

# Reviews

## The New Deal: a global history

By Kiran Klaus Patel. Princeton, NJ: Princeton University Press, 2016. Pp. xii + 435. 9 b/w illustrations. Hardback £27.95, ISBN: 978-0-691-14912-7; paperback £22.95, ISBN: 978-0-691-17615-4.

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The Great Depression began in 1929 and soon engulfed virtually all the world's agrarian and industrial economies. Manufacturing output fell, unemployment soared, stock markets tumbled, banks failed, and foreign trade contracted, as did international lending. Prices declined dramatically, leading to a paralysis in consumer and investment confidence and causing an increase in the real debt burden for both businesses and consumers. Policy options were limited as most countries were locked in the austerity-inducing grip of the gold standard. The United States and Germany were the two major economies most devastated by the collapse; only the Soviet Union appeared to have escaped the downward spiral. There was no agreement among economists and business leaders about the reasons for this catastrophe but by 1932 alarmed voters supported the view that drastic government intervention was needed to generate a sustained economic recovery and to provide

assistance for citizens whose suffering had become acute. The economy could not be left to recover unaided.

Roosevelt and his advisors drew up the policies which would constitute the early New Deal during the lengthy interval between his election victory in November 1932 and his inauguration in March the following year. Throughout the period 1933–40 the New Deal changed shape and emphasis several times. The creation of a vast number of government agencies reflected the need to replace initiatives which had clearly failed, or which had been declared unconstitutional by the Supreme Court; it also reflected continuing lack of a consensus on economic policy and the need to respond to political pressures. The New Deal lacked coherence but, throughout the world, the words 'new deal' quickly entered common usage and they carried a favourable resonance. In a polarized age where communism and fascism seemingly provided attractive alternatives to a failed capitalist system, the United States flew the flag for both democracy and a reformed capitalism. But it was not a fully functioning democracy: in the former Confederate states, African Americans were denied their democratic rights.

Kiran Klaus Patel's New Deal study offers a fresh approach in which Roosevelt's policies are analysed in the context of global rather than national history. Patel is interested in exposing what nations learned from each other as they struggled to overcome the

Depression, but he is aware that in every country, the policies adopted, reflected national culture, self-interest, and prevailing political systems. At the core of any work on the New Deal is an appreciation of the growing influence of government; in drawing parallels with other countries, Patel contends that he is providing a new exploration of the history of capitalism. Wherever they lived, policy experts did not work in isolation. Through international travel, conferences, books, and articles, they communicated their ideas with each other and with the rest of the world. This was not an age of international cooperation, however, and Patel argues that, as a result, the New Deal should be seen as a national version of larger patterns.

The severity of the depression led to a loss of faith in free markets that, together with the growing admiration for the Soviet economy, pointed to planning as the path to economic recovery and full employment. Countries ranging from totalitarian states to democracies embraced various forms of planning, and in the United States a battle raged between those who advocated cooperation with businesses and those who wanted compulsion. For the unemployed, New Dealers emphasized work relief rather than dole payments and they strove to avoid the growth of a dependency culture. For most work relief positions, applicants had to demonstrate that they were not just jobless but had reached the point of destitution. Work relief as a means of alleviating unemployment was tried in many economies but Patel is right to praise the benefits arising from New Deal work relief projects when compared with similar activity in other countries.

Patel is effective when discussing the Civilian Conservation Corps (CCC), a work relief programme designed for young men who lived in camps (mostly racially segregated) under military-style discipline, where they performed useful tasks and were given vocational training. In 1938, the CCC actually appropriated some

elements of vocational training from the German *Arbeitsdienst*. The New Deal also acted as an intellectual magnet, drawing in bright young men and women who moved to Washington, DC to join the expanding federal government. A number of these dedicated researchers travelled to Europe in the late 1930s to gather information on a variety of topics such as consumer cooperatives and social insurance systems. This low-key internationalization quickly gathered pace with the onset of the Second World War. Overseas commitments increased, as did the size of the managerial state, which adopted as orthodoxy an American version of Keynesian economics. Patel rightly identifies the war as an economic and social force which cemented in place many New Deal programmes. After 1945 an internationally minded Washington was at the fore in the creation of the United Nations, the World Bank, and the International Monetary Fund.

Global history is currently in vogue and Patel has provided a distinguished contribution to this field. His research is impressive, his writing is clear; he has assembled a mass of interesting information which he handles with great skill. I would have liked a greater emphasis on the varied attempts to achieve full economic recovery and the eradication of mass unemployment, and contemporary economists and their ideas do not figure as prominently in this book as they should. Rapid economic growth in the US economy was dramatically reversed in 1937 by the adoption of a restrictive monetary policy. Why did this happen, and what was the impact of this self-inflicted wound on the US and on other countries? The author could also have used as a central point in his analysis Edwin Amenta's calculation that, by the late 1930s, the US devoted a greater proportion of its GDP to social spending than any other nation. Notwithstanding these points, this book is essential reading for all scholars of the interwar period. They will study it with pleasure and profit.