

Consequences of the New Deal

Unemployment

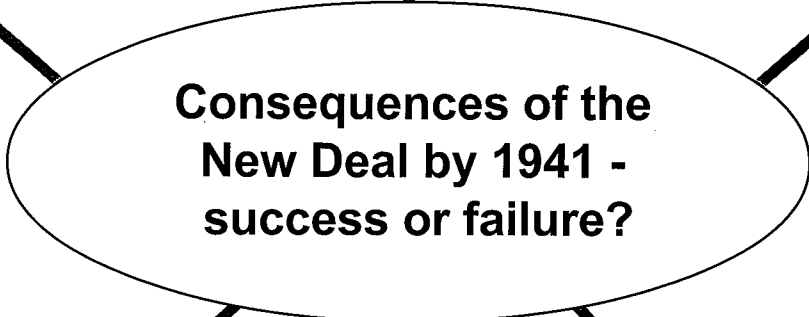
- By 1941 the New Deal reduced unemployment by 40% (since 1933).
- The New Deal can be considered successful in reviving business and reducing unemployment.

Confidence

- This is the **key success** - Roosevelt restored confidence and self-belief through his New Deal.
- The Fireside chats and signs of government involvement showed people that their President was working for them.

Partial recovery

- By 1937 industry and consumer spending were only at 75% of their 1929 level.
- Roosevelt believed the depression was ending in 1937 and reduced government spending to avoid further debts.



World War II

- In 1937 Roosevelt reduced government spending, but unemployment suddenly rose.
- The Second World War is why the Depression ended.
- The rearmament programme and entry into the war in 1941 ended unemployment problems.

Limited help

- Many of the New Deal schemes were only temporary - the CCC offered work for 6-9 months.
- The AAA (Agricultural Adjustment Act) quotas led to millions of poor black farmers being evicted.
- It cost **billions of dollars** but failed to solve the problems permanently.

Equality

- Some parts of society benefited far more than others.
- The New Deal laws allowed women and Black Americans to be paid less than white men - affecting millions of unskilled workers.
- Roosevelt's wife (Elanor) criticised him for not helping women or blacks.

The New Deal

- At the 1932 elections, Roosevelt offered no specific policies, but promised a New Deal.
- He became President in March 1933 when the Depression was at its worst.
- His **first hundred days** he passed a series of laws to try end the crisis.

Banking relief & FERA

- The **Emergency Banking Relief Act** closed all banks for 4 days for investigation and bank investment in the stock market.
- The **Federal Emergency Relief Agency (FERA)** gave immediate financial relief to the poorest victims.

CCC

- The **Civilian Conservation Corps (CCC)** provided work for 2 million young Americans (although only 8,000 women).
- They were paid to work in the countryside clearing and mending.
- They worked for 6 months and had to send most of the money home.

The New Deal - what were the alphabet agencies?

AAA

- The **Agricultural Adjustment Act (AAA)** was designed to help farmers.
- Money to encourage diversification & prevent overproduction.
- Incomes rose, but farmers had to reduce farmed land and slaughter animals.
- Sensible when so many were starving?

TVA

- **Tennessee Valley Authority (TVA)** constructed dams to control the Tennessee river and provide electricity.
- Most successful part of the New Deal as a poor and backward area was revived with new jobs and industry.

NRA

- **National Recovery Administration (NRA)** included two areas:
- **PWA**, Public Works Authority offering jobs through building programmes.
- **Blue Eagle** scheme set fair wages and working conditions. Supporters could display a badge to show their patriotic spirit.



Democrat

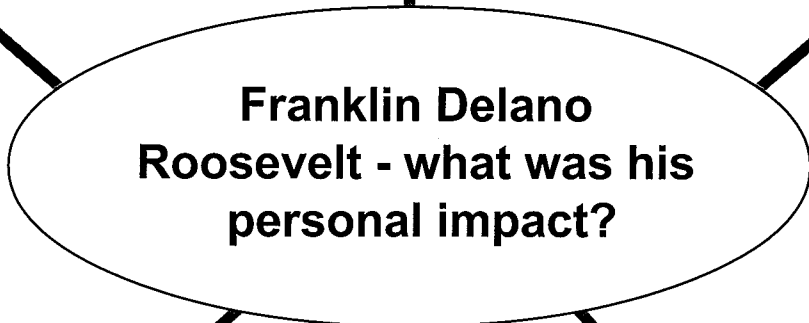
- Roosevelt's policies were in total opposition to the previous three Republican Presidents.
- He was determined to use the power of Federal government to help.
- Prepared to use **deficit funding** (using money which the government didn't even have) to aid recovery.

New Deal

- Roosevelt didn't come to office with carefully prepared plans.
- His New Deal was to use government money to aid recovery.
- The First (1933) and Second (1935) New Deals were government attempts to get involved and help.

First Hundred Days

- Roosevelt called an emergency session of Congress in his famous First Hundred Days.
- He introduced a series of laws to end the crisis and to revitalise the US economy.
- In the 100 days he shut all banks for 4 days, ended Prohibition and created the Alphabet Agencies.



Alphabet Agencies

- Money used to employ people in useful work.
- Give confidence that they were helping, and would go on to spend wages, stimulating the economy.
- Series of government agencies to help the unemployed, revive the economy and create a fairer society.

Fireside chats

- Roosevelt spoke directly to the people through the radio - this made him very popular and restored confidence.
- His first chat was only eight days after taking office.
- People heard their President talking about and attempting to sort out the problems that faced them.

Restored confidence

- Roosevelt gave energy, enthusiasm and belief to the American people.
- Whilst some of his measures are rightly criticised, he forced federal government to get involved pushing relief, recovery and reform.
- He was re-elected in 1936, 1940 and 1944 - unique.

