THE SKEPTIC ARENA.COM

MAY 1, 2017

THE NEW DEAL

(part 3 of 3: The New Deal's Legacy)

LEGACY

Historians generally agree that during Roosevelt's 12 years in office, there was a dramatic increase in the power of the federal government as a whole. Roosevelt also established the presidency as the prominent center of authority within the federal government. Roosevelt created a large array of agencies protecting various groups of citizens—workers, farmers, and others—who suffered from the crisis, and thus enabled them to challenge the powers of the corporations.

Wiki, and there you have it in a nutshell. Class warfare. Briefly, the masses fought back and prospered. But they were no match for the Plutocrats and their corporations who, by 2008, had regained most of what was lost and now possess the political power to wipe out the remaining gains. To put it mildly, Wiki ...

we are in deep shit.

Growing Equality Of Income

A major result of the full employment at high wages was a sharp, long lasting decrease in the level of income inequality ([Great Compression](https://en.wikipedia.org/wiki/Great_Compression)).

Wiki, I'll bet the rich must have been fuming over that one, huh?

All their hard work and effort coming unraveled by a guy with polio who worked out of a wheelchair.

But they didn't give up. It took many decades but the Plutocrats slowly chipped away at everything that America had accomplished. The election of Reagan was a godsend for them. Within one generation from his inauguration, they would regain the inequality that they had enjoyed at the height of their power.

The gap between rich and poor narrowed dramatically in the area of nutrition, because food rationing and price controls provided a reasonably priced diet to everyone. White collar workers did not typically receive overtime and therefore the gap between white collar and blue collar income narrowed. Large families that had been poor during the 1930s had four or more wage earners, and these families shot to the top one-third income bracket. Overtime provided large paychecks in war industries, and average living standards rose steadily, with real wages rising by 44% in the four years of war, while the percentage of families with an annual income of less than $2,000 fell from 75% to 25% of the population.

Wiki, that damn Socialism, making everything fair and equal for everybody. Where do such horrible ideas come from anyway?

From 1939 to 1944, wages and salaries more than doubled, with overtime pay and the expansion of jobs leading to a 70% rise in average weekly earnings during the course of the war. Membership in organized labor increased by 50% between 1941 and 1945.

As a result of the new prosperity, consumer expenditures rose by nearly 50%, from $61.7 billion at the start of the war to $98.5 billion by 1944. Individual savings accounts climbed almost sevenfold during the course of the war. The share of total income held by the top 5% of wage earners fell from 22% to 17%, while the bottom 40% increased their share of the economic pie.

The Roosevelt Administration generated a set of political ideas—known as New Deal liberalism—that remained a source of inspiration and controversy for decades. New Deal liberalism lay the foundation of a new consensus. Between 1940 and 1980 there was the liberal consensus about the prospects for the widespread distribution of prosperity within an expanding capitalist economy. Especially [Harry Truman's](https://en.wikipedia.org/wiki/Harry_S._Truman) [Fair Deal](https://en.wikipedia.org/wiki/Fair_Deal), and in the 1960s, [Lyndon Johnson](https://en.wikipedia.org/wiki/Lyndon_B._Johnson)'s [Great Society](https://en.wikipedia.org/wiki/Great_Society) used the New Deal as inspiration for a dramatic expansion of liberal programs.

As the first Republican president elected after FDR, [Dwight D. Eisenhower](https://en.wikipedia.org/wiki/Dwight_D._Eisenhower) (1953–60) left the New Deal largely intact, even expanding it in some areas.

Wiki, in the 21st century, Eisenhower would be considered a Democrat ... and you just explained why.

Eisenhower sanctioned a major expansion of Social Security by a self-financed program. He supported such New Deal programs as the minimum wage and public housing; he greatly expanded federal aid to education and built the Interstate Highway system primarily as a defense program (rather than jobs program). In a private letter Eisenhower wrote:

"*Should any party attempt to abolish social security and eliminate labor laws and farm programs, you would not hear of that party again in our political history. There is a tiny splinter group of course, that believes you can do these things ... Their number is negligible and they are stupid*."

Wiki, old Ike got that one wrong. But it's not his fault. As a rational thinking individual, there was no way Eisenhower could have envisioned that many future Americans would be gullible enough to fall for Libertarian propaganda. The abolition of Social Security is exactly what they *are* proposing ("privatization").

