Hoover’s Act Vs Roosevelts To End The Depression Essay, Research Paper

Presidents Hoover and Roosevelt were both apparent victims of being the wrong president at the wrong time. Their attempts to end the depression, although Hoover s a appeared more futile, were noble efforts on their behalf s considering the circumstances that they were enduring at the time. In many ways, both of these Presidents could not have don t much more to attempt to pull the country out of the Great Depression. Hoover was plagued with a rigid personality and a Democrat Congress that knew there was no better way of placing a Democrat in the White House than make the depression appear to be a Republican doing. FDR on the hand came in when American where willing to try just about anything to pull themselves up. This allowed for many progressive act on his behalf, thus reshaping the outlook and state of our country.

The following is a review of actions taken by both Presidents to pull the US out of the Depression. This could have been much longer, but its an essay and not a term paper, so some areas were left out to allow for all critical measures to be discussed.

Hoover:

Despite an undeserved, but enduring reputation as a do-nothing who simply accepted the Depression as an unpleasant fact of economic life that simply must be endured, President Hoover did try to end the Great Depression and, in fact, probably did more to deal with it than any preceding president had ever done in time of economic catastrophe. Hoover applied a conservative business-oriented approach that stressed voluntary efforts by Americans rather than governmental interference in the economy. What he tried was unsuccessful and sometimes poorly handled and out of this grew his public reputation.

Hoover initially felt that the Depression was a temporary abnormality in the economic cycle caused more by psychological fears than economic realities. Therefore, President Hoover responded to the crash of the stock market and the beginning of the Depression by offering confidence….he felt the county would witness a brief and limited recession and then resume its economic boom.

The President waged a campaign to convince businessmen to keep wages up so that consumption levels would not decline. This approach was less than successful. While businessmen maintained wage levels temporarily, they cut back on the number of their employees because of dropping consumption levels. Many people, witnessing the layoffs began hoarding money in anticipation of their own layoff, thus lowering consumption, thus demanding further layoffs.

Workers cut back on consumption, more workers were laid off, workers cut back further on consumption, etc., etc. President Hoover felt that while government intervention in the private sector was sometimes necessary in the modern industrial era, such intervention should be kept to an absolute minimum. President Hoover felt the key to economic recovery was restoring the confidence of the business community in the economy of the United States.

Hoover worked hard to achieve a balanced federal budget. This was extremely difficult given the demands placed on the government to launch various relief programs and a shrinking revenue base because of unprecedented deflation. Hoover however said: “The course of unbalanced budgets is the road to ruin”.

President Hoover also rejected demands by Americans that the currency system be inflated. Many Americans reasoned that since the economic disease the country suffered from was unprecedented deflation (as hundreds of millions of dollars were withdrawn from circulation and investment) then the appropriate prescription was inflation. They urged the government to abandon the gold standard and flood the economy with printed currency. Hoover rejected such demands.

FDR:

FDR on the other hand came into the White House with a few differing ideas as those of Hoover s. FDR came into office and immediately began establishing a great amount of legislation throughout his 100 days. This was aimed at implementing all the components of his New Deal. The new deal concentrated on three major areas: Unemployment, Agriculture and Industry and Labor.

UNEMPLOYMENT

An early step for the unemployed came in the form of the Civilian Conservation Corps (CCC), a program enacted by Congress to bring relief to young men between 18 and 25 years of age. Run in semi-military style, the CCC enrolled jobless young men in work camps across the country for about $30 per month. About 2 million young men took part during the decade. They participated in a variety of conservation projects: planting trees to combat soil erosion and maintain national forests; eliminating stream pollution; creating fish, game and bird sanctuaries; and conserving coal, petroleum, shale, gas, sodium and helium deposits.

AGRICULTURE

In 1933, Congress passed the Agricultural Adjustment Act (AAA) to provide economic relief to farmers. The AAA had at its core a plan to raise crop prices by paying farmers a subsidy to compensate for voluntary cutbacks in production. Funds for the payments would be generated by a tax levied on industries that processed crops. By the time the act had become law, however, the growing season was well underway, and the AAA encouraged farmers to plow under their abundant crops. Nevertheless, through the AAA and the Commodity Credit Corporation, a program which extended loans for crops kept in storage and off the market, output dropped.

INDUSTRY AND LABOR

The National Recovery Administration (NRA), established in 1933 with the National Industrial Recovery Act (NIRA), attempted to end cut-throat competition by setting codes of fair competitive practice to generate more jobs and thus more buying. Although the NRA was welcomed initially, business complained bitterly of over-regulation as recovery began to take hold. The NRA was declared unconstitutional in 1935. By this time other policies were fostering recovery, and the government soon took the position that administered prices in certain lines of business were a severe drain on the national economy and a barrier to recovery.

It was also during the New Deal that organized labor made greater gains than at any previous time in American history. NIRA had guaranteed to labor the right of collective bargaining (bargaining as a unit representing individual workers with industry). Then in 1935 Congress passed the National Labor Relations Act, which defined unfair labor practices, gave workers the right to bargain through unions of their own choice and prohibited employers from interfering with union activities. It also created the National Labor Relations Board to supervise collective bargaining, administer elections and ensure workers the right to choose the organization that should represent them in dealing with employers

THE SECOND NEW DEAL

The Works Progress Administration (WPA), the principal relief agency of the so-called second New Deal, was an attempt to provide work rather than welfare. Under the WPA, buildings, roads, airports and schools were constructed. Actors, painters, musicians and writers were employed through the Federal Theater Project, the Federal Art Project and the Federal Writers Project. In addition, the National Youth Administration gave part-time employment to students, established training programs and provided aid to unemployed youth. The WPA only included about three million jobless at a time; when it was abandoned in 1943 it had helped a total of 9 million people.

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