

New deal essay

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



1932. Famine and homelessness afflicted millions across the country. Small shanty-towns called “Hooverilles” popped up on the outskirts of towns and in the open areas of cities, and served as home to the most downtrodden of society. Over nine thousand banks had gone bankrupt since 1929, along with them millions of dollars that had been entrusted to their care. Franklin D. Roosevelt inherited the leadership of a nation containing thirteen million unemployed living in utter poverty.

Although criticized by his political contemporaries for the vague nature of his “New Deal,” FDR came into office with a vision that, if employed effectively, would boost people’s confidence in the economy and lift the spirits of millions nationwide. “The New Deal” may have only been marginally effective in repairing the economic woes of the United States on a pure numbers basis, but it ultimately succeeded in stabilizing the “depression” in America. In my analysis, the success of the New Deal rested in the positive psychological ramifications it manifested nationwide.

The New Deal brought about lasting changes in government policy, and the way Americans would perceive the federal government. According to William E. Leuchtenburg, FDR came into office after a “lame duck” session that had lasted from February to December that had only weakened the public’s already low perception of Congress. Further, American and European observations at the outset of FDR’s presidency remarked that the common, jobless poor seemed to have lost all vigor for life; listless and calmly accepting their fates, rather than taking to the streets in violent protest.

Unlike their European contemporaries, the American people felt simply defeated and hopeless, without the agency to force positive change.

President Hoover tried repeatedly (unsuccessfully) to coerce the President-elect into accepting his view of the Depression as well, while FDR carefully built a “brains trust” of intellectuals, theorists, and colleagues to develop the New Deal into a tangible program when he took office.

A major obstacle to implementing New Deal programs was a strong push from the Republican side for a return to a Smithian laissez-faire society with traditional values and a myriad of small businesses controlling the bulk of the economy. New Dealers maintained that this idyllic trip down memory lane was mere illusion, and the best way to solve the country’s economic woes was to foster business-government cooperation with an emphasis on balance. As the first part of the New Deal, in the first 100 days, the FDR administration’s goal was to restore hope and courage to the American people, and stop economic hemorrhaging. In early March, FDR issued a (legally questionable) presidential edict to proclaim a national bank holiday to protect both the banks from mass withdrawal runs and the national treasury. FDR addressed Hoover’s financial advisers’ and the deficit hawks’ concerns through the introduction of the Economy Act, which cut \$500 million total out of veterans’ pensions and federal employees’ salaries in order to balance the “regular” federal budget.

FDR sent the Emergency Banking Act to Congress on March 9, 1933, effectively reopening 75% of Federal Reserve Banks, and granted authority to large banking institutions to purchase smaller banks, but with strictly defined rules and regulations. As part of the act, the Federal Deposit Insurance Corporation was established to provide insurance on banking deposits up to \$2500, effectively ending the risk of bank runs. Alcohol once

again was sold legally on April 7, 1933 after FDR requested Congress to pledge an early end to Prohibition, and the American people began to become reassured in financial recovery with help from FDR's "fireside chats. The Thomas Act gave FDR the authority to inflate money and take the dollar off the gold standard, effectively allowing the economy to expand and diversify. The Securities Act of 1933 created the Securities and Exchange Commission, charged with the regulation of the stock market, correcting excesses in the banking system and the stock market, and maintaining the disclosure of financial statements. All of the aforementioned programs were simply the beginning of the New Deal, but they were necessary for facilitating social, political, and economic change in the United States.

The Agricultural Adjustment Act placed limits on competitive farming, reduced crop production through artificial scarcity ensuring agricultural price inflation and padding the pockets of farmers. The AAA also paid farmers subsidies to leave farm lands uncultivated by introducing tax penalties on overproduction. This led to the slaughter of over six million piglets, unfortunately. The AAA was widely unpopular among the American public according to Gallup polls of the time, and the Supreme Court ultimately declared it unconstitutional; that the state did not have the legal right to control the means of agricultural production.

Proponents of the second New Deal introduced new legislation in FDR's second term to provide government subsidies on lands that were used to plant soil enriching crops rather than commodities. The FERA, CWA, CCC, the WPA, NYA, NRA, PWA, and TVA were all created as part of the relief legislation to get the unemployed back to work, regardless of cost. All the

relief works programs especially the CCC were designed to organize a labor force and literally create an “ Army” of working men, provide them with jobs, discipline, food, and shelter while creating infrastructure support nationally through public works projects.

