

# Impact of franklin d. roosevelt's new deal

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After the devastation of the Great Depression, Franklin D. Roosevelt developed a new plan. This New Deal was aimed toward short and long ranged relief, recovery, and reform for the suffering American economy. His program embraced such progressive ideas as unemployment insurance, old-age insurance, minimum-wage restrictions, conservation and development of natural resources, and restrictions on child labor. Many acts of administration were passed by Congress in order to improve American society and the depressed lifestyle. One such act was the Agricultural Adjustment Act. During the Depression, farming conditions became very desperate as countless mortgages were foreclosed and as " embattled farmers tried to prevent shipment of crops to glutted markets." Congress established the Agricultural Adjustment Administration (AAA) in an effort toward farm recovery. The AAA established " parity prices" for basic supplies. The " parity was the price set for a product that gave it the same real value, in purchasing power, that it had enjoyed during the period from 1909 to 1914." The agency also paid farmers to reduce their crop acreage in an effort to eliminate surpluses. Millions of dollars were needed for payments and so processors of farm products were taxed in order to raise the money. " Subsidized scarcity" did effectively raise farm income, but many were opposed to the ideas. " Paying farmers not to farm actually increased unemployment." FDR's New Deal strove to achieve a lower unemployment rate. The supreme court finally declared the taxation provisions unconstitutional, and the original AAA was killed. The Social Security Act of 1935 was one of the " most complicated and far reaching laws ever to pass Congress." The act provided for federal-state unemployment insurance. " To

provide security for old age, specified categories of retired workers were to receive regular payments from Washington. These payments ranged from ten to eighty five dollars a month and were financed by a payroll tax on both employers and employees." There were also specifications for the handicapped and delinquent children. The government was finally recognizing that Americans could no longer pull themselves up, and that the welfare of the people was now their responsibility. This was a success. The Emergency Congress authorized the formation of the National Recovery Administration (NRA). It was designed to provide aid for industry, labor, and the unemployed. Through "fair competition" codes, individual industries were forced to lower their work hours so more people could be hired. A minimum wage was also established. "Workers were formally guaranteed the right to organize and bargain collectively through representatives of their choosing, not through the company's choosing." The NRA sparked a lot of enthusiasm, and even gained its own symbol: the blue eagle, which was displayed in windows with the "We Do Our Part" slogan. There was such excitement that business actively swung upward, even though Roosevelt had warned not to "ballyhoo our way to prosperity." Eventually, things went downhill with unscrupulous business people violating codes and the Supreme court decided that Congress could not "delegate legislative powers" to the president and declared that "control of interstate commerce could not apply to a local fowl business." The NRA was a major success. FDR's New Deal agencies were designed to bring America back to its feet, economically. The nation was in ruins, and the acts and administrations were formed to aid the unemployed, the elderly, the farmers, and the poor laborers. The AAA helped

farmers to pay their mortgages, the Social Security Act insured the monetary safety of America's Retirees, and the NRA aided the poor industries and the unemployed. Each was a step in the direction of either relief, recovery, or reform.