New Deal 2 Essay, Research Paper

The Great Depression was an unfortunate period of economic hard times that citizens of the United States struggled through. This Depression was cast on the U.S. from 1929 through 1941. Significant factors for the Depression were overproduction, over borrowing, and the uneven distribution of wealth. People did almost anything to survive these atrocities; such as widespread hunger, resulting in a great deal of emotional suffering. During Franklin Delano Roosevelt s presidency he attempted to replenish our nation from the setbacks of this Depression. His main solution to thrusting the nation out of the Great Depression was his New Deal. There were different opinions surrounding the effectiveness of this New Deal. According to history professor Roger Biles, the New Deal was an effective answer to the Great Depression. However, Gary Dean Best, also a history professor feels it was not the correct solution for the Great Depression. When supplied with the facts and opinions it is easy to base an opinion about the New Deal, as to whether or not it was significant.

Biles view was that Roosevelt was capable of defeating this depression. He had room for success, because certain pieces the New Deal were not entirely new. These pieces included increasing farmer s income, centralized economic planning, social insurance and labor reform. The plan to increase farmer s income originated from Woodrow Wilson s farm credit acts, and then Herbert Hoover s Agricultural Marketing Act pushed it along even further. Centralized economic planning, embodied in the National Industrial Recovery Act (NIRA), came directly from Wilson s War Industries Board. Roosevelt chose a veteran of the board, Hugh Johnson, to head the National Recovery Administration (NRA). Social Insurance also existed within certain states before the Federal Government became involved. Likewise, labor reform found its way through the work of state legislatures. Congress and the public saw little reason not to support the New Deal, partially due to its start in successful programs attempted earlier under different conditions.

Biles states that even though some of the New Deal was formed from past plans, there were significant new plans implemented. These new programs for the New Deal came from Roosevelt and his supportive Brain Trust, which consisted of a number of advisors from prominent universities and lawyers. Those who were working, and the circumstances and conditions in which they worked under changed during the Depression. In 1935, Roosevelt took major steps in aiding the worker, by establishing the Wagner Act, giving workers the right to join unions and bargain collectively. In 1938, the Fair Labor Standards Act was established, setting minimum wages and maximum hours for employees. These strides by Roosevelt could only improve the working condition of the U.S. He desperately tried to limit monopolies and their influence on businesses, in hopes of improving the life of working Americans. Within ten years sweatshops were eliminated, child labor was highly restricted and enforceable standards for working hours, wages and working conditions were established.

According to Biles, important recovery plans included the Civilian Conservation Corps (CCC) and the Federal Emergency Relief Act (FERA). The CCC offered outdoor work to unemployed single men ages 18 to 25. They were paid 30 dollars per month and 22 dollars went back to their families. This group of over three million men built reservoirs, stopping erosion, planted trees, and fought forest fires.

FERA gave 500 million dollars to replenish city funds. They primarily provided a dole, direct gifts of, money, food, and clothing. There were many other acts, which Roosevelt introduced that helped Americans a great deal. It is Biles belief that the important thing about the CCC and FERA is that America now had a big government. They took control; instead of just letting the people work out there own problems, as had been the custom for some time.

The outlook of Robert Biles was that even though the economic policies of the New Deal were not as successful as had been anticipated, they did implant numerous stabilizers, preventing future depressions of this nature. Certain reform plans, which were established within the Alphabet Agency, were the Federal Deposit Insurance Corporation (FDIC), and the Securities and Exchange Commission (SEC). The FDIC increased government supervision of banks, drastically lowering the amount of bank failures. It protected people’s money by insuring their ban deposits up to $2,500 at first and then to $5,000. The SEC s main purpose was to supervise regulate the stock market, with J. P. Kennedy at the head of the organization. These two plans, along with the Bank Holiday, restored the confidence in the people to put their money back into banks, and to invest.

Best s issues with the New Deal did not revolve around its specific reforms and social programs. He was upset because the U.S. failed to recover from the depression while the policies were active under Roosevelt. He felt that it was tragic for the unemployed, and millions of others depending on government aid. On top of this, it displayed the U.S. as an unstable country at a very bad time, with WWII surfacing. Best believes that the president did not provide the depression with deserved amount of attention. It is also felt that Roosevelt s reluctance to embrace in Keynesian spending contributed to the failure of recovery. While other recovered countries represented a variety of economic systems, including state ownership and free enterprise. They succeeded because of the motivation provided for industrial enterprise, rather than relying on deficit spending. Best holds the view that if Roosevelt followed the other countries leads the U.S. would have been out of the Depression sooner.