These programs were drastically inefficient and dragged the federal deficit even deeper into debt, but they improved the morale of the population by putting millions back to work, and they were politically popular, giving FDR the edge to be reelected. New Deal programs were ideal for fostering active political engagement for African Americans, and gave people the strength to organize to let their voices be heard. NAACP membership was dramatically on the rise, and Eleanor Roosevelt’s tireless work for the advancement of racial equality helped spur the movement onward.

Greenburg points out that the intentions of the New Deal programs at face value were designed to be racially equal, but the application of those programs brought out the discrimination that was prevalent in society at the time, especially the south. The biggest problem associated with African Americans and the New Deal was that the New Deal officials offering relief to the public only saw the need to assist whites, and that blacks had not established a greater need for assistance. Why? Good old fashioned racism, that’s why. According to Greenberg, African Americans hadn’t fallen that far during the economic crash though.

Even though African Americans had been legally free for near 80 years, they still lived in desperate poverty, and hadn’t reached the levels of financial success achieved by their white counterparts. African Americans generally didn’t own the houses they lived in, worked the least-paying and least-

desirable jobs, and essentially had lived in their own economic depression long before the stock market crash of 1929. In the post-Bellum South, a quarter of African American people were categorized as illiterate, as education was not readily available for them due to racial pressures and antiquated Jim Crow laws.

Southern blacks lived in more destitute poverty than most other Americans during the depression due to their already horrible lot in life. A majority of Southern blacks were sharecroppers, and didn't even own the land they were farming. The decline of Agricultural commodities lowered farm prices more and more, until the tenant farmers were literally tending to the fields to do nothing more than lose more money, as the landowners claimed all of the subsidies from the AAA.

Wealth was not well-distributed in the south, and they found that opportunity lay in urban centers especially to the north, in modern industrialized cities. What followed was "The Great Migration" between 1910 and 1940, where African Americans left the south in droves to find opportunities in the cities. They found the worst jobs in the cities coupled with the worst pay, but they were generally free from the threat of lynch mobs and public beatings, despite not being well-liked by their new neighbors.

Section 7A of the NRA required businesses to accept union employees and not discriminate based on ethnicity or race, which allowed greater legislative power for organizations like the American Negro Labor Congress. Even though New Deal programs had been introduced to unify the workingman, the results of the new legislation widened the distrust between blacks and whites. African Americans provided a cheap labor force, and would often

work as scabs during factory strikes, infuriating white union workers, causing deeper tensions.

The Communist and Socialist Parties both claimed that capitalists used race as tool to divide the population against itself, and both worked tirelessly to promote equal rights for both the poor and African Americans. This caused even further disparity when these parties used racial inequality to stir up tension between established whites and poor blacks. The Communist and Socialist Parties had found a rallying cry in racial inequality, and actively promoted multiracial unions to demand equality in the workplace.

There was even a conspiracy theory espoused by most southern whites that African Americans were Soviet spies, employed by the USSR to bring down the white race and capitalism. FDR's New Deal programs certainly barred racial discrimination, but local officials were the people who administered the programs, and the majority of these people still hadn't changed their racial views. Greenburg points out that the fault lay not in the New Deal, but in the patterns and established segregation that was prevalent in society. It didn't help that FDR courted southern white democrats in his bid for the election, to secure his position in office. Once he laid out the plans for the New Deal, however, he gained more support from the black community, as they were among those represented in the groups that would benefit from programs designed to empower the jobless, homeless, starving, and needy. The road to hell is paved with good intentions though; Public works projects like the WPA, the NRA (coined " affectionately as the Negro Removal Agency), and FERA all generally accepted local wage distribution policies, discriminatory hiring practices, and were all subject to public scrutiny.

African Americans, not being part of the majority had a lesser voice in the crowd, and thus were financially punished for any outspoken criticism of racial inequalities within the workplace. FDR avoided directly addressing the race issue in his first few years in office to garner continued support from the southern white supremacists that occupied the Senate.

As the US entered WWII, the need for increased collaboration and unity between whites and blacks was much greater, and FDR saw the need for improved race relations (and to ward off a march on the Capitol by A. Philip Randolph and his supporters), so he issued Executive Order 8802 to legally mandate an official federal government position of anti-discrimination policy. Even though the Executive Order was technically part of the first or second New Deal, it was part of FDR's legacy, and it has had resounding effects throughout American society.

New Deal programs were carefully, politically orchestrated to have mass appeal across a broad spectrum of the US population, but unfortunately mass appeal is not sympathetic to minorities caught up in the struggle. While the New Deal provided jobs and money for millions of white Americans, improving morale and confidence in the economy, racial inequality as a product of society, left African Americans generally poor and in similar conditions they had faced before the depression.