

The essence of the new deal and its outcomes

[History](#), [American History](#)



Thousands of American citizens lined up waiting for work, so they could provide for their families. Others were begging to survive the harsh time. This is what was happening across America during this time. Getting jobs was easy when the country wasn't in such difficulty, but now the country was going through an economic nightmare known as the Great Depression. The New Deal was their answer, the ultimate reform, it provided change without bloodshed.

Development and Implementation

Before Franklin D. Roosevelt was elected president, over the presidency at the peak of the Great Depression, FDR helped the American people regain faith and hope by promising change through his famous phrase "the only thing we have to fear is fear itself." He was known as a man to make bold moves to solve problems and the only president to serve more than two terms.

Significance

After many attempts to fix the economy and repeated failures, the New Deal was significant because it worked. Unlike the past ideas that did more damage, it brought forth reformation. Employment grew very strongly from 1933 to 1937 causing unemployment to fall ten percent (Alexander Field 2009). If it wasn't for the New Deal the financial safety nets we have today would not exist. The New Deal provided more assurance to banks, safety to lenders, more stability to relations between capital and labor, more predictable wages to the most vulnerable workers, and a safety net for both the unemployed and the elderly.

Key Objectives

The modern term for the New Deal objectives is the 3 R's – relief, recovery, reform. They required either immediate, temporary, or permanent actions and reforms (Linda Alchin 2014). Relief meant immediate action taken to halt the economic collapse. Recovery meant jump-starting temporary programs to restart the flow of demand. Reform meant permanent programs to avoid another depression and to secure citizens against another disaster. These three objectives would later lead to the creation of several administrations and acts.

Alphabet Agencies

After FDR declared the banking holiday to cease the run on banks, he later created federal programs that would be identified as Alphabet Agencies (FDR Library n. d.). From 1933 to 1939 about forty plus alphabet agencies were created. Some of the popular ones are the Agricultural Adjustment Administration (AAA), Civilian Authority (TVA), Federal Emergency Relief Administration (FERA), Social Security Administration (SSA). The AAA reduced agriculture prices by reducing surpluses, The CCC work relief program for unemployed men, TVA provided flood control, electricity generation, fertilizer manufacturing, and economic development to the Tennessee Valley, FERA gave jobs to Americans through construction projects, and SSA is social insurance program consisting of retirement, disability, and survivors' benefits.

Least Benefitted

During that point in time racism covered the nation so it wouldn't be hard to believe that African Americans were one of the groups that didn't benefit from the New Deal. Instead of using the deal to promote civil rights, FDR decided to let the hatred continue because he needed the vote of southern democrats to pass the deal. Most of the programs that were set up discriminated against blacks. Employers gave unequal pay and the Federal Housing Act didn't promise a mortgage if they tried to buy a house in white neighborhoods. According to Jim Powell, the poor suffered from policies like the Tennessee Valley Authority. The dams flooded 750, 000 acres forcing those who lived there to move (Jim Powell 2003).

Conclusion

From an overall observation, Franklin D Roosevelt kept his pledge to the people. The New Deal was a success, it did what it was designed to do. It turned a country that was struggling with unemployment and stagflation to one that was distributing jobs left and right. It put into place programs that would later help future generations. Even though some citizens didn't benefit as much it did help the majority. It redefined what role the government should take, convincing the nation that the government should take part in the economy as well as provide support to its citizens.