnson insists that the New Deal was in fact counterproductive and hampered the economy and that It was WI that masked the New Deals failure and helped reboot the economy. This view is rebuffed by Jenkins and Shakes who believe that the New Deal, although far from being perfect provided the stability for recovery to occur and thus kick-started the economy. Johnson overall picture of the supposed New Deal recovery was that Is was ' slow and feeble' with Its impact being virtually non- existence or In fact stunting growth.

This Is reinforced by Sales, ' NEAR was so inflexible they frightened away capital and discouraged employers from hiring rocker'. With Johnson stating the only ' good year was 1937 when unemployment being at 14. 3%' though rising again to 20% In 1938. Throughout the ass the levels of unemployment never dropped below 10% and that it was only when ' America on the brink of war' that unemployment passed below 5% and production levels finally passes 1929 levels for good'. In Johnson view it was WI which eradicated unemployment and ramped up production levels without which the US would have still been stuck In an economic slump.

Furthermore to indicate the failure of the New Deal, there still were huge inconsistencies in the distribution of wealth, with only 12.6% of all rural farms having electricity, a resource taken for granted by people in the big cities. Additionally many acts such as NEAR helped increase the disparity between whites and blacks, the Mullen wage regulation made it illegal for employers to hire people who were not worth minimum wage because they lacked skills so as a consequence around 500,000 blacks lost their jobs particularly in the south where they worked on farms.

Also The Agricultural Adjustment Act in 1933 aimed to help farmers by cutting farm production and forcing up food prices and help the economy while on the surface seemed helpful, an underlying problem was that the reduced production meant less work for thousands of poor black sharecroppers. Though we must take into consideration Johnson's view of the decade a supporter of Mellon's Isolation, he believes that 'If government interventionism worked, it took nine years and a world war to demonstrate the fact', and that Hoover should have actually done less than he did and Roosevelt should have just let the economy rewrite itself.

So he is naturally more inclined to promote the sources that the New Deal had little noticeable effect. Jenkins however stated that people also became significantly better off as the decade progressed', unemployment was decreasing slowly as Alphabet agencies employed more people. The PAW and the ICC overall employed over 500,000, this in turn slowly restored confidence to the majority of fact the GAP 'bounced back to \$billion by 1937' when compared to only \$billion 4 years ago.

Additionally Roosevelt recreation of a new efficient banking system, it revived much needed confidence boost to investors and provided them with a stable platform to work off and revivalist the economy. Acts such as the Emergency Banking relief Act 1933 gave forth reassurance while the Glass-Steal Act 1933 ironed out all that was wrong with the previous American banking system ensuring none of the problems that had exacerbated the depression occurred again. However Jenkins does admit that the New Deal only softened the worst effects of the crisis' unemployment was still nowhere near pre depression levels and federal debt grew from \$22. Billion in 1933 to \$40.5 billion in 1939'. It may cushioned many Americans from the worst of the short term effects of the crisis but did create longer term problems for the future such as the unprecedented levels of national debt. Jenkins also admits that ' The New Deal had its greatest success in Roosevelt first term' in which his main aim was to provide relief to the thousands now stranded in poverty. While in the later New Deals focused on the reform and the overall recovery were not nearly so successful, so while socially sound it failed to provide significant the wanted impact to get the economy back on its feet.

Sales concluded that of New Deal agencies ' some were inspiring-the Civilian Conservation Corps' while ' other institutions such as the National Recovery Agency did damage'. The NEAR Shall argued ' prevented companies from hiring additional workers' as the new minimum wage of \$11 for a 40 week was much too high for small firms causing them to lay off workers though this was later changed in the Fair Labor Standards Act in June. NEAR seemed to favor large companies that could take advantage of the codes to strict smaller competition and increase their profits.

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We must however take into consideration that NEAR although struck down as unconstitutional; parts were later revived by Roosevelt in later legislation such as the introduction labor provisions reappeared in the Wagner Act of 1935 implying it was a success as it was actually working. Furthermore even though the TVA 'snuffed out a growing private sector' it could be argued that the government initially controlled it for recovery while having the later intention if necessary to revert it back to a free market.

In conclusion all three historians advocate a different view point on the Depression, though in terms of sustainability of their argument Sales and Jenkins have much more weight. While it is true in Johnson eyes that New Deal recovery was slow, the depression was an unprecedented event so immediate recovery would not have been expected. Sales and Jenkins both agree in some form that it did however provide the much needed platform on what to work off and eventually lead to recovery, the reform butts of the New Deal amended the American banking system to make sure illegal activities like insider trading stopped and thus enhancing the people's confidence in the government. To conclude the statement 'The New Deal failed to revive the US economy is invalid as it did provide recovery, its image of recovery though was coincidentally strengthened by the emergence of WI which provided the help to bring America back up to pre-depression levels in terms on unemployment and production. The New Deal helped revive the economy somewhat but the start of WI helped complete it.