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THE NEW DEAL: CESSATION OR CONTINUANCE?
A DISCUSSION OF SOME OF THE PROBLEMS INVOLVED
IN DATING THE NEW DEAL

by

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PREFACE

The 1930's are beginning to seem remote to an age preoccupied with nuclear weapons and space exploration. For the problems which Americans were vitally concerned about three decades ago--housing, hunger, and employment--appear (at least for the majority) to have been solved. Yet the decisions made at that time in shaping the social and economic life of the country are still--more than those of any other comparable period--exerting a powerful influence today. Furthermore, they have proved to be the solid foundation on which most subsequent decisions have been based. It would seem that the United States is moving, irrevocably, along the road to a society, the foundations of which were laid by the executive, legislative, and judicial decisions of the 1930's and 1940's.

The era in which this occurred is frequently referred to as the New Deal, a phrase which was coined by the man who symbolized the decisions, the policies, and even the times themselves, President Franklin D. Roosevelt. The New Deal was essentially America's response, led by the Federal government, to the Great Depression--a national crisis second only in gravity to the Civil War. But the New Deal was more than a response to the economic situation. It initiated a dramatic change in the powers and responsibilities of government in the United States--a change that

all evidence indicates is permanent. For this reason it seems that to classify the New Deal as a short period in the 1930's, or a specific number of years of Roosevelt's Presidency, is an inadequate and superficial description. Looking at the New Deal from the perspective of the Johnsonian "Great Society," it appears that the New Deal as a moving force in political ideas and national policies has been an ongoing movement and has created a momentum not yet spent.

So when the New Deal is periodized by many writers, some clarification is necessary. It is hoped that some such clarification is provided in this paper. The assumption here made is that it is one of the tasks of political science to examine critically, general statements and common sense notions related to politics--and frequently taken for granted--so that some conclusions may be reached as to the validity of such notions. I have found that many statements dating the concluding of the New Deal have been without qualification or explanation. The purpose of this paper has been to examine the validity of such statements, with special emphasis on developments after 1938, the year most commonly chosen as the concluding date of the movement.

If much of what is said appears obvious to the reader (who may feel that the "Great Society" is itself a continuation or extension of the New Deal) it must be pointed out that the greater part of the paper was conceived and written more than two and a half years ago. At that time the "New Frontier" of President John F. Kennedy was mostly a set of goals and not a series of achievements embodied in the statutes of the United States. There

were serious questions as to whether there would be further victories of the New Deal type of legislation and, if these were to be achieved then how many would there be and how long would it take. There were also the questions of whether the Congress would become more receptive to President Kennedy's legislative program and whether there was a possibility of Senator Barry Goldwater (a man who symbolized, by error or by choice, repudiation of the New Deal) becoming President of the United States.

In 1963, therefore, the thesis presented in this paper seemed more pertinent than in 1965, though the events of the last two years have strengthened rather than weakened the argument of the paper.

I would like to record my appreciation of the help and assistance given to me by Dr. Philip Brooks and members of his staff at the Truman Library, in Independence, Missouri. Especially, I would like to place on record my gratitude and debt to Professor Louis Douglas, for without his unceasing encouragement and inexhaustible patience this paper would never have been completed.

CHAPTER I

DATING THE NEW DEAL

There is a tendency among historians to fit the different economic, social and political movements of history into periods like pieces of a gigantic mosaic. This periodization is helpful for the purposes of description. Yet it can be misleading for sometimes the dates chosen for the beginning or conclusion of any particular era though usually significant may not help in achieving greater understanding of the subject under consideration. When historians say, for example, that the Industrial Revolution in England took place in the years 1760-1830 or that the years 1933-1945 constituted the era of National Socialism in Germany they appear to be stating facts which are undeniable. But unless one examines the forces which led up to the Industrial Revolution in England and the developments which brought about National Socialism in Germany then one cannot understand what these movements were about. Of course it is usually necessary for the purposes of order to clarify developments and events into periods and eras and there are certainly occasions when an event of great importance marks the end or the beginning of an era with considerable accuracy. To examine the accuracy or validity of the dates assigned to any particular period is not to be superficial. In the experience of modern scholarship it has been found that such examinations often lead to a different perspective, better understanding,

or even new conclusions about any given period of history. A. L. Rowse contrasts this approach with the prevailing thought in the nineteenth century. He says,

