

# The New Deal: the Third American Revolution

## Carl N. Degler

Twice since the founding of the Republic, cataclysmic events have sliced through the fabric of American life, snapping many of the threads which ordinarily bind the past to the future. The War for the Union was one such event, the Great Depression of the 1930's the other. And, as the Civil War was precipitated from the political and moral tensions of the preceding era, so the Great Depression was a culmination of the social and economic forces of industrialization and urbanization which had been transforming America since 1865. A depression of such pervasiveness as that of the thirties could happen only to a people already tightly interlaced by the multitudinous cords of a machine civilization and embedded in the matrix of an urban society.

In all our history no other economic collapse brought so many Americans to near starvation, endured so long, or came so close to overturning the basic institutions of American life. It is understandable, therefore, that from that experience should issue a new conception of the good society.

### "HUNGER IS NOT DEBATABLE"

The economic dimensions of the Great Depression are quickly sketched, too quickly perhaps to permit a full appreciation of the abyss into which the economy slid between 1929 and 1933. The value of stocks on the New York Exchange, for example, slumped from a high of \$87 billion in 1929 to a mere \$19 billion in 1933. Wholesale prices dropped 38 per cent by 1933 and farm prices seemed almost to have ceased to exist: they were 60 per cent below the low level of 1929. Within less than three years, realized national income plummeted to almost half of what it had been in the last boom year; and the same was true of industrial production. The human cost of this catastrophic breakdown in the complicated Industrial machine, *Fortune* magazine estimated in September, 1932, was 10 million totally unemployed or 25 million people without any source of income.

To worsen matters, the industrial stagnation was accompanied by a spreading fever of bank failures. First here and there, then all over the country, the banks began to close their doors in the faces of their depositors. By the beginning of 1933, the financial self-confidence of the nation reached a dangerously low level, requiring the new administration of Franklin Roosevelt, as its' first official act, to order the closing of all banks. In all, more than 10,000 deposit banks failed in the five years after 1929. If the banks, the custodians of the measure of value, proved to be unsound, men might well wonder what was left to cling to as the winds of disaster gained in fury.

Unnerving as the failure of the banks undoubtedly was, for most people the Great Depression became starkly real only when unemployment struck. No one knew whom it would hit next; the jobless were everywhere in the cities, in the towns, on the farms. Their helplessness, their bewilderment, were often written in their faces, reflected in their discouraged gaits, and mirrored in their rundown dwellings. John Dos Passos reported seeing the unemployed of Detroit in 1932 living in caves scooped out of giant abandoned sand piles. Though it was said that no one would be allowed to starve, *Fortune*, in September, 1932, suggested that some had already. The magazine counted the millions of the unemployed and told of families subsisting on a single loaf of bread for over a week or of going without food for two or three days on end. Discarded and spoiled vegetables or wild dandelions were the substance of meals for some families. Other reports in 1933 told of at least twenty-nine persons who died of starvation in New York City. Moreover, thousands

must have died from diseases which gained an easy foothold in weakened and underfed bodies; but these unfortunates were never counted. Food, casually consumed in good times, suddenly became the focus of existence for thousands. In their desperation some urban folk actually tried to wring their food from the barren soil of the city. In Gary, Indiana, for example, 20,000 families were raising food on lots lent by the city; Robert and Helen Lynd reported that in Middletown [Gary, Indiana ] in 1933, 2,500 of the town's 48,000 people eked out their food budgets with relief gardens.

The spreading unemployment generated new and deep-seated fears. When the unkempt veterans of the First World War camped in Washington in 1932, demanding a bonus to tide them over their joblessness, a fearful and unsure President had them dispersed by troops armed with tear gas. And when Congress in that same year voted a 10 per cent cut in government salaries, President Hoover sent a secret message urging that the enlisted men of the Army and the Navy be excluded from such decreases so that in case of domestic troubles the federal government would not be compelled to rely upon disgruntled troops.

Nor was it only the federal government that felt uneasy in the presence of the specter, which was stalking the land. Malcolm Cowley, in an eyewitness account, described how the trucks bearing the disillusioned veterans out of Washington were quickly sped through town after town, the local authorities fearing that some of the unemployed veterans would jump off and become burdens on already overtaxed communities. Cowley tells of one citizen in Washington; not a marcher at all, who was hurriedly bundled into a truck by mistake and could not get off until he reached Indianapolis!

