**Failures of the New Deal**

1 Didn’t go far enough (Long, Townsend etc.)

2 It undermined important American values, principles and laws (Sick Chickens, welfare).

3 Provided short-term wins but didn’t solve the overall problems in the USA.

**Many believe it was the USA’s entry into WW2 that lifted it out of Depression.**

**Successes of the New Deal**

* Restored confidence in economy & government.
* Created millions of jobs.
* Protected workers’ rights.
* Started to create a welfare state, helping the most vulnerable.
* USA avoided communism.

**President Roosevelt - Second New Deal**

|  |  |  |
| --- | --- | --- |
| **Agency** | **Problem** | **Action** |
| *Works Progress Administration (WPA)* | Unemployment | Job creation schemes. |
| *Wagner Act* | Workers’ rights | Legal rights to join trade unions |
| *Fair Labour Standards Act* | Fair play for workers | Child working laws & minimum wages |
| *Social Security Act* | Poverty | Pensions & benefits |

**Roosevelt’s New Deal(s)**

Fireside chats made people trust the President again. He introduced changes in the first 100days to restore the economy and created **Alphabet Agencies**.

He based ideas on 3 Rs: *Relief, Recovery and Reform.*

**Impact of Wall Street Crash 1929**

*Rising unemployment*

Factories, banks & businesses closed. Unemployment at 13million by 1932.

*Family Life*

Relied on charity, rise in suicides falling marriages & birth rate.

*Depression in cities*

1933 1/3 workforce unemployed. Can’t pay rent so homeless, live in shantytowns called **Hoovervilles**.

*Depression in the countryside*

Farmers unable to sell produce so become bankrupt. Evicted and become **hobos**. 1931 drought – soil turns to dust, ‘dust-bowl’ across some states e.g. Kansas.

**1932 Presidential Election**

|  |  |
| --- | --- |
| ***Hoover (Republican)*** | ***Roosevelt (Democrat)*** |
| Blamed for Depression | Caring image |
| Harsh treatment of Bonus Marcher | Had overcome hardship (polio) he was a fighter. |
| Relief schemes overdue | Simple message |
| Nothing new to offer | Promised ‘New Deal’ |

Roosevelt won overwhelmingly (42 out of 48 states)

**President Roosevelt - First New Deal**

**Alphabet Agencies:** group of organisations set up as part of the New Deal.

|  |  |  |
| --- | --- | --- |
| **Agency** | **Problem** | **Action** |
| *Emergency Banking Act (EBA)* | Little confidence in banks; many bankrupt | Closed banks for 10 days, backed 5,000 banks. |
| *Federal Emergency Relief Administration (FERA)* | Poverty and unemployment | $500million emergency relief for poor and homeless |
| *Civilian Conservation Corps (CCC)* | Unemployment among young people | 6 months’ work for men 18-25yrs old. 2 million men given work by CCC by 1940. |
| *Public Works Administration (PWA)* | Unemployment | $3,300 million to help unemployed build schools, roads, hospitals etc. |
| *Agricultural Adjustment Administration (AAA)* | Rural poverty, low crop prices | Help farmers increase profits, subsidies paid to farmers to push up prices. |
| *National Industrial Recovery Act (NIRA)* | Poor economic condition of the USA | Led to NRA, improved worker conditions, company code, minimum wages. |
| *Tennessee Valley Authority (TVA)* | Agricultural over-production; flooding | Build 21 dams, farmers given loans and training. |

**Republican attempts to deal with the Depression**

Herbert Hoover believed in **rugged individualism** and **balancing the budget** so refused to borrow money to help people back into jobs. May-June 1932 he turned the army on the **Bonus marchers** and lost public appeal.

Too little too late, but in 1932 he introduced:

* Reconstruction Finance Corporation
* Emergency Relief Aid
* Home Loan Bank Act

Economic downturn and recovery