If you take, for example, Lord Bolingbroke's "Letters on History" - very typical of the mind of his age - you will see that he thinks of successive periods as a series of water-tight compartments, with nothing to account for the transition from one to another except catastrophes or break downs.¹

The same problem of periodization is encountered in the study of the New Deal. Most scholars place the New Deal period as 1933-1938. There can be little doubt that the New Deal of Franklin Delano Roosevelt began in 1933 with Roosevelt's inauguration as President of the United States. However the selection of 1938 (or any other date) as the conclusion of the New Deal cannot be accepted without further analysis. It is the main objective of this study to examine the question of the ending of the New Deal. This involves reviewing the dates which are most often suggested for the end of the movement, the reasons for (or in some cases why terminal dates are stated as facts with little further explanation) and the validity of such suggestions.

The date most frequently indicated for the termination--in one sense or another--of the New Deal is 1938. According to Dexter Perkins:

The year 1938 . . . marks a sharp dividing line in the history of the Roosevelt administrations.

¹A. L. Rowse, The Use of History (London: Hodder and Stoughton, 1946), p. 114.

Some persons would go further and say that it marks the end of the New Deal.²

He goes on to say that:

By 1938 . . . the movement had run the greater part of its course, and the years from 1938 to 1945 are concerned primarily with questions of foreign policy.³

Another historian, discussing the political situation in 1938 writes:

Roosevelt's timing was in any case quite wrong (referring to his attempted purge of the Democratic Party in the 1938 primaries). He had waited until the tide of reform had begun to ebb and until the voters were content to digest the legislative achievements of five momentous years rather than to embark upon fresh experiments. His personal popularity, it is true, remained at a high level, but there were signs that it was independent of the policies which he advocated. The Fair Labor Standards Act was the last important measure of reform; its passage marked the end of the New Deal.⁴ It was high time that the President turned his efforts to the restoration of domestic harmony, for the year of the attempted purge was also the year of Munich.⁵

Another view which takes the same decisive approach to the termination of the New Deal may also be mentioned:

After September 1939 nearly all legislation introduced and debated in Congress and all partisan political issues, were directly or indirectly influenced by World War II. The New Deal was finished.⁶

²Dexter Perkins, The New Age of Franklin Roosevelt, 1932-45 (Chicago: University of Chicago Press, 1957), p. 69.

³Ibid., p. 80.

⁴My emphasis.

⁵John A. Woods, Roosevelt and Modern America (London: English Universities Press, 1959), p. 126.

⁶R. B. Nye and J. E. Morpurgo, The Growth of the U. S. A. (London: Penguin, 1955), p. 668.

Many reasons have been given for selecting 1938 as the terminal point of the New Deal--the decline of Roosevelt's prestige as a result of the Supreme Court battle and his attempt to purge those Democratic Congressmen who would not support his measures; the 1937 recession; the fact that all the major reforms had been achieved and therefore the New Deal had completed its objectives. Richard Hofstadter suggests that the President himself was aware of the approaching conclusion of his New Deal and accepted this with characteristic political realism. He writes:

Roosevelt's sudden and desperate appeal to the ancient trust-busting device, together with his failure in the fall elections of 1938 to purge the conservative elements in his party, sugured the political bankruptcy of the New Deal. The reform wave had spent itself, and the Democratic Party, divided by the Supreme Court fight and the purge and hamstrung by its large conservative bloc, was exhausted as an agency of reform. Always the realist, Roosevelt rang the death knell of the New Deal in his annual message to Congress on January 4, 1939. "We have now passed the period of internal conflict in the launching of our program of social reform."⁷

The Supreme Court Battle

Further consideration should perhaps be given to the two principal events on which the opinions cited above are based. These are the Supreme Court Battle and the purge of 1938. The former cost Roosevelt heavily in personal prestige and the Administration suffered serious consequences as well. The role of the Supreme Court in limiting state and Federal authority in

⁷Richard Hofstadter, The American Political Tradition and the Men Who Made It (New York: Vintage Books, 1961), p. 342.

