

WAS THE NEW DEAL A SUCCESS?

Whether the New Deal was a success or not, depends on the definition of success. Did the New Deal eliminate unemployment and turn America around? No. Did the New Deal eliminate poverty? No. It would be easy to run off questions such as these with an economic bent and come up with the answer no. However, an analysis of whether the New Deal was a success or failure requires a larger scope of questioning than simply looking at economic statistics.

Rather than look at the New Deal from 1933 on, an analysis of what America was like in the aftermath of the Wall Street Crash is important. What exactly had Roosevelt inherited in March 1933?

From the collapse of Wall Street in October 1929 to the presidential election in November 1932, to many Americans it appeared as if Hoover, the Republican president, was either doing nothing or too little. "Too little, too late" was a frequent label pinned to the presidency of Hoover. That a president, Roosevelt, was actually doing something positive was a huge boost to the American public - they were not being left to fend for themselves. Some who had been badly affected by the Depression had labeled their cardboard box homes "Hoovervilles" in disgust of what Hoover was doing for them. The free food handouts they got were nick-named "Hoover Stew". Those at the bottom end of society had no faith in Hoover and the new president gave them exactly this - faith and hope. Here was a president doing something for them.

Economic statistics also provide a clue as to whether the New Deal was a success or not.

America's Gross National Product 1928 to 1939:

1928	\$100 billion
1933	\$55 billion
1939	\$85 billion

Amount of consumer goods brought 1928 to 1939:

1928	\$80 billion
1933	\$45 billion
1939	\$65 billion

Private investment in industry:

1928	\$15 billion
1933	\$2 billion
1939	\$10 billion

If the 1928 figure is used as a baseline figure for a study as to whether the New Deal was a success or not, then in all three important areas, Roosevelt did not get back to the 1928 figure. However, America was at its economic peak then and after such an economic catastrophe as the Wall Street Crash, it would have bordered on the impossibility for Roosevelt to have got back to the 1928 figure.

If the 1933 figure is taken as a baseline figure - the year Roosevelt took office as president - then a different pattern emerges. In all three areas, there were significant improvements. Economic strength and development thrives on confidence and these figures give the clear impression that America now had greater confidence in her economic ability after the Wall Street Crash. For GDP - this is usually taken as key pointer in a nation's economic health - 1933 to 1939 witnessed a 60% increase; the amount of consumer products bought increased by 40% while private investment in industry increased by 5 times in just six years.

However, one other statistic is also used by those who were opposed to the New Deal. Unemployment figures for the 1930's are frequently used to argue the case that the New Deal did not work.

Number unemployed in America:

1929	2.6 million
1933	15 million
1935	11 million
1937	8.3 million
1938	10.5 million
1939	9.2 million
1940	8 million

Those who criticize the New Deal claim that it never actually got rid of unemployment in America and that Roosevelt's New Deal only had short term impact which lulled the unemployed into thinking that all their troubles were at an end. The historian William Leuchtenburg believed that only World War Two got America out of the Depression. Arthur Schlesinger claims that the New Deal only got the wheels of industry turning but no more. Economists who attacked the New Deal claimed that all the acts introduced by the New Deal were short-term policies and that there was no long term planning for America's future. In one sense, they felt, that those who had come to rely on the New Deal were being conned as all the evidence pointed to the fact that at some time in the near future, they were likely to be made unemployed once again - after all, there were only so many trees you could plant and lakes in which to stock fish.

However, for many Americans in the 1930's, Roosevelt was the president who included in his policies the people who had felt excluded by politics once the Depression had taken its hold. Now the excluded were the included.

http://www.historylearningsite.co.uk/New_Deal_success.htm

Task: Create a chart that reflects the arguments for or against the success of Roosevelt's New Deal programs.