Driven by their desperation, some Americans began to talk of violence. Mutterings of revolution and threats to return with rifles were heard among the bonus marchers as they left Washington. Out on the farms, the dissatisfaction of the veterans was matched by sullen farmers who closed the courts and disrupted mortgage auctions to save their homes. The ugly turn which the discontent could take was revealed by the arrest of a man in Wisconsin in 1932 on suspicion of having removed a spike from the railroad track over which President Hoover's train was to pass. In that bleak year it was not uncommon for the President of the United States to be booed and hooted as he doggedly pursued his ill-starred campaign for re-election. To Theodore Dreiser, as the cold night of the depression settled over the land, it seemed that Karl Marx's prediction "that Capitalism would eventually evolve into failure... has come true."

Even for the lords of Creation, as Frederick Lewis Allen was to call them, the Great Depression was an unsettling and confusing experience. "I'm afraid, every man is afraid," confessed Charles M. Schwab of United States Steel. "I don't know, we don't know, whether the values we have are going to be real next month or not." In the very early months of the Roosevelt administration, Harold Ickes, attending a dinner of the Chamber of Commerce of the United States, could sense the pitiable impotence to which the nation's industrial leaders had sunk. "The great and the mighty in the business world were there in force," he rather gleefully noted in his diary, "and I couldn't help thinking how so many of these great and mighty were crawling to Washington on their hands and knees these days to beg the Government to run their businesses for them."

But it was the unspectacular, the everyday dreariness of unemployment that must have cut the deepest and endured the longest as far as the ordinary American was concerned. The simplest things of life, once taken for granted, now became points of irritation. "I forget how to cook good since I have nothing to cook with," remarked one housewife. Children lost their appetites upon

seeing the milk and mush, "that they have seen so often." Even the rare treat of fresh meat could not awaken an appetite long accustomed to disappointment and pallid food.

The routine entertainments of the poor were casualties to unemployment. "Suppose you go to a friend's house and she gives you a cup of tea and something," the wife of an unemployed worker told a social worker. You feel ashamed. You think, now I got to do the same when she comes to my house. You know you can't so you stay home." Shifts in entertainment patterns among the unemployed were revealed in a study made of some 200 families in New Haven. Before the breadwinner lost his job, some 55 per cent went to the movies; once unemployment hit, however, only 16 per cent did. In the days when work was to be had, only 13 percent found recreation in sitting around the house," but now 25 percent did so. With the loss of their jobs, 12 per cent of the men admitted they "chatted and gossiped" for recreation, although none of them did when they had work.

Unemployment's effect upon the family was often more profound and far-reaching. In recounting the case history of the Raparka family, one sociologist wrote that when Mr. Raparka "lost his job in the fall of 1933, he dominated the family. Two years later it was Mrs. Raparka who was the center of authority." Again and again social workers chronicled the alteration in the father's position in the family during a period of unemployment. Humiliation settled over many a father no longer able to fulfill his accustomed role in the family. "I would rather turn on the gas and put an end to the whole family than let my wife support me," was the way one unemployed father put it. One investigator found that one-fifth of her sample of fifty-nine families exhibited a breakdown in the father's authority, particularly in the eyes of the wife. For example, one wife said, "When your husband cannot provide for the family and makes you worry so, you lose your love for him."

Fathers discovered that without the usual financial power to buy bikes or bestow nickels, their control and authority over children were seriously weakened and sometimes completely undermined. In one family where the father was unemployed for a long time, his role was almost completely taken over by the eldest son. The father himself admitted: "The son of twenty-two is just like a father around the house. He tries to settle any little brother-and-sister fights and even encourages me and my wife." In the same family, a younger son who was working summed up his relationship to his parents in a few words. "I remind them," he said, "who makes the money. They don't say much. They just take it, that's all. I'm not the one on relief." In such circumstances, it is no exaggeration to say that the massive weight of the depression was grinding away at the bedrock of American institutions.

The ties of a home struck by unemployment were weak and the opportunities for fruitful and satisfying work were almost totally absent in 1932-33. *Fortune* reported in February, 1933, that something like 200,000 young men and boys were traveling around the country on railroad trains for lack of anything better to do. Tolerated by the railroads because of their obvious poverty and lack of jobs, the boys were often suffering from disease and malnutrition. The authorities in Los Angeles asserted, for example, that 25 per cent of those coming into the city needed clinical attention and 5 per cent required hospitalization. During a single season, one railroad announced, fifty such footloose boys were killed and one hundred injured. From Kansas City it was reported that girl wanderers, dressed in boy's clothing, were on the increase. To many such young people, now grown, the Great Depression must still seem the most purposeless, the most enervating period of their lives.