the fields of social and economic legislation did not originate with the advent of the New Deal. Long before 1933 the Court had appeared determined to halt the trend of governmental policy of extending social and economic power. As far back as 1923, Chief Justice William Howard Taft (speaking with the special authority of an ex-President) had found it necessary to warn his colleagues that:

it is not the function of the court to hold Congressional acts invalid simply because they are passed to carry out economic views which the court believes to be unwise or unsound.⁸

The conservative views of the Court were therefore well known when Roosevelt began the New Deal program in 1933. In particular, Justices McReynolds, Sutherland, Van Devanter, and Butler were regarded as ultra-conservatives in their economic opinions. The New Deal legislation became effective without resistance from the judicial branch for two years. Then, in 1935 the Supreme Court struck. In that year, the Supreme Court appeared to be bent on wrecking a great part of Roosevelt's program, for in two momentous judgments (in the cases of *Schechter Poultry Corporation v. United States*⁹ and *United States v. Butler*¹⁰ respectively,) both the National Industrial Recovery Act and the Agricultural Adjustment Act--pillars of the New Deal temple of economic reform--were ruled unconstitutional. The reasons given by the Court were as follows:

⁸ Quoted by Denis W. Brogan, in, The Era of Franklin D. Roosevelt (New Haven: Yale University Press, 1950), p. 216.

⁹ *Schechter Poultry Corporation v. United States*, 295 U. S. 495 (1935).

¹⁰ *United States v. Butler*, 297 U. S. 1 (1935).

- (1) unconstitutional invasion of state power by Congress;
- (2) unconstitutional delegation of legislative power to the President;
- (3) use of congressional power over commerce and taxation for the purpose of unconstitutional regulation and control of industry and agriculture;
- (4) unconstitutional invasion of property rights.¹¹

There were many, both advocates and opponents of the New Deal, who were not sorry to see the end of the N. I. R. A. and A. A. A. The N. I. R. A. was designed to achieve industrial cooperation under government control. All types of business were instructed to draw up in cooperation codes of fair competition or rules for a particular industry by which overproduction would be curtailed, wages raised, labor hours shortened and prices increased. Labor was given a statutory right to collective bargaining for the first time in United States history. Certainly some of the worst effects of competition were eliminated, but the small manufactures felt that the codes favored the large ones and labor asserted that the labor provisions in the codes were being ignored. The A. A. A. (or Farm Relief and Inflation Act, 1933) was designed to reduce production, cut down the farmer's overhead and raise prices to a level termed "parity prices." This statutory term was defined as the level of prices before the First World War. Here again many criticisms resulted. To some it was impossible to justify the curtailment of production when millions lacked sufficient food.

¹¹See the majority opinions in the two cases cited above.

Also a rapid increase in the price of foodstuffs and other agricultural commodities accompanied the rise in prices paid to farmers imposing a hardship on low-income sections of the population. It was also pointed out that curtailment in America stimulated production abroad, thus making greater competition possible at a future date.

Whatever the social and economic merits and demerits of the A. A. A. and N. I. R. A., the fact remained that the Supreme Court had struck down these and other acts on which the New Deal program was based. The issue was now drawn--an administration which had received a popular mandate in 1932, 1934, 1936, unparalleled in modern times was opposed by a Supreme Court which decreed that the Congress and the President had time and again exceeded constitutional limits. Justice Stone in giving the opinion of the dissenting minority in the A. A. A. case warned the Court against "the assumption that the Court had the exclusive duty and right to guard the nation and the constitution from legislative follies" and against infringing on the "free right of congress to use the spending power as it thought fit."¹² "The suggestion that it must now be curtailed by judicial fiat hardly rises to the dignity of the argument."¹³ However, the Court continued on its path and on May 6, 1935, struck down the Railroad Retirement Act of 1934.¹⁴ Similar decisions followed.

¹²United States v. Butler, 297 U. S. 1 (1935).

¹³Ibid.

¹⁴Railroad Retirement Board v. Alton Railroad Company, 295 U. S. 330 (1935).