In the 1960s, [Lyndon B. Johnson](https://en.wikipedia.org/wiki/Lyndon_B._Johnson)'s [Great Society](https://en.wikipedia.org/wiki/Great_Society) used the New Deal as inspiration for a dramatic expansion of liberal programs, which Republican [Richard M. Nixon](https://en.wikipedia.org/wiki/Richard_M._Nixon) generally retained.

Wiki, Nixon would also be considered a Democrat by 21st century standards. Republicans in the 21st century are a new species of politician like nothing we've ever seen before. To put it bluntly ...

they are fuckin' nuts.

What evidence do I offer for that last claim?

Their candidate was Donald Trump.

Many New Deal programs remain active, with some still operating under the original names, including the [Federal Deposit Insurance Corporation](https://en.wikipedia.org/wiki/Federal_Deposit_Insurance_Corporation), the [Federal Crop Insurance Corporation](https://en.wikipedia.org/wiki/Federal_Crop_Insurance_Corporation), the [Federal Housing Administration](https://en.wikipedia.org/wiki/Federal_Housing_Administration), and the [Tennessee Valley Authority](https://en.wikipedia.org/wiki/Tennessee_Valley_Authority). The largest programs still in existence today are the [Social Security System](https://en.wikipedia.org/wiki/Social_Security_%28United_States%29) and the [Securities and Exchange Commission](https://en.wikipedia.org/wiki/Securities_and_Exchange_Commission).

The New Deal did not die a natural death; it was killed off in the 1970s by a business coalition mobilized by such groups as the Business Roundtable, the Chamber of Commerce, trade organizations, conservative think tanks, and decades of sustained legal and political attacks.

Wiki, until the masses learn the rational thinking skills necessary to protect themselves from predators like the Plutocrats, the masses will continue to be dominated by them. The top 1% will get half the pie, while the other 99% scrambles to divide up the other half. Only an idiot would design such a society ...

yet that is what we have. Why?

Because Plutocrats have convinced enough Americans that a designed, planned society (Socialism) is evil, and that they should be allowed to continue running things without interference.

The [New Right](https://en.wikipedia.org/wiki/New_Right#The_second_New_Right) helped to bring Ronald Reagan into the White House in 1980. Reagan, previously an ardent New Dealer, had turned against the New Deal, and moved the nation in new directions, with his emphasis on government as the problem, not the solution.

Wiki, Reagan was right about one thing: when he took office ...

government was the problem.

[Paul Krugman](https://en.wikipedia.org/wiki/Paul_Krugman) stated that the institutions built by the New Deal remain the bedrock of the United States economic stability. Against the background of the [2007–2012 global financial crisis](https://en.wikipedia.org/wiki/2007%E2%80%932012_global_financial_crisis) he explained that the financial crisis would have been much worse if the New Deal's [Federal Deposit Insurance Corporation](https://en.wikipedia.org/wiki/Federal_Deposit_Insurance_Corporation) had not insured most bank deposits and older Americans would have felt much more insecure without [Social Security](https://en.wikipedia.org/wiki/Social_Security_%28United_States%29).

Libertarian economist [Milton Friedman](https://en.wikipedia.org/wiki/Milton_Friedman) attacked Social Security from a free market view stating that it had created [welfare dependency](https://en.wikipedia.org/wiki/Welfare_dependency).

Wiki, Milton Friedman's "Trickle-down economics" has been tested in the real world and it failed miserably. He was the greatest friend the Plutocrats ever had (along with Reagan).

I propose that Friedman's remains be exhumed by an illegal immigrant who doesn't speak English (and is gay), using a crow bar to pry that Nobel Prize that Friedman received in 1976 out of his cold, dead, skeletal fingers; have it melted down; and then have the proceeds donated to a homeless shelter in a poor town.

The New Deal banking reform was weakened since the 1980s. The [repeal of the Glass-Steagall Act](https://en.wikipedia.org/wiki/Decline_of_the_Glass%E2%80%93Steagall_Act) in 1999 allowed the [shadow banking system](https://en.wikipedia.org/wiki/Shadow_banking_system) to grow rapidly. Since it was neither regulated nor covered by a financial safety net, the shadow banking system was central to the [Financial crisis of 2007–08](https://en.wikipedia.org/wiki/Financial_crisis_of_2007%E2%80%9308) and the subsequent [Great Recession](https://en.wikipedia.org/wiki/Great_Recession).