What Robert and Helen Lynd concluded for their study of Middletown in 1935 can be applied to America as a whole: ". . . the great knife of the depression had cut down impartially through the entire population cleaving open lives and hopes of rich as well as poor. The experience has been

more nearly universal than any prolonged recent emotional experience in the city's history; it has approached in its elemental shock the primary experiences of birth and death."

## THE END OF LAISSEZ FAIRE

Perhaps the most striking alteration in American thought, which the depression fostered, concerned the role of the government in the economy. Buffeted and bewildered by the economic debacle, the American people in the course of the 1930's abandoned, once and for all, the doctrine of *laissez faire*. This beau ideal of the nineteenth century economists had become, ever since the days of Jackson, an increasingly cherished shibboleth of Americans. But now it was almost casually discarded. It is true, of course, that the rejection of *laissez faire* had a long history; certainly the Populists worked to undermine it. But with the depression the nation at large accepted the government as a permanent influence in the economy.'

Almost every one of the best-known measures of the federal government during the depression era made inroads into the hitherto private preserves of business and the individual. Furthermore, most of these new measures survived the period, taking their places as fundamental elements in the structure of American life. For modern Americans living under a federal government of transcendent influence and control in the economy, this is the historic meaning of the great depression.

Much of what is taken for granted today as the legitimate function of government and the social responsibility of business began only with the legislation of these turbulent years. Out of the investigation of banking and bankers in 1933, for example, issued legislation which separated commercial banking from the stock and bond markets, and insured the bank deposits of ordinary citizens. The stock market, like the banks, was placed under new controls and a higher sense of responsibility to the public imposed upon it by the new Securities and Exchange Commission. The lesson of Black Tuesday in 1929 had not been forgotten; the classic free market itself, the Exchange, was hereafter to be under continuous governmental scrutiny.

The three Agricultural Adjustment Acts of 1933, 1936, and 1938, while somewhat diverse in detail, laid down the basic lines of what is still today the American approach to the agricultural problem. Ever since the collapse of the boom after the First World War, American agriculture had suffered from the low prices born of the tremendous surpluses. Unable to devise a method for expanding markets to absorb the excess, the government turned to restriction of output as the only feasible alternative. But because restriction of output meant curtailment of income for the farmer, it became necessary, if farm income was to be sustained, that farmers be compensated for their cut in production. Thus was inaugurated the singular phenomenon, which is still a part of the American answer to the agricultural surplus, of paying farmers for not growing crops. The other device introduced for raising farm prices, and still the mainstay of our farm policy, came with the 1938 act, which provided that the government would purchase and store excess farm goods, thus supporting the price level by withdrawing the surplus from the competitive market. Both methods constitute a subsidy for the farmer from society at large.

Though the Eisenhower administration in the 1950's called for a return to a free market in farm products, that is, the removal of government supports from prices, very few steps have been taken in that direction, and probably very few ever will. A free market was actually in operation during the twenties, but it succeeded only in making farmers the stepchildren of the golden prosperity of that decade. Today the farm bloc is too powerful politically to be treated so

cavalierly. Moreover, the depression has taught most Americans that a free market is not only a rarity in the modern world but sometimes inimical to a stable and lasting prosperity.

Perhaps the most imaginative and fruitful of these innovations was the Tennessee Valley Authority, which transformed the heart of the South. "It was and is literally a down to earth experiment," native Tennessean Broadus Mitchell has written, "with all that we know from test tube and logarithm tables called on to help. It was a union of heart and mind to restore what had been wasted. It was a social resurrection." For the TVA was much more than flood and erosion control or even hydroelectric power, though its gleaming white dams are perhaps its most striking and best-known monuments. It was social planning of the most humane sort, where even the dead were carefully removed from cemeteries before the waters backed up behind the dams. It brought new ideas, new wealth, new skills, new hope into a wasted, tired, and discouraged region.