The desire of many liberals and New Dealers to end a situation which threatened the basis of the New Deal itself was expressed in the Democratic platform of 1935 which affirmed:

We have sought and will continue to seek to meet these problems (i. e. social and economic problems) through legislation within the Constitution. If these problems cannot be effectively solved by legislation within the Constitution, we shall seek such clarifying amendment as will assure to the legislatures of the several states and to the Congress of the United States, each within its proper jurisdiction, the power to enact those laws which the State and Federal legislatures, within their respective spheres, shall find necessary in order adequately to regulate commerce, protect public health and safety and safeguard economic security.¹⁵

With the landslide victory of Roosevelt in the 1936 election, it was felt that the Supreme Court could no longer block what appeared to be a clear mandate from the people for the New Deal. Different minor changes were suggested which would solve the problem. However, in February 1937, President Roosevelt put before the Congress a comprehensive plan ostensibly for the reorganization of the federal judicial system. But the crux of the plan (and the part which aroused alarm) concerned the Supreme Court. This part provided for the appointment of an additional justice for every Supreme Court justice who failed to retire within six months after reaching the age of seventy. The total number of justices under this provision would not exceed fifteen. In other words, the President could "pack the Court" with his own trusted nominees and break the judicial check on his program. Roosevelt's plan was not accepted but the Congress passed the

¹⁵Brogan, op. cit., p. 221

Supreme Court Retirement Act which allowed full pay for any justice who retired at the age of seventy.

In July 1937 the plan for "reform" of the Court was withdrawn--but only after months of bitter debate which threatened to disrupt the Democratic party. Raymond Moley opposed the plan,

as a palpable makeshift that would remove only temporarily the evil it was designed to remedy, as an impairment of those democratic institutions and traditions that make progressive evolution possible, as a fundamental change which the citizens alone had the right to authorize. My opposition was open, wholehearted, complete¹⁶

Moley was not alone in his opposition. He was joined by many who were basically friendly to Roosevelt and the New Deal and the net result of Roosevelt's stand over the Supreme Court was a loss of prestige in the country--(since public opinion expressed itself strongly against him) and in Congress (due to the disruption in his own party).

He was never again, until America's entry into the war (perhaps not even then) to be as strong at the other end of Pennsylvania Avenue as he had been during his first term.¹⁷

However, supporters of Roosevelt have often asserted that if the President lost the battle he won the war. This is true to a great extent, in that the President had the satisfaction of seeing the Court adapt itself to the spirit of the New Deal. For in the midst of the drive for judicial reorganization, the Court suddenly reversed itself and in a 5-to-4

¹⁶Raymond Moley, After Seven Years (New York: Harper Brothers, 1939), p. 357.

¹⁷Dexter Perkins, op. cit., p. 62.

decision upheld a state minimum wage law for women¹⁸ and a month later approved the National Labor Relations Act.¹⁹ In addition to this, between August 1937 and January 1942, Roosevelt was called upon to appoint seven members of the Court and elevate one, Harlan Fiske Stone to be Chief Justice. To the other positions liberal appointments were made.

The Party "Purge" of 1938

Another blow to the President's prestige and that of the New Deal itself occurred in 1938. The Seventy-Fifth Congress had witnessed many bitter attacks on and considerable opposition to Roosevelt's legislative proposals. There had certainly been liberal or New Deal successes such as the passage of the second Agricultural Adjustment Act and of a minimum wage law. But what irked the President most of all was the diminishing support and even opposition of many Democrats who (at any rate in Roosevelt's opinion) had been elected in the 1936 landslide election to support the New Deal. Roosevelt decided therefore (in violation of one of his own principles about interference in local elections) to attempt to secure the nomination of liberal Democrats in the primary campaign of 1938. He launched this "purge" as it has often been called in one of his fireside chats on June 24, 1938. He began this radio talk by stating that the Seventy-Fifth Congress had left many things undone. Nevertheless, he continued, the

¹⁸West Coast Hotel Company, v. Parrish, 300 U. S. 379 (1937).

¹⁹National Labor Relations Board v. Jones and Laughlin, 300 U. S. 419 (1937).

Congress had achieved more for the good of the country than any Congress from the end of the First World War to 1933. The President then proceeded to list many of the achievements of the Seventy-Fifth Congress. He remained convinced that the American people desired and supported a program of consistent liberalism. Yet, he said,

after the election of 1936 I was told, and the Congress was told, by an increasing number of politically--and wordily--wise people that I should coast along, enjoy an easy Presidency for four years, and not take the Democratic platform too seriously. They told me that people were getting weary of reform through political effort and would no longer oppose that small minority which, in spite of its own disastrous leadership in 1929, is always eager to resume its control over the Government of the United States.

