

The New Deal reforms and policies

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In 1929, the United States of America was struck by the Great Depression. It was considered to be the black day in the history of America's political and economic era. The stock market of America was moving at a steady pace until it came crashing down like a house of cards. The American economy had not seen itself crashing down like this in its history. The Great Depression in its wake rendered everything ineffective. Companies and banks were struck by bankruptcy, and the circulation of money stagnated. The Great Depression hit American society under the administration of Herbert Hoover, who was the President of the United States of America at that time. He did not take the matters seriously and deemed that this would eventually go away and did not do anything significant to mitigate its effects. The year 1932 marked the darkest period in which America saw more than one-quarter of its labor without any employment.

President Hoover failed to take any actions that would reduce the damages; it was time for a new administration. In the year of 1933, Franklin Roosevelt became the President of the United States of America, and he gave hope to the nation that it was incumbent upon him and his administration to take the entire nation out of this Dark Age. Franklin Roosevelt, in his efforts to tackle the damages of the Great Depression, introduced the New Deal. The New Deal comprised several programs, projects, and reforms to mitigate the effects. President Roosevelt took this matter as seriously as if America was invaded by an enemy ^[1]. He started by declaring that banks were to be closed for four days. He announced it because people were constantly making withdrawals from banks, especially those who were on the brink of insolvency. Congress approved the Emergency Banking Act. The Act was to stabilize the banks that could be recovered and to close those that became bankrupt.

The New Deal was not a deal but a series of reforms and policies that would bring the American nation back to its feet. The policies and reforms were mostly passed by Congress during the first three months of Franklin Roosevelt's presidency, which was called 'The First Hundred Days.' The foremost objective of the new President was to remove the unemployment that plagued the nation. It was reported that there were almost 90% of people unemployed in the city of Massachusetts, Lowell, and approximately 80% were out of jobs in Toledo. President Roosevelt, under his presidency, put an end to Prohibition. In order for the economy to stabilize, he made alcohol legal to buy and drink. Franklin Roosevelt introduced programs such as the Civilian Conservation Corps and Works Progress Administration to introduce temporary jobs temporarily and construction projects. The New Deal dedicated its efforts to invigorating agricultural and business projects.

President Franklin Roosevelt signed another Act that enabled the government to construct dams that would produce hydroelectric power. This Act was called the Tennessee Valley Authority Act because the power generated through these dams was produced by the dams situated around the river of Tennessee. During that month, in which the Tennessee Act was passed, Franklin Roosevelt made

Congress pass another legislation. This bill was related to agriculture, and it was primarily passed so that farmers could rest their fields and lands. They are getting paid for not cultivating their fields. This strange move was made by the administration of President Roosevelt in order for the prices of dairy products, corn, or wheat to increase. As far as reforms regarding industries were concerned, Congress had passed legislation that would allow the workers of the industries to demand higher salaries. They were permitted to form unions. During the first hundred days, President Franklin Roosevelt, along with the reforms made regarding Industries and Agriculture and dams that were built around the river of Tennessee, had passed several other bills and laws, such as the Home Owner's Loan Act and the Glass Steagall Banking Bill. The first phase was the New Deal, which made the citizens of America, to some extent, optimistic, and the people had put all their trust in the administration of President Roosevelt because he had done what he promised when he came into power.

President Roosevelt and his administration had done everything they could in the first hundred days to mitigate and reduce the damages of the Great Depression, but they still did not control the adverse effects it was causing to the entire nation. Even though Franklin Roosevelt introduced different laws and passed different kinds of legislation, it was not enough to rescue the nation from the shackles of the Depression. The economy was still getting weaker and weaker, and people were still not getting jobs. People were again succumbing to hopelessness by looking at the situation of the country, which was flying high before the Great Depression. People were getting furious because they were not able to see the fruits and results of the Acts that the administration of Roosevelt did. To the angry response of the people, Franklin Roosevelt hatched out yet another series of different projects and programs. This series of programs were named as 'Second New Deal' and this deal was supposed to be much more aggressive than the last one. In 1935, the second New Deal was on its way, and the first action that was taken by Franklin Roosevelt was the introduction of the Works Progress Administration. The WPA was introduced to give unemployed people employment.

The Works Progress Administration did not get the permit to compete with the industries that were privately owned and operated. The WPA was given the responsibility of concentrating on highways, bridges, offices, parks, schools, and colleges. The Works Progress Administration was responsible for giving writers, directors, and artists deployment because they were out of jobs. In the same year, Franklin Roosevelt promised people that they would give retired people their pensions, and millions of people were getting pensions. The administration was not going to let the old and disabled people suffer, and they would provide for their sustenance. It is not true that everyone was affected by the Great Depression, ; there were few people who were making profits from the misery of the entire nation during the depression period, and when vying for the second term, Franklin Roosevelt promised the nation that he would fight these forces and bring the nation the stability that it needed. Franklin Roosevelt was elected as the President for the second time. After all the promises and efforts, the Great Depression was still going at the same pace. People were getting more agitated as time went by, and in 1937, unions were formed in huge numbers. Around eight million laborers who became a part of the union protested against the leader and demanded their rights.

The New Deal and the Second New Deal were promising efforts made by President Roosevelt, but

they could not mitigate the effects of the great depression. People started campaigning against Roosevelt, and the opposition made it impossible for Roosevelt to pass any legislation or bill. But when America got involved in World War 2, their industry got stimulated. It resulted in the end of the darkest period in American political and economic history.

End Notes

Hawley, Ellis Wayne. *The New Deal and the Problem of Monopoly*. Princeton University Press, 2015.

Ellis Wayne Hawley, *The New Deal and the Problem of Monopoly* (Princeton University Press, 2015). ↑