Wiki, "Those who fail to learn from the past ...

are doomed to repeat it."

In 2008, America went out of its way to prove that saying correct.

Impact On Federal Government And States

While it is essentially consensus among historians and academics that the New Deal brought about a large increase in the power of the federal government, there has been some scholarly debate concerning the results of this federal expansion.

Wiki, fear of a strong central government was rational in previous millennia when societies were dominated by kings. But with the rise of Democracies in the last couple of hundred years, that fear is misplaced. Plutocrats now play on that fear to maintain control over the masses, counting on the masses not being sophisticated enough to understand that they themselves have the power in a Democracy to control the government.

Unfortunately, the masses have not yet figured out how to wrest control from the Plutocrats who still control them with propaganda, lies, money, laws, threats, and if necessary ...

physical force.

The federal government often allowed individual states to control the allocation of the funds provided for such welfare. This meant that the states controlled who had access to these funds, which in turn meant many southern states were able to racially segregate – or in some cases, like a number of counties in Georgia, completely exclude African-Americans – the allocation of federal funds.

Wiki, the Federal government, being bound by the Constitution, attempts to enforce equality and fairness for all its citizens. Most of the time when "state's rights" are invoked, it is usually an attempt by the local bullies (Plutocrats) to deny equality or preserve domination. The best example was when we took away the Confederacy's slaves. They have never forgiven the Federal government for that meddling.

The only time you see "state's rights" invoked for the benefit of its citizens, is when progressive states expand on Federal laws, such as minimum wage increases over the Federal minimum.

It is not likely you will find a Conservative-controlled state helping their masses by exceeding Federal minimums. The most recent example of state's rights being used to devastate the masses is the refusal by Republican governors to accept the Medicaid Expansion which resulted in about 12,000 needless deaths, every year since the refusal. That is a 9/11 every 3 months. Nor does it measure the pain and suffering endured by millions who didn't die, but were unable to access affordable healthcare.

That should have been front page news every day until action was taken to fix it, yet very few are aware that it is even happening. For that, you can thank our media. Why would the media bury the biggest story of the century: a 9/11 every 3 months?

Well, who owns the media? The poor? Middle class citizens?

Or corporations?

State governments were often guilty of inhibiting or delaying federal policies.

Wiki, can you spell O-B-A-M-A-C-A-R-E

Race And Gender

While many Americans suffered economically during the Great Depression, African Americans also had to deal with social ills, such as racism, discrimination, and [segregation](https://en.wikipedia.org/wiki/Racial_segregation#United_States_2). Black workers were especially vulnerable to the economic downturn since most of them worked the most marginal jobs such as unskilled or service-oriented work. Therefore, they were the first to be discharged. Additionally many employers preferred white workers. When jobs were scarce some employers even dismissed blacks to create jobs for whites. In the end there were three times more African American workers on public assistance or relief than white workers.

In 1932, most African Americans voted the Republican ticket.

Wiki, that makes sense, since it was Lincoln's Republicans (in the North) who were most responsible for freeing the slaves. It was the Southern Democrats who wanted them to remain in chains.

But it should be noted that in the South, Jim Crow laws and intimidation tactics made African-American voting ... rare.

In 1936, almost all African Americans (and many whites) shifted from the "Party of Lincoln" to the Democratic Party.

Wiki, as you pointed out near the beginning of this essay, Roosevelt's base was composed mainly of Northern Democrats. They are an entirely different breed than Southern Democrats. So African-Americans never should have been aligned with Southern Democrats to begin with. They finally moved to the party where they belonged; which was the only party that was looking out for the interests of the masses (both black and white).

Although there was no attempt whatsoever to end segregation, or to increase black rights in the South, Roosevelt appointed an unprecedented number of blacks to second-level positions in his administration; these appointees were collectively called the [Black Cabinet](https://en.wikipedia.org/wiki/Black_Cabinet).