Never in our lifetime has such a concerted campaign of defeatism been thrown at the heads of the President and Senators and Congressmen as in the case of this Seventy-fifth Congress.²⁰

The President, after a discussion of the economic situation, then proceeded to the issue at hand. He stated:

In the coming primaries, there will be many clashes between two schools of thought, generally classified as liberal and conservative. Roughly speaking, the liberal school of thought recognizes that the new conditions throughout the world call for new remedies.²¹

Having said this, Roosevelt then emphasized his position as leader of the Democratic Party and announced his intention of supporting liberal candidates in the Democratic primaries.

²⁰The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1938), 1938 Volume, p. 395.

²¹Ibid., p. 398.

As President of the United States, I am not asking the voters of the country to vote for Democrats next November as opposed to Republican or members of any other party. Nor am I, as President, taking part in Democratic primaries.

As the head of the Democratic Party, however, charged with the responsibility of carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic platform, I feel that I have every right to speak in those few instances where there may be a clear issue between candidates for a Democratic nomination involving these principles, or involving a clear misuse of my own name.

Do not misunderstand me. I certainly would not indicate a preference in a State primary merely because a candidate, otherwise liberal in outlook, had conscientiously differed with me on any single issue. I should be far more concerned about the general attitude of a candidate toward present day problems and his own inward desire to get practical needs attended to in a practical way. We all know that progress may be blocked by outspoken reactionaries and also by those who say "yes" to a progressive objective, but who always find some reason to oppose any specific proposal to gain that objective. I call that type of candidate a "yes, but" fellow.²²

The following day, many newspapers headlined the address as a "declaration of war on party rebels." Roosevelt then hit the campaign trail and made speeches supporting liberal candidates in Ohio, Kentucky, Oklahoma, Texas, Colorado, California and elsewhere. The President's interference in local politics met with deep opposition and he was strongly criticized in newspaper editorials all over the country. "Cartoonists pictured him as a donkey rider, a club wielder, a pants kicker, a big-game hunter."²³ Taken as a whole the President's efforts to sway the primary voters

²²Ibid., p. 399.

²³James MacGregor Burns, Roosevelt: The Lion and the Fox (New York: Harcourt-Brace, 1956), p. 362.

met with a resounding defeat. Ed Smith won decisively in South Carolina, Tydings received an overwhelming majority in Maryland, Maverick and other "Roosevelt men" lost in Texas. In Georgia Roosevelt's candidate came third and Senator George won comfortably. Alva Adams of Colorado, Patrick McCarran of Nevada, Augustine Lonergan of Connecticut--all anti-New Deal men--won their contests. Of course, Roosevelt's efforts were not a complete failure. In one of the races Roosevelt was most concerned about (the Kentucky primary) his own candidate, Alben Barkley, was successful. In Oklahoma Senator Elmer Thomas defeated his opponent. And perhaps more spectacularly, with help from Roosevelt, Hopkins and Corcoran, James H. Fay succeeded in defeating John O'Connor, a Democratic representative from New York who had used his position as chairman of the House Rules Committee to block legislation desired by Roosevelt.

Yet even granting these successes the fact remains that the attempted "purge" was a failure and in the weeks following Roosevelt's campaign trip his "Political fortunes reached the lowest point of his presidency."²⁴ In spite of this Roosevelt continued his support for "New Deal" candidates in the November election since he was concerned about the future of his program. In an election eve broadcast from his Hyde Park home, the President "reasserted that the supreme issue was the continuation of the New Deal."²⁵ He illustrated his case by quoting the examples of liberal

²⁴ Ibid., p. 263.

²⁵ Ibid., p. 365.

administrations such as Theodore Roosevelt and Woodrow Wilson and the liquidation of their achievements by the subsequent conservative administrations of Taft and Harding. "We have to have reasonable continuity in liberal government in order to get permanent results,"²⁶ he suggested and he went on to urge that "the voters throughout the country should remember that need for continuous liberal government when they vote."²⁷ But the President's exhortations were to no avail and the Democratic Party sustained serious losses in the 1938 election. The party's membership in the House shrank from 322 to 262.