At the time of the inception of the TVA, it was scarcely believable that the "backward" South would ever utilize all the power the great dams would create. But in its report of 1956, the Authority declared that the Valley's consumption of electricity far exceeded that produced from water sites almost three quarters of TVA's power is now generated from steam power, not from waterfall. In large part it was the TVA which taught the Valley how to use more power to expand its industries and to lighten the people's burdens. Back in 1935, Drew and Leon Pearson saw this creation of consumer demand in action. "Uncle Sam is a drummer with a commercial line to sell," they wrote in *Harper's Magazine*. "He sold liberty bonds before, but never refrigerators."

Measured against textbook definitions, the TVA is unquestionably socialism. The government owns the means of production and, moreover, it competes with private producers of electricity. But pragmatic Americans, and particularly those living in the Valley, have had few sleepless nights as a consequence of this fact. The TVA does its appointed job and, as the recent fight over the Dixon and Yates contract seemed to show, it is here to stay. It, too, with all the talk of "creeping socialism," has been absorbed into that new American Way fashioned by the experimentalism of the American people from the wreckage of the Great Depression.

Undoubtedly social security deserves the appellation "revolutionary" quite as much as the TVA; it brought government into the lives of people as nothing had since the draft and the income tax. Social security legislation actually comprises two systems insurance against old age and insurance in the event of loss of work. The first system was completely organized and operated by the federal government; the second was shared with the states, but the national government set the standards; both were clear acknowledgment of the changes which had taken place in the family and in the business of making a living in America. No longer in urban America could the old folks, whose proportion in the society was steadily increasing, count on being taken in by their offspring as had been customary in a more agrarian world. Besides, such a makeshift arrangement was scarcely satisfying to the self-respect of the oldsters. With the transformation of the economy by industrialization, most Americans had become helpless before the vagaries of the business cycle. As a consequence of the social forces which were steadily augmenting social insecurity, only collective action by the government could arrest the drift.

To have the government concerned about the security of the individual was a new thing. Keenly aware of the novelty of this aim in individualistic America, Roosevelt was careful to deny any serious departure from traditional paths. "These three great objectives, the security of the home, the security of livelihood, and the security of social insurance," he said in 1934, constitute "a minimum of the promise that we can offer to the American people." But this, he quickly added, "does not indicate a change in values."

Whether the American people thought their values had changed is not nearly as important as the fact that they accepted social security. And the proof that they did is shown in the steady increase in the proportion of the population covered by the old-age benefit program since 1935; today about 80 per cent of non farm workers are included in the system. Apart from being a minimum protection for the individual and society against the dry rot of industrial idleness, unemployment insurance is now recognized as one of the major devices for warding off another depression.

It is true, as proponents of the agrarian life have been quick to point out, that an industrialized people, stripped as they are of their economic self-reliance, have felt the need for social insurance more than people in other types of society. But it is perhaps just as important to recognize that it is only in such a highly productive society that people can even dare to dream of social security. Men in other ages have felt the biting pains of economic crisis, but few preindustrial people have ever enjoyed that surfeit of goods which permits the fat years to fill out the lean ones. But like so much else concerning industrialism, it is not always easy to calculate whether the boons it offers exceed in value the burdens which it imposes.

For the average man, the scourge of unemployment was the essence of the depression. Widespread unemployment, permeating all ranks and stations in society, drove the American people and their government into some of their most determined and deliberate departures from the hallowed policy of "hands off." But despite the determination, as late as 1938 the unemployed still numbered almost ten million, two thirds as great as in 1932 under President Hoover. The governmental policies of the 1930's never appreciably diminished the horde of unemployed, only the war prosperity of 1940 and after did that, but the providing of jobs by the federal government was a reflection of the people's new conviction that the government had a responsibility to alleviate economic disaster. Such bold action on the part of government, after the inconclusive, bewildered approach of the Hoover administration, was a tonic for the dragging spirits of the people.

A whole range of agencies, from the Civil Works Administration (CWA) to the Works Progress Administration (WPA), were created to carry the attack against unemployment. It is true that the vast program of relief which was organized was not "permanent" in the sense that it is still in being, but for two reasons it deserves to be discussed here. First, since these agencies constituted America's principal weapon against unemployment, some form of them will surely be utilized if a depression should occur again. Second, the various relief agencies of the period afford the best examples of the new welfare outlook, which was then in the process of formation.