A belief formed by Best is that a wise president should have and would have done everything possible to produce the conditions and psychology most helpful to business recovery. Mainly encouraging businesses to expand production and lenders and investors to supply the financing and capital that are required. The most humane goal for a liberal government in a depression would be to restore wealth and reemployment of the inactive in real jobs.

Best based some of his arguments with the use of statistics. The unemployment rate from 1929-1940 was a mere estimate; the federal government did not monitor the number of unemployed during those years. Even though it was only an estimate he found it surprising that with the war in Europe underway that unemployment rate was as high as it was, at 14.6 percent. Compared to other nations, in 1929, the states had the lowest unemployment rate of the seven listed countries. By 1938, after over five years with the New Deal, only three other countries had a higher rate.

It is stated by Best that Roosevelt raised the prices of U.S. industrial and agricultural products, and he suffered the ramifications in the U.S. balance of trade. It made it difficult for these goods to compete in the world market, and the U.S. was opened to cheaper foreign markets. Other than a deficit in 1888 this was the only U.S. trade deficit from 1870 to the 1970 s.

Roosevelt s successes on improving the suffering of the depression are deservedly well known, however, his liability for extending the suffering is not. Roosevelt s function in supplying long-overdue and desperately needed social economic legislation is in every high school American history textbook, but the expenses for the U.S. of his eight-year-long battle against business recovery are absent. Only modest recovery from the lowest depths of the depression was attained before the start of WWII. Best feels that all pieces of the New Deal should be exposed, especially how the suffering lasted longer than it should have.

Best has an attitude that the policies and aid likely to have been delivered out of the New Deal, such as truth in securities, aid for farmers, and industrial self-regulation were disguised. With broad grants of power to the executive branch of the government, the legislation handed the regulatory power of the U.S. economy into the hands of the New Dealers. Their aim was pure selfishness in Best s eye. Rather than focusing on recovery they worked for drastic altercations in the economic system.

Best mentions how the Supreme Court ruled the NRA and the Agricultural Adjustment Act (AAA), part of the Second New Deal, to be unconstitutional. The AAA, passed in March 1933, was to stop overproduction of agricultural products, by paying farmers not to produce crops, such as cotton, wheat, tobacco, corn, and hogs.

Biles and Best s differing oppinions are a dime a dozen. Either Roosevelt s New Deal is responsible for the thankful conclusion of the Great Depression, or he went about the situation all wrong. Roosevelt did the best he or anyone else of that time could have; given the unfortunate situation the country was in. Biles said what needed to be said and had a convincing role. He proves his point by stating particular programs and positive changes resulting in the New Deal. Best described statistics and little things such as what programs were thrown out and where the other countries stood compared to the states. The U.S. is extremely well off and for it to worry about petty things such as another countries unemployment rates would be considered a waste of time, given our own issues With the detailed and conclusive arguments about the New Deal by Biles and Best it is easy to choose one side or the other. However, most people would follow Biles due to his overwhelmingly convincing arguments.

It was inevitable that misfortunes would result from the New Deal. Biles does not argue that piece because so much had gone wrong with the depression that it would take a miracle to get the U.S. back on its feet again. Surely, the positives created by the New Deal outweigh the negatives. Although the success of the New Deal was for the most part limited, it did not in any way, set America on the rode to ruin. If anything put America on that road, it was the depression itself.

All of the Acts, Reforms and Relief programs changed how each citizen thought. The country went through many changes and the government had say in what businesses do and how the Stock Market works. The government placed the unemployed in some form of work so they were able to earn money and contribute to the economy, decreasing the unemployment rate. That is why the economy did not fall to pieces, although the main reason for the U.S. getting out of the depression was WWII. The economy was doing great prior to the stock market crash. People were investing and the country was on the rise. But with such problems as bad investments, bad income distribution, bad banking, bad foreign trade, and over-expansion of credit the stock market crashed and the U.S. found itself in a depression. President Roosevelt accepted the challenge of defeating the Depression and he succeded.

Roosevelt accomplished some extraordinary achievements for this nation, many of which were supplied by Biles. He took our economic system when it had entirely broken down and helped revive it with vigor. He took over the political system while at its weakest and reconstructed it to full strength. Roosevelt put himself on the side of the underprivileged masses, and transferred power from the great corporate executives to the simple working people of this nation. He also managed to control the escapades on Wall Street, and gave security to modest men and women of the country. Given the convincing fact it is easier to follow along with Roger Biles opinion.