

# The new deal: president roosevelt pledged a new system of doing things essay

[Business](#), [Industries](#)



Brian Salters August 11, 2009 U. S. History 1914-1945 Final Paper The New Deal was a welcomed change from the politics as usual in Washington DC.

This fact is proven by the landslide victory achieved by Franklin Delano Roosevelt over Herbert Hoover in the election of 1932. In the New Deal, President Roosevelt pledged a new system of doing things, which would not only bring an end to the Depression but also prevent the events that brought it. This new deal was necessitated by the effects of the Great Depression, which was caused by a perfect storm of events beginning with the Stock Market crash of 1929.

While some of the New Deal Programs were very effective by and large the success of the New Deal is certainly debatable. At the time it was welcome due to the ineffectiveness of the Republican administration of Herbert Hoover. On Tuesday October 29, 1929 the New York Stock Market crashed. In the 1920s, the economy of the United States grew larger than at any time previous. The number of millionaires in 1914, 4500 grew to 11, 000 by 1920. Not only were there more than double the millionaires, there was also an abundance of commodities. The automobile was in production thanks to Henry Ford's assembly line and his \$5 a day wage.

Industry was booming due to the recent revolution. Motion pictures were being produced. The Wright Brothers had successfully flown an airplane; Louis Sullivan had created the first skyscraper, which lead to a new urban society. The Olmstead Act created urban parks. Marshall Field created the first department store.

Herbert Hoover, the President in 1929, did little to relieve the Depression. Being a Republican he was a firm believer in the laissez faire system of capitalism. This system of rugged individualism was based on the idea the Americans were too proud to accept government handouts. Hoover did take some measures to stem the tide, such as convincing businesses not to lower their payrolls, and also obtaining pledges from unions that they would not strike or seek higher wages.

Hoover worked with the Federal Reserve Board in order to make credit easier to obtain. Hoover's administration set up a farm manufacturing board, a Reconstruction Finance Corp. and also legislated a Home Loan Bank Act, which was an attempt to discontinue home foreclosures. These measures were largely ineffective, leaving around 11million homeless. The story of the Great Depression is told in the Grapes of Wrath.

In this movie an Oklahoma family is forced to leave their land and search for work. They are enticed by the promise of work out west and they begin a long journey across the country. On their journey they take the audience on a metaphorical journey through the Depression. The first camp they lodge at is one where there is chaos and no order or structure to speak of. The people in the camp run wild, and that is an example of the chaos the occurred due to the lack of action taken by Herbert Hoover.

Many Americans lived in tent cities they called Homerville's. The second camp was an example of the extremely conservative answer to the depression or fascism, which was exemplified by the strict attitudes of the

guards and policeman. The third and last camp where the Joad family finally finds work is a metaphor for the New Deal of FDR. In the election of 1932 Franklin Roosevelt won a landslide victory.

Which was a clear indictment of the Hoover administration. FDR composed a cabinet with members from both parties, which he called the "Brain Trust". An emergency session of Congress was called upon inauguration in what came to be known as the first 100 days. FDR largely increased the power of the federal government, especially the President. As FDR is in office, the country hits rock bottom.

The unemployment rate was at its highest in American history of 25%. FDR's New Deal was not entirely new. Some of his programs simply expanded on the work of his predecessor Hoover. But unlike Hoover, Roosevelt realized that it was the responsibility of the federal government to provide relief for the public. The New Deal was a three phase plan; Relief, Reform and Recover. The first step was to provide food to the hungry, homes to the homeless, and jobs to the jobless, the relief. From March 9 - June 11, 1933 Congress passed more legislation than it had in two years.

Several agencies were created with three or four letter acronyms, which gave them the title alphabet agencies. Some of these agencies were ineffective and some are still around today. The CCC or Civilian Conservation Corp put men ages 17 - 28 to work rebuilding or refurbishing the infrastructure of the country.

FERA or the Federal Emergency Relief Act distributed federal money to local municipalities in order for them to create jobs. Farmers were hit hard by the depression due to a surplus of crops that they could not sell. To relieve the farmers the AAA or Agricultural Adjustment Administration was created that would pay farmers for every unfarmed acre. Also the Glass-Steegle Act was passed which created the Federal Deposit Insurance Corporation or FDIC, which protected bank deposits up to \$5, 000. This was to insure the banks would not invest depositor's money in the stock market and lose it, which had been the case in the 1920s.

The National Industry Recovery Act created public works projects and set up fair labor standards. The Securities Act gave the Federal Trade Commission the authority to regulate the stock market. With the dominance of the Democratic Party in sweeping victories in the Congressional election of 1934, FDR created a second New Deal in 1935. Roosevelt gave the Worker's Progress Administration a budget of \$5 billion and the instructions to create as many jobs as possible. As a result, 8 million people were employed to build 850 airports 651, 000 miles of roads, and 110, 000 libraries.

The Social Security Act was passed which created a pension system for retired workers over the age of 65. The Securities and Exchange Commission or SEC was created to prevent insider trading. The Revenue Act of 1935 attempted to break up large accumulations of wealth by increasing taxes on gifts and estates, increase tax rates for high incomes, and institute the graduated corporate income tax. The Banking Act of 1935 replaced the old Federal Reserve board and was responsible for controlling the money supply,

interest rates, and the cost of borrowing. The Wagner Act or National Labor Relations Act was also passed which reversed the federal governments idea toward collective bargaining.

Republicans were supporters of big business and were not in favor of unions. The Wagner Act also mandated that employers negotiate with workers. The Fair Labor Standards Act established a national minimum wage, limited the workweek to 40 hours, and discontinued factory employment for individual under the age of 16.