These defeats did not signify a rejection of Roosevelt personally, rather they were a vindication of the principle in American politics that even a powerful and popular leader cannot transfer his strength to other candidates. In any case it was to be expected that the majority party would lose seats in a midterm election. In 1938 Roosevelt retained great personal popularity, but there can be no doubt that as a result of his attempt to rid the Democratic Party and Congress of Anti-New Dealers, his prestige suffered as did that of the New Deal itself.

The Roosevelt Recession

Another reason for the selection of 1938 as a terminal point for the New Deal is based on the economic recession which occurred in the year 1937. Here again, further explanation is

²⁶ Public Papers and Addresses of Franklin D. Roosevelt, op. cit., 1938, p. 585.

²⁷ Ibid.

useful. The year 1936 had been a good year for the economy and the country seemed to be heading for prosperous times again. The situation was denoted as a "boomlet" (a phrase coined by Dr. Broedus Mitchell). In statistical terms the "boomlet" was impressive. The index of total manufacturing production (1935-9 = 100), which had fallen to 57 in 1932, rose to the figure of 113 in 1937. Production of durable goods rose from 41 (1932) to 122 (1937) but remained 10 points below the 1929 level; output of non-durable goods rose from 70 to 106 (13 points above the 1929 figure); the agricultural production index was up to 106 in 1937, the highest level ever reached to that date. The gross national product stood at \$90,200 million, as compared with \$55,800 million in 1933 and national income rose to \$73,600 million from a 1933 figure of \$39,600 million; the index of common stock prices (1926 = 100) climbed to 111.8 (1937) from a depth of 48.6 (1932). Unemployment had also fallen from 11,842,000 (1933) to 6,403,000 (1937).²⁸

However, the boom lacked a solid base. In 1936, Congress had passed a veterans' bill which provided that a bonus due to those who had served in the first world war should be paid immediately and not in 1945. The President vetoed this bill, but it had then been passed over his veto. Consequently a large influx of government money had expanded consumer spending in 1936--but its effects were exhausted in 1937. On the other hand, taxes provided

²⁸ Historical Statistics of the United States, 1789-1945 (U. S. Bureau of Census, Washington 1949), (Series J30 - 48) p. 180.

by the Social Security Act had led to a flow of money to Washington, but since Roosevelt was anxious to balance the budget, he had reduced government expenditure on relief. In addition, the Treasury and Federal Reserve Board had taken measures to tighten credit in order to prevent inflation. The result of all this was a slackening in investment, rising costs, and a weakening in the financial position of corporations. A general atmosphere of distrust then developed between business and the Administration and business incentive declined as a result.

These factors helped create a severe economic recession which began in August 1937 and continued until the early part of 1938. The boom in the economy was instantly reversed. Total manufacturing production fell 26 points to 87 in 1938; gross national product fell by about 6 percent to \$84,700 million and national income fell by more than 8 percent. Unemployment rose by more than 50 percent to 9,796,000.²⁹

For a while, Roosevelt remained undecided as to what action could best counteract the recession. Secretary Morgenthau advised a balanced budget in order to restore business confidence. Finally, in April 1938, he was persuaded to choose a course of action and this course indicated a victory for those advisers (for example, Marriner Eccles, Chairman of the Federal Reserve Board) who advocated Keynesian economics. Roosevelt had often acted in practice in accord with the economic theory of Keynes but had never embraced the latter's view that deficit spending itself was a way

²⁹ Ibid.

out of depression. His message to Congress in April 1938 indicated that Roosevelt had now come to accept this view. Rexford G. Tugwell has written that "not until he (Roosevelt) learned to trust Keynes did he understand what had to be done in realistic magnitudes. . . ." ³⁰

This message to Congress called for the spending of 3 billion dollars on appropriations to the Works Progress Administration, the Farm Security Administration, the Civilian Conservation Corps, the Public Works Administration and for highways, flood control and federal buildings. Large loans were also proposed for the Farm Security Administration, Public Works Administration and the United States Housing Authority. The President blamed the recession on the decline of competition and the tendency towards concentration of economic power in the business world. In effect, he announced the beginning of a trust-busting policy. He also set up the Temporary National Economic Committee (T. N. E. C.) in December, 1938, to be recruited from the Senate, the House and from relevant executive departments such as Commerce and Labor. The Administration nominees were all good New Dealers and the Committee to some extent took on the aspect of a "witch-hunting" operation against Big Business.