Though in the beginning relief programs were premised on little more than Harry Hopkins' celebrated dictum, "Hunger is not debatable," much more complex solutions to unemployment were soon worked out. The relief program of the WPA, which after 1935 was the major relief agency, was a case in point. In 1937, *Fortune* magazine commented on "the evolution of unemployment relief from tool to institution", a recognition of the importance and duration of relief in America. "In 1936, the federal government was so deeply involved in the relief of the unemployed," *Fortune* contended, "that it was not only keeping them alive, but it was also giving them an opportunity to work; and not only giving them an opportunity to work but giving them an opportunity to work at jobs for which they were peculiarly fitted; and not only giving them an opportunity to work at jobs for which they were peculiarly fitted, but creating for them jobs of an interest and usefulness which they could not have expected to find in private employment." The statement somewhat distorts the work of the WPA, but it sums up the main outlines of the evolution of the relief program.

The various artistic and cultural employment programs of the WPA are excellent examples of how relief provided more than employment, though any of the youth agencies like the Civilian Conservation Corps or the National Youth Administration (it subsidized student work) would serve equally well. At its peak, the Federal Writers' Project employed some 6,000 journalists, poets, novelists, and Ph.D.'s of one sort or another; unknowns worked on the same payroll, if not side by side, with John Steinbeck, Vardis Fisher, and Conrad Aiken. The \$46 million expended on art, that is, painting and sculpture, by the WPA in 1936-37 exceeded the artistic budget of any country outside the totalitarian orbit, and there art was frankly propagandistic. *Fortune*, in May, 1937, found the American government's sponsorship of art singularly free of censorship or propaganda. The magazine concluded that "by and large the Arts Projects have been given a freedom no one would have thought possible in a government run undertaking. And by and large that freedom has not be abused." During the first fifteen months of the Federal Music Project, some fifty million people heard live concerts; in the first year of the WPA Theater, sixty million people in thirty states saw performances, with weekly attendance running to half a million. T. S. Eliot's *Murder in the Cathedral*, too risky for a commercial producer, was presented in New York by the Federal Theater to 40,000 people at a top price of 55 cents.

"What the government's experiments in music, painting, and the theater actually did," concluded *Fortune* in May, 1937, "even in their first year, was to work a sort of cultural revolution in America." For the first time the American audience and the American artist were brought face to face for their mutual benefit. "Art in America is being given its chance," said the British writer Ford Madox Ford, "and there has been nothing like it since before the Reformation...."

Instead of being ignored on the superficially plausible grounds of the exigencies of the depression, the precious skills of thousands of painters, writers, and musicians were utilized. By this timely rescue of skills, tastes, and talents from the deadening hand of unemployment, the American people, through their government, showed their humanity and social imagination. Important for the future was the foresight displayed in the conserving of artistic talents and creations for the enrichment of generations to come.

The entrance of the federal government into a vast program of relief work was an abrupt departure from all previous practice, but it proved enduring. "When President Roosevelt laid it down that government had a social responsibility to care for the victims of the business cycle," *Fortune* remarked prophetically in 1937, "he set in motion an irreversible process." The burden of unemployment relief was too heavy to be carried by local government or private charities in an industrialized society; from now on, the national government would be expected to shoulder the responsibility. "Those who are on relief and in close contact otherwise with public matters realize that what has happened to the country is a bloodless revolution," wrote an anonymous relief recipient in *Harper's* in 1936. The government, he said, has assumed a new role in depressions, and only the rich might still be oblivious to it. But they too "will know it by 1940. And in time," they will "come to approve the idea of everyone having enough to eat." Few people escaped the wide net of the depression "Anybody sinks after a while," the anonymous reliefer pointed out. "Even you would have if God hadn't preserved, without apparent rhyme or reason, your job and your income." That the depression was a threat to all was perhaps the first lesson gained from the 1930's.

The second was that only through collective defense could such a threat be met. By virtue of the vigorous attack made upon the economic problems of the thirties by the government, the age old conviction that dips in the business cycle were either the will of God or the consequence of unalterable economic laws was effectively demolished. As recently as 1931, President Hoover had told an audience that some people "have indomitable confidence that by some legerdemain we can

legislate ourselves out of a world-wide depression. Such views are as accurate as the belief that we can exorcise a Caribbean hurricane." From the experience of the depression era, the American people learned that something could and ought to be done when economic disaster strikes. No party and no politician with a future will ever again dare to take the fatalistic and defeatist course of Herbert Hoover in 1929-33.