Segregation

The New Deal was racially segregated; blacks and whites rarely worked alongside each other in New Deal programs. The largest relief program by far was the Works Progress Administration; it operated segregated units, as did its youth affiliate the National Youth Administration. Blacks were hired by the Works Progress Administration as supervisors in the North; however of 10,000 WPA supervisors in the South, only 11 were black.

Women And The New Deal

At first the New Deal created programs primarily for men. It was assumed that the husband was the "[breadwinner](https://en.wikipedia.org/wiki/Breadwinner_model)" and if they had jobs, whole families would benefit. It was the social norm for women to give up jobs when they married; in many states there were laws that prevented both husband and wife holding regular jobs with the government. So too in the relief world, it was rare for both husband and wife to have a relief job in The Federal Emergency Relief Administration or the Works Progress Administration. This prevailing social norm of the breadwinner failed to take into account the numerous households headed by women, but it soon became clear that the government needed to help women as well.

NEW DEAL SUMMARY

Most indexes worsened until the summer of 1932, which may be called the low point of the depression. Economic indicators show the American economy remained at this low point until February of 1933, then began recovering until the recession of 1937–1938. In Roosevelt's 12 years in office, the economy had an 8.5% compound annual growth of GDP,

the highest growth rate in the history of any industrialized country.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

THE SCIENCE SEGMENT

New Fillings Can Repair Teeth From the Inside

Scientists say they've developed dental fillings that stimulate stem cells to regrow and heal damaged teeth. Existing dental fillings (typically made of calcium hydroxide or mineral trioxide aggregate) are meant to protect pulp tissue containing blood vessels and nerves in the middle of a tooth, but are toxic to cells. About 10% to 15% of these fillings fail, resulting in root canals which weaken teeth further. The latest fillings made from synthetic biomaterial, however, can be placed in direct contact with pulp tissue to stimulate the native stem cell population.

Scientists say the stem cells encourage the growth of pulp tissue and dentin (the hard material that forms the majority of a tooth). In in vitro testing, the fillings stimulated the proliferation and differentiation of stem cells into dentin. Researchers believe that if used in a damaged tooth, those stem cells can repair the kind of damage that often comes from the installation of a filling. In essence, the biomaterial filling would allow the tooth to heal itself. Alas, patients won't need to endure any more suffering than usual. The biomaterial is injected into a tooth and hardened with UV light just like a normal filling. There's no word on when the new fillings will be available for patients.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

FAMOUS QUOTES

George McGovern

(1922–2012) 90 years

He was an American historian, author, U.S. Representative, U.S. Senator, and the Democratic Party presidential nominee in the 1972 presidential election.

McGovern volunteered for the U.S. Army Air Forces upon the America's entry into World War II, and as a B-24 Liberator pilot flew 35 missions over German-occupied Europe. After the war he earned a PhD, and became a history professor. He was elected to the U.S. House of Representatives in 1956 and the U.S. Senate in 1962.

As a senator, McGovern was an exemplar of modern American liberalism. He became most known for his outspoken opposition to the growing U.S. involvement in the Vietnam War. The McGovern–Fraser Commission fundamentally altered the presidential nominating process, by greatly increasing the number of caucuses and primaries and reducing the influence of party insiders. The McGovern–Hatfield Amendment sought to end the Vietnam War by legislative means but was defeated in 1970 and 1971. In McGovern's presidential bid in 1972, he lost to incumbent Richard Nixon in one of the biggest landslides in American electoral history.

Throughout his career, McGovern was involved in issues related to agriculture, food, nutrition, and hunger. As the first director of the Food for Peace program in 1961, McGovern oversaw the distribution of U.S. surpluses to the needy abroad and was instrumental in the creation of the United Nations-run World Food Program. As sole chair of the Senate Select Committee on Nutrition and Human Needs from 1968 to 1977, McGovern publicized the problem of hunger within the United States. McGovern later served as U.S. Ambassador to the United Nations Agencies for Food and Agriculture from 1998 to 2001 and was appointed the first UN Global Ambassador on World Hunger by the World Food Program in 2001.

“What is the Southern Strategy? It is this. It says to the South:

Let the poor stay poor, let your economy trail the nation,

forget about decent homes and medical care for all your people,

choose officials who will oppose every effort to benefit the many

at the expense of the few—

and in return, we will try to overlook the rights of the black man."