But T. N. E. C. did not provide an answer to the problem of poverty in the midst of plenty or give the American people any guarantee that the dilemma of modern capitalism was on the way to being solved. ³¹

³⁰ Rexford G. Tugwell, "The New Deal in Retrospect," Western Political Quarterly, vol. 1, no. 1 (December, 1948) pp. 373-385.

³¹ Brogan, *op. cit.*, p. 287.

However, the "spend-lend" program itself was successful and an improvement in the economic situation was felt almost immediately and this continued until war expenditure ensured that there could be little fear of economic contraction. "The President became convinced that deficit spending was a solution to economic troubles."³²

It must be accepted, therefore, that as a result of the Supreme Court issue, the 1938 Congressional elections and the economic recession of 1937-38, the Roosevelt Administration suffered significant reverses and that the momentum of the New Deal was impaired and possibly declined. But two other reasons are commonly stated for placing the conclusion of the New Deal in 1938 which are possibly of greater significance than the foregoing factors. These are firstly, that the tide of reform had ebbed and the New Deal had substantially completed its program; secondly, the outbreak of war in Europe in 1939, and the increasing involvement of the United States in the war from that time on, inevitably meant that willy-nilly the New Deal was concluded because the Administration and the Nation itself were now almost exclusively concerned with foreign affairs. Both of these views must be examined if a better understanding of the terminal point of the New Deal (if there be such a point) is to be obtained.

The Reform Tide Ebbs

Most of the legislative program which characterized the New Deal was enacted before 1939. If we pause for a minute to

³²Woods, op. cit., p. 119.

view the New Deal in terms of legislation then the truth of this statement can be assessed.

1. Agricultural Relief: Agricultural Adjustment Act (1933); Farm Mortgage Act (1934); Soil Conservation and Domestic Allotment Act (1936); Agricultural Adjustment Act ("Second AAA") (1938).

2. Industrial and Commercial Recovery: National Industrial Recovery Act (1933); Emergency Railroad Transportation Act (1933); Reciprocal Tariff (Trade Agreement) Acts of 1934, 1937, and 1940; Bituminous Coal Conservation Act (1935); Ship Subsidy Act (1936); Guffey-Vinson Bituminous Coal Act (1937).

3. Labor: National Labor Relations Act (1935); Walsh-Healy Government Contracts Act (1936); Fair Labor Standards Act (1938).

4. Banking and Financial Reform: Banking Act of 1933 and 1935; Gold Repeal Resolution (1933); Securities and Exchange Act (1934).

5. Emergency Unemployment Relief: Reforestation Unemployment Relief Act (1933); Federal Emergency Relief Act (1933); Public Works Administration (1933); Civil Works Administration (1933); Works Progress Administration (1935).

6. Social Security: Home Owners Loan Act (1934); Social Security (1935); Wagner-Steagall Housing Act (1937).

7. Political Reforms: Amendment XX (1933); Supreme Court Retirement Act (1937); Judicial Procedure Reform Act (1937); Propaganda Agency Act (1938).

8. Other Relief and Reform Acts: Muscle Shoals-Tennessee Valley Development Act (1933); Communications Act (1934); Motor Carrier Act (1935); Public Utility Holding Company Act (1935); Food, Drug, and Cosmetic Act (1938).³³

It can be seen that all of this legislation was passed in the period 1933-1938 and, in fact, much of it stems from the 100-day special session of Congress in 1933. When the Fair Labor Standards Act was passed in 1938 much of the New Deal program had been achieved. Dexter Perkins asserts that after 1938:

³³ Harold Underwood Faulkner and Tyler Kepner, America Its History and People (New York: Harper and Brothers, 1942), p. 721.

the whole emphasis changes . . . the important questions are questions of foreign policy The reforming spirit ebbed; the relief problem and the recovery problem both disappeared with the coming of war prosperity.³⁴