As the enactment of the Employment Act of 1946 showed, the prevention of depression now occupies top listing among the social anxieties of the American people. The act created a permanent Council of Economic Advisers to the President, to keep him continuously informed on the state of the economy and to advise him on the measures necessary to avoid an economic decline. And the Joint Committee on the Economic Report does the same for Congress.

Today political figures who indignantly repudiate any "left-wing" philosophy of any sort readily accept this inheritance from the depression "Never again shall we allow a depression in the United States," vowed Republican candidate Eisenhower in 1952. As soon as we "foresee the signs of any recession and depression," he promised, "... the full power of private industry, of municipal government, of state government, of the Federal Government will be mobilized to see that that does not happen." Ignoring the fact that as a prospective federal official he had promised more than he could deliver, he innocently and accurately added, "I cannot pledge you more than that." Sensing the tremendous importance of the matter to the American people, Eisenhower made substantially the same statement three other times, at Yonkers, Peoria, and Pittsburgh. At Yonkers he said that he had "repeated this particular pledge over and over again in the United States" and that he and his associates were "dedicated to this proposition...."

In the White House, Eisenhower continued to reflect this underlying and persistent fear that a depression would once again stride through the land. According to the account in Robert Donovan's semiofficial Eisenhower: The inside story, at session after session of the Cabinet during the recession of 1953~54, was the President who stressed the urgency of the economic situation. It was he who constantly prodded Arthur F. Burns of the Council of Economic Advisers to prepare plans with which to forestall a serious drop in the economic indicators. Indeed as late as June, 1954, just after Burns had delivered an optimistic report on the condition and future of the economy, as Donovan tells it, "The President . . . was still concerned about whether the administration was doing enough. Even though it jarred the logic of some members of the Cabinet, he insisted, everything possible must be done to restore vigor to the economy. It was important, the President said, to produce results and to err on the side of doing too much rather than too little."

In the midst of the recession of 1957-58, Vice-President Nixon, speaking on April 24, 1958, specifically repudiated the Hoover approach of permitting the economy to right itself without government intervention. "let us recognize once and for all," he told his audience, "that the time is past in the United States when the Federal Government can stand by and allow a recession to be prolonged or to deepen into depression without decisive Government action." Though Eisenhower was obviously worried that hasty measures might bring on further inflation, on May 20, in a public address, he agreed with the Vice-President that the government had "a continuing responsibility . . . to help counteract recession." In the same speech the President enumerated concrete measures already taken, such as extension of unemployment benefits, speeding up of defense and civilian procurement, acceleration of government construction projects, and the easing of credit by the Federal Reserve.

The Republican administration's evident acceptance of the new obligations of government in the economy is strikingly suggestive of the shock which the depression dealt conventional economic thought in America...

## WAS IT A NEW OR OLD DEAL?

One of the most enduring monuments to the Great Depression was that congeries of contradictions, *naivete*, humanitarianism, realistic politics, and economic horse sense called the New Deal of Franklin D. Roosevelt. As the governmental agent, which recast American thinking on the responsibilities of government, the New Deal was clearly the offspring of the depression. As we have seen, it was also more than that: it was a revitalization of the Democratic party; it was the political manifestation of that new spirit of reform which was stirring among the ranks of labor and the Negro people.

In their own time and since, the New Deal and Franklin Roosevelt have had a polarizing effect upon Americans. Probably at no time before Roosevelt has the leader of a great democratic nation come to symbolize as he did the hopes and the fears of so many people. Not even Jackson, in whom Roosevelt himself recognized a president of his own popularity, and hatred-producing caliber, could rival him. Over a decade after Roosevelt's death, the mention of his name still evokes emotions, betrayed by the wistful look in the eye or in the hard set of the jaw. The election of 1956, moreover, demonstrated once again that the Old Guard of the Republican party still fights the dead Roosevelt while the Democratic party wanders leaderless in his absence. This too is a measure of the political revolution he led.

