The new deal then and now assignment

Alan Brinkley suggests that the New Deal is " emerging as an instructive model" for today's economic and financial crises. Brinkley then questions if the New Deal is a useful model for today's problems. The first hundred days of the New Deal have taught President Obama Important lessons In the Obama learns through Roosevelt that an Important contribution to solving the corals Is to " exude confidence and optimism" Into the people. Roosevelt had to act quickly to combat the wave of bank failures that threatened to shut down the financial system.

Roosevelt achieved this by reclaiming a bank holiday and signing the Emergency Banking Act, which allowed inspectors to evaluate banks. Roosevelt gained the people's attentions through the establishment of the Federal Deposit Insurance Corporation, which guaranteed the citizens that their bank deposits would not be lost. Shoring up the banks was one of the most important achievements of the New Deal. The New Deal and FDA also responded to the average of 25% unemployment rate. Congress created various programs to combat the unemployment, such as the Federal Emergency Relief Administration, the Civil Works Administration, and the Works Progress

Administration. Since the Depression was still on-going In 1935, FDA launched the " second New Deal", which was a period of activism more productive than the first hundred days. It produced the Social Security Act, which was Important to provide pensions for older Americans, the Wagner Act, which gave unions the right to bargain collectively with employers, and the Fair Labor Standards Act, which minimum wage and a 40 hour work week

for labor. The extent of Roosevelt intervention in the American economy awed the entire world.

However, the New Deal did not do much to ND the Depression because of the result of actions the New Deal took and the things that the New Deal did not do. An example of this is the National Recovery Administration, whose goal was the exact opposite of what the economy needed because It raised prices as purchasing power fell. But the more important failure of the New Deal was what It did not do. Instead of shocking the economy back to life by enormously expanding economic activity, quickly and decisively, the New Deal " wavered and quibbled". The Economy Act of 1933 took $500 million from the economy in a single stroke.

The Social Security System also was a drag on the economy since it did not pay out benefits until 1940. Fad's severe spending cuts in 1937 led to a sudden and dramatic economic downturn, a recession within a Depression. Roosevelt launched a $5 billion spending plan to combat the budget cuts, which barely helped the economy. However, the idea of spending as an antidote to recession began slowly to find legitimacy, and Americans were now reading Keynes. But, this still could not end the Depression and the only solution came through the inevitable spending in the Second World War.

The great achievements of the New Deal helped us today to understand how to combat recessions. It makes sense for the Obama administration to look at the history of the New Deal, both Its achievements and failures, and learn from It to tackle the current financial catastrophe. The New Deal Then and Now By bureaucracy taught President Obama important lessons in the

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