

ASSESSING THE SUCCESS OF THE NEW DEAL

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The New Deal was a series of economic programs implemented in the United States between 1933 and 1936, aimed at solving the economic troubles created by the Great Depression. They were passed by Congress and focused on Relief, Recovery, and Reform, also known as the “3 R’s.” There are mixed opinions on if the New Deal was effective, as some believe it was made just to give the government more power. But the truth is that it was very effective for the United States. It provided support for farmers, the unemployed, the youth, and the elderly. The New Deal also included new constraints and safeguards on the banking industry and efforts to re-inflate the economy after prices had fallen sharply. However, it upset the balanced Federal budget and created a huge deficit for the nation while at the same time failed to end massive unemployment. Roosevelt's program, based on Keynesian theories of economics, called for massive government spending to stimulate the economy. The New Deal was a set of economic programs aimed at improving the economy during the Great Depression, even though it had mixed opinions on its effectiveness, it was mostly successful.

The New Deal was a series of economic programs implemented in the United States between 1933 and 1936, aimed at solving the economic troubles created by the Great Depression. It focused on the “three R’s”: Relief for the unemployed and poor, Recovery of the economy to normal levels, and Reform of the financial system to prevent another depression from happening.¹ Not everyone agreed on if the New Deal was effective. Some people believed that the programs created by the New Deal were giving the federal government too much power. Others just considered that it was helping better the economy, given the fact that it was not doing so well because of the Depression currently happening. Some of the agencies created by the

¹ “New Deal.” Wikipedia. Wikimedia Foundation, December 12, 2020. en.wikipedia.org/wiki/New_Deal.

New Deal include the Federal Deposit Insurance Corporation, Securities and Exchange Commission, National Labor Relations Board, Social Security system, Tennessee Valley Authority, all of which still exist to this day.²

There are many reasons why the New Deal was successful. It was able to get people back to the work, which was one of the main problems during the Great Depression. This allowed families to start receiving some sort of income. It also was able to save capitalism. But the most important of all, it restored faith in the American economic system, while at the same time it revived a sense of hope in the American people.³

Even though it mostly had positive effects, the New Deal had some negative effects as well. One of which was that it upset the balanced Federal budget and created a huge deficit for the nation while at the same time failed to end massive unemployment. The programs, which were based on Keynesian theories of economics, called for massive government spending to stimulate the economy.⁴ The government had to spend a lot of money to get a lot of money back in return later on. Another negative effect was created by Roosevelt's experimentation, protectionism, regulation, and raising taxes, which created uncertainty.

America was facing severe economic hardships during the Great Depression. People had no work, were not getting that much money if getting any, and were losing everything. The New Deal was a series of programs designed to help ease the hardships of the Depression, focused on the "three R's": Relief, Recovery, and Reform. When it comes to the public's opinion on if the

² Hadley, Debbie. "Roosevelt's New Deal Programs Still in Effect Today." ThoughtCo. Accessed December 13, 2020. www.thoughtco.com/new-deal-programs-still-in-effect-today-4154043.

³ Winkler, Allan M. "The New Deal: Accomplishments and Failures." United States Committee on Banking, Housing, and Urban Affairs. Accessed December 13, 2020. www.banking.senate.gov/download/033109winkler-testimony.

⁴ "The New Deal." enotes.com. enotes.com. Accessed December 13, 2020. www.enotes.com/homework-help/what-some-unsettling-points-regarding-new-deal-297588.

programs were successful, you'll find there were mixed opinions. Some believed it did help, as it contributed to pulling the United States out of the Depression. However, others believed that the programs that were created by the New Deal gave the government too much power. In the end, though, it did help the country. Without the New Deal, we may have never gotten out of the Depression or may have suffered even worse consequences.

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