For the Democratic Party, Roosevelt was like a lightning rod, drawing to himself all the venom and hatred of the opposition, only to discharge it harmlessly; nothing, it seemed, could weaken his personal hold on the affections of the majority of Americans. That something more was involved than sheer popularity is shown by the example of Dwight Eisenhower. Though held in even greater popular esteem, Eisenhower has been unable to invest his party with his own vote-getting power; Republicans lose though Eisenhower wins. The difference between F.D.R. and Ike is that one stood for a program, a hope, and a future, while the other stands for himself as a good, well-intentioned man whom all instinctively trust and perhaps even admire. The one is a leader of a nation, the other a popular hero. Roosevelt is already a member of that tiny pantheon of great leaders of Americans in which Washington, Jackson, Lincoln, and Wilson are included; it is difficult to believe that Eisenhower will be included. His monument is more likely to be inscribed: "The best-liked man ever to be President."

In the thirties, as now, the place of the New Deal in the broad stream of American development has been a matter of controversy. Historians and commentators on the American scene have not yet reached a firm agreement, if they ever will, as to whether the New Deal was conservative or radical in character, though it does appear that the consensus now seems to lean toward calling it conservative and traditional. Certainly if one searches the writings and utterances of Franklin Roosevelt, his own consciousness of conservative aims is quickly apparent. "The New Deal is an old deal, as old as the earliest aspirations of humanity for liberty and justice and the good life," he declared in 1934. "It was this administration," he told a Chicago audience in 1936, "which saved the system of private profit and free enterprise after it had been dragged to the brink of ruin...."

But men making a revolution among a profoundly conservative people do not advertise their activity, and above all Franklin Roosevelt understood the temper of his people. Nor should such a statement be interpreted as an insinuation of high conspiracy, far from it. Roosevelt was at heart a

conservative, as his lifelong interest in history, among other things, suggests. But he was without dogma in his conservatism, which was heavily interlaced with genuine concern for people. He did not shy away from new means and new approaches to problems when circumstances demanded it. His willingness to experiment, to listen to his university bred Brain Trust, to accept a measure like the TVA, reveal the flexibility in his thought. Both his lack of theoretical presuppositions and his flexibility are to be seen in the way he came to support novel measures like social security and the Wagner Act. Response to popular demand was the major reason. "The Congress can't stand the pressure of the Townsend Plan unless we have a real old-age insurance system," he complained to Frances Perkins, "nor can I face the country without having. . . a solid plan which will give some assurance to old people of systematic assistance upon retirement." In like manner, the revolutionary NLRA was adopted as a part of his otherwise sketchy and rule of thumb philosophy of society. Though ultimately Roosevelt championed the Wagner bill in the House, it was a belated conversion dictated by the foreshadowed success of the measure and the recent invalidation of the NRA. In his pragmatic and common sense reactions to the exigencies of the depression, Roosevelt, the easygoing conservative, ironically enough became the embodiment of a new era and a new social philosophy for the American people.

"This election," Herbert Hoover presciently said in 1932, "is not a mere shift from the ins to the outs. It means deciding the direction our nation will take over a century to come." The election of Franklin Roosevelt, he predicted, would result in "a radical departure from the foundations of 150 years which have made this the greatest nation in the world." Though Hoover may be charged with nothing more than campaign flourishing, it is nevertheless a fact that his speech was made just after Roosevelt's revealing Commonwealth Club address of September. Only in this single utterance, it should be remembered, did Roosevelt disclose in clear outline the philosophy and program which was later to be the New Deal. "Every man has a right to life," he had said, "and this means that he has also a right to make a comfortable living. . . . Our government, formal and informal, political and economic," he went on, owes to everyone an avenue to possess himself of a portion of that plenty [from our industrial society] sufficient for his needs, through his own work." Here were the intimations of those new goals which the New Deal set for America.

Accent as heavily as one wishes the continuity between the reforms of the Progressive era and the New Deal, yet the wide difference between the goals of the two periods still remains. The Progressive impulse was narrowly reformist: It limited business, it assisted agriculture, it freed labor from some of the shackles imposed by the courts, but it continued to conceive of the state as policeman or judge and nothing more. The New Deal, on the other hand, was more than a regulator, though it was that too, as shown by the SEC and the reinvigoration of the antitrust division of the Justice Department. To the old goals for America set forth and fought for by the Jeffersonians and the Progressives the New Deal appended new ones. Its primary and general innovation was the guaranteeing of a minimum standard of welfare for the people of the nation. WPA and the whole series of relief agencies which were a part of it, wages and hours legislation, AAA, bank deposit insurance, and social security,<sup>12</sup> each frustrates this new conception of the federal government. A resolution offered by New Deal Senator Walsh in 1935 clearly enunciated the new obligations of government. The resolution took notice of the disastrous effects of the depression "upon the lives of young men and women ..." and then went on to say that "it is the duty of the Federal Government to use every possible means of opening up opportunities" for the youth of the nation "so that they may be rehabilitated and restored to a decent standard of living and ensured proper development of their talents. ..."