Opinion in the nation was beginning to swing to the right and it is certainly true that in the Democratic party more power was passing to southern conservatives. Hofstadter writes that "The reform wave had spent itself and the Democratic Party . . . was exhausted as an agency of reform."³⁵ Frank Freidel, perhaps one of the best writers on the Roosevelt era, has suggested that "by the end of 1938, the New Deal was close to its ideological limits."³⁶ By this statement, Freidel evidently intends to suggest that as a progressive program, the New Deal had successfully accomplished the bulk of its objectives and therefore--in this sense--had reached its "ideological limits." It would, of course, be unrealistic to say that such assertions were without foundation. The fact that little was accomplished in terms of New Deal legislation after 1938 indicates a loss of momentum in the movement in Congressional terms, but this is not the only reason for the lack of legislation--difficulties with Congress, diminishing power and support for new measures and the Second World War are equally important factors, if not more so.

³⁴ Dexter Perkins, op. cit., p. 69.

³⁵ Hofstadter, op. cit., p. 342.

³⁶ Frank Freidel, America in the Twentieth Century (New York: Knopf, 1960), p. 351.

The Second World War

This leads us to the mention of the final reason which is so often given (usually in conjunction with one or more of the reasons previously discussed) for the ending of the New Deal --the outbreak of war in Europe and American concern with and involvement in that conflict indirectly at first and then directly in 1941.

Roosevelt, in many respects, was far ahead of public opinion in that he realized at an early stage that there was a strong possibility that a European conflict might sooner or later involve the United States. It is possible to go further and say that Roosevelt believed that a policy of strict neutrality would be extremely dangerous to the interests of the United States especially if the Axis powers proved victorious--as the situation in 1940 indicated that they might be. Therefore Roosevelt turned his energies for the most part to the conduct of foreign affairs, and from 1941 onwards to the task of winning the war. Many people in the Administration (and this was the opinion of Felix Frankfurter among others) believed that every ounce of the country's productive effort would be needed if the war was going to be won. This necessarily involved cooperation with big business and industrial leaders.

Thus when many historians and political commentators have stated that "the New Deal inevitably dwindled off"³⁷ and terminated

³⁷John Gunther, Roosevelt in Retrospect (New York: Harper Brothers, 1950), p. 313.

they appear to be stating an obvious fact. But before this obvious fact is accepted and before the New Deal can be regarded as over by the end of the 1930's two points must be considered. It must be remembered that the New Deal must be viewed not only as a legislative program but also as a progressive or reforming spirit with new social and economic objectives and a new role for government. The meaning and interpretation of the New Deal are discussed in the first chapter. Secondly, perhaps the best way to establish whether or not the New Deal ended in 1938, or with the outbreak of war, is to attempt to answer the question "what happened to the New Deal after 1938?" It is to this question then, that we must now turn.

CHAPTER II

THE CONTINUOUS NEW DEAL: UNDER ROOSEVELT

Nineteen thirty-eight was a critical year for the New Deal. After the Congressional election results became known in November, it was obvious that a coalition of Republicans and conservative Democrats could control the legislature and block further New Deal advances. But Roosevelt was undeterred by this opposition and in his annual message to Congress in January, 1939, he made it clear to the legislators that he stood firm on his New Deal policies. Richard Hofstadter claims that when Roosevelt declared, in this message, that "we have now passed the period of internal conflict in the launching of our program of social reform"¹ the President was, in fact, ringing "the death knell of the New Deal."² But Hofstadter's view does not really seem plausible when we consider that Roosevelt went on to say:

Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, and to give every man and woman who wants to work a real job at a living wage.³

¹The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1939), 1939 Volume, p. 7.

²Hofstadter, op. cit., p. 342.

³Public Papers and Addresses of Franklin D. Roosevelt, op. cit., 1939, p. 7.

The latter statement does not sound at all like that of a man sounding the death-knell of reform. In fact, the opposite is the truth. Roosevelt in the same message called again for the powers that Congress had denied him the previous year, including reorganization of the executive branch of the government. He called for more Federal expenditure and investment (to help raise the gross national product from sixty billion dollars to eighty billion dollars) and the setting up of