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## Start Of The Great Depression And Implementation Of The New Deal Program To Fight The Consequences

World War One was fought across Europe from 1914 and 1918. After the war ended; the economy in Europe was declining due to paying for the war and the rebuilding of Europe. Although the United States played a major role in the war, no battles were fought here, and when the war was over life pretty soon got back to normal. Those who were part of the upper class in the United States began seeing major increases in their income both in pay and dividends due to a booming stock market. This led to the decade of the 1920's also known as "The Roaring Twenties". Lavish parties and the "Charleston" were a staple in the lives of many of those in the upper class. This all changed on "Black Thursday", October 24th, 1929 when the stock market crashed. While those in the upper class were impacted by this event; many Americans became unemployed, broke, and hungry. The Great Depression had begun, and would also last almost a full decade.

The stock market crash is the main event that is remembered about The Great Depression; however there were several factors that led up to the stock market crash. "People sold their Liberty Bonds and mortgaged their homes to pour their cash into the stock market. In the midsummer of 1929 some 300 million shares of stock were being carried on margin, pushing the Dow Jones Industrial Average to a peak of 381 points in September. Any warnings of the precarious foundations of this financial house of cards went unheeded." With the stock market steaming ahead, everyone wanted to be in the market and would do most anything to get in on it. It was expected that the stock continue to climb and with a buy low, sale high mentality, you had to get in with as much money as possible as soon as possible. Stocks carried on margin were bought with a loan, which only exacerbated the enormity of the impending crash. On Thursday, October 24th 1929 panacing investors sold more that 16 million shares of stock.

World War Two begin in 1939, but the United States didn't enter the war until the bombing of Pearl Harbor by the Japanese on December 7, 1949. "Widespread male enlistment left gaping holes in the industrial labor force. Between 1940 and 1945, the female percentage of the U.S. workforce increased from 27 percent to nearly 37 percent, and by 1945 nearly one out of every four married women worked outside the home." 2 Women had joined the military taking positions that were typically for men only. They were also taking jobs with military contractors to support the war effort, as well as private sector jobs left vacant by men who had left to fight the war helped in lowering the unemployment rate. Women were being paid more than they were in the past, but there was a significant wage gap in pay for those same job that were previously held by mean. Even still, this helped to further lower the unemployment rate and raising the GDP in the United States. Franklin Delano Roosevelt was elected President of the United States with a plan called "The New Deal".

"The New Deal was implemented through legislation enacted by Congress and presidential executive orders. The programs addressed what historians call the "3 Rs" of dealing with the depression, Relief, Recovery, and Reform — relief for the poor and jobless, recovery of the economy, and reform of the nation's financial system to safeguard against future depressions." 3 Social Security is one of the federal government programs created to address one of the "Rs", Relief, and still operating today; which is designed to provide a safety net for the elderly

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and those with physical or mental disabilities. Social Security is paid through payroll taxes from employees taken out by their employers before they are paid. Citizens are able to receive their Social Security money when they retire or at age 65, if they retire early. Social Security is under economic pressure today due to less people in the workforce due to the loss of the manufacturing sector, and people living much longer. When it was enacted, most people died before they were able to collect any social security. During the great depression many banks failed and people lost all of the amount that was held by the bank. The FDIC (Federal Deposit Insurance Corporation) was created to focus on the Reform aspect of the 3Rs for the banking industry. Banks pay money into the FDIC as an operating expense which provides for federal insurance for up to \$250,000 for each account. This helps Americans feel safe about keeping their money in a bank. If the bank fails or closes, the government will reimburse each depositor the entire amount of money lost by the bank up to the \$250,000 cap. The FDIC does not cover speculative losses due to declines, large or small, in the stock market.

“The NRA (National Recovery Administration) was one of the most controversial of the New Deal programs because it required government-based industrial regulation. Some of the rules, viewed as pro-union, included “defining labor standards, and raising wages.”

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