But the **guarantor state** as it developed under the New Deal was more active and positive than this. It was a vigorous and dynamic force in the society, energizing and, if necessary, supplanting private enterprise when the general welfare required it. With the Wagner Act, for example, the government served notice that it would actively participate in securing the unionization of the American worker; the state was no longer to be an impartial policeman merely keeping order; it now declared for the side of labor. When social and economic problems like the rehabilitation of the Valley of the Tennessee were ignored or shirked by private enterprise, then the federal government undertook to do the job. Did private enterprise fail to provide adequate and sufficient housing for a minimum standard of welfare for the people, then the government would build houses. As a result, boasted Nathan Straus, head of the U.S. Housing Authority, "for the first time in a hundred years the slums of America ceased growing and began to shrink."

Few areas of American life were beyond the touch of the experimenting fingers of the New Deal; even the once sacrosanct domain of prices and the valuation of money felt the tinkering. The devaluation of the dollar, the gold-purchase program, the departure from the gold standard, in short, the whole monetary policy undertaken by F.D.R. as a means to stimulate recovery through a price rise, constituted an unprecedented repudiation of orthodox public finance. To achieve that minimum standard of well-being which the depression had taught the American people to expect of their government, nothing was out of bounds.

But it is not the variety of change which stamps the New Deal as the creator of a new America; its significance lies in the permanence of its program. For, novel as the New Deal program was, it has, significantly, not been repudiated by the Eisenhower administration, the first Republican government since the reforms were instituted. Verbally, it is true, the Republican administration has had to minimize its actual commitments to the New Deal philosophy, and it tends to trust private business more than the New Dealers did, witness, for example, its' elimination of the minor governmental manufacturing enterprises which competed with private firms. But despite this, the administration's firm commitment to the guaranteeing of prosperity and averting depression at all costs is an accurate reflection of the American people's agreement with the New Deal's diagnosis of the depression. Nor has the Republican party dared to repeal or even emasculate the legislation which made up the vitals of the New Deal: TVA, banking and currency, SEC, social security, the Wagner Act, and fair treatment of the Negro. The New Deal Revolution has become so much a part of the American Way that no political party which aspires to high office dares now to repudiate it.

It may or may not be significant in this regard (for apothegms are more slippery than precise) but it is nonetheless interesting that Roosevelt and Eisenhower have both been impressed with the same single sentence from Lincoln regarding the role of government. "The legitimate object of Government," wrote Lincoln. "is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate or individual capacities." Twice, in 1934 and again in 1936, F.D.R. in public addresses used this expression to epitomize his own New Deal, and Robert Donovan in his officially inspired book on the Eisenhower administration writes that this same "fragment of Lincoln's writing . . . Eisenhower uses time and again in describing his own philosophy of government." Between Lincoln and Eisenhower there was no Republican President, except perhaps Theodore Roosevelt, who would have been willing to subscribe to such a free-wheeling description of the federal power; in this can be measured the impact of the New Deal and the depression.

The conclusion seems inescapable that, traditional as the words may have been in which the New Deal expressed itself, in actuality it was a revolutionary response to a revolutionary situation.

In its long history America has passed through two revolutions since the first one in 1776, but only the last two, the Civil War and the depression, were of such force as to change the direction of the relatively smooth flow of its progress. The Civil War rendered a final and irrevocable decision in the long debate over the nature of the Union and the position of the Negro in American society. From that revolutionary experience, America emerged a strong national state and dedicated by the words of its most hallowed document to the inclusion of the black man in a democratic culture. The searing ordeal of the Great Depression purged the American people of their belief in the limited powers of the federal government and convinced them of the necessity of the guarantor state. And as the Civil War constituted a watershed in American thought, so the depression and its New Deal marked the crossing of a divide from which, it would seem, there could be no turning back.

The Yale Review, Summer 1963.

WELL—WELL—WELL!



KANSAS CITY (MO.) STAR  
APRIL 02, 1937

Reproduced from holdings at the FDR Library