

Ch 23 Section 5 The Impact of the New Deal

New Deal Reforms Endure

The New Deal Ends

- By 1937, economic improvement convinces many Depression is ending
- Congress wants to cut back programs; by 1939, New Deal over

Supporters and Critics of the New Deal

- Conservatives think FDR made federal government too large
 - stifled free enterprise, individual initiative
- Liberals: didn't do enough to socialize economy, end inequalities
- Supporters: did help country recover from economic difficulties

Expanding Government's Role in the Economy

- FDR expands power of federal government, president
- **Federal Deposit Insurance Corporation (FDIC)** regulates banking, originally protected up to \$5,000 of an individual's bank account
- **Securities and Exchange Commission (SEC)** regulates investment
- New Deal does not end Depression; does reduce suffering, give hope
- Federal government goes deeply into debt to create jobs, give aid
- Massive spending on equipment, supplies for WW II end Depression

Protecting Workers' Rights

- New Deal laws set standards, ban child labor, permit unions
 - establish policies followed today
- **National Labor Relations Board (NLRB)** still mediates labor disputes

Banking and Finance

- SEC still monitors stock market, enforces laws on stock, bond sales
- FDIC still protects individual investors in case of bank failure

Social and Environmental Effects

Social Security

- Federal government takes responsibility for citizens' welfare
- Provides for aged, disabled, needy

The Rural Scene

- Commodity Credit Corporation makes loans to farmers
 - based on amount of farmer's surplus, parity price
- **Parity price**—price intended to keep farmers' income steady
- Agricultural price supports set precedent of federal aid to farmers

The Environment

- CCC plants trees, builds hiking trails, fire lookout towers
- Soil Conservation Service teaches methods to preserve soil
- Taylor Grazing Act reduces grazing on public lands
- Tennessee Valley Authority (TVA) rebuilt dams, creates electricity, prevents floods
- Government adds national parks, wildlife refuges, wilderness areas