

New deal assignment

[History](#)



Massive expansion In role of federal government In US political system and In US economy between 1933-1945 Higher corporate and personal taxes, massive borrowing, new federal agencies and programs, regulation of product and labor markets, etc. Expanded federal role In wake of landslide electoral victory of FDR In November 1932 Popular vote In 48 states: FDR (22.8 million). Hoover (15.8 million), socialist and communist candidates (1.0 million) Electoral college avalanche (472-59) with only six states going for Hoover. ME, NH, VT and CT still in Republican camp.

Rapid enactment of numerous “ experiments and improvisations” during spring of 1933 (First Hundred Days of First New Deal): Bank “ holiday” (stop financial contagion) FDIC (depositor insurance) Securities Act (Wall Street disclosure requirements) Glass-Steag Act (firewall between commercial banks and stock market) NIRA (self- government of producers, codes of “ fair” competition) *unconstitutional AAA (crop restrictions to boost farm prices) *unconstitutional TVA (hydroelectric power In impoverished region) PWA (public works contracts) CCC (Jobs for urban unemployed)

Apparent goals of First New Deal? Restoration of confidence in banks and financial markets Creation of employment, especially in depressed construction industry Natural resource development and less urban unrest via rural conservation projects Fighting deflation via monetization and regulation of product markets Apparent success of First New Deal since slow ascent from very deep hole (1933-1937). Even larger landslide victory for FDR in 1936 Second New Deal starting in 1935 as preparation for 1936 re-election campaign of FDR Social Security Act (pensions, payroll tax, trust fund)

National Labor Relations Act (collective bargaining, sole bargaining representative, unfair labor practices) Works Progress Administration (huge public employment program for unskilled jobless) Rural Electrification Administration (long-term loans to local government and co-ops) Apparent labor orientation of Second New Deal: Mitigating risks of income loss for workers (old age, disability, loss of spouse) Creation of employment opportunities for poor and unskilled Correction of power balance in Job market between big business and big unions Arguments by FDA, his Brain Trust and by academic supporters of New Deal Record

Outsell speech at Columbia university in late 1933. Member of Fad's Brain Trust Four years of depressed incomes of workers, farmers, shopkeepers, etc. Failure of laissez fairer, of reliance on flexible wages and prices to restore prosperity Inflexible prices In manufacturing, railroads, and public telltales but flexible In agriculture " Central core of the recovery drive"? Restriction of output In farming to raise prices Increase output and wages in industrial sector Keynes' 1936 General Theory Need to ignore opposition of conservative economists who oppose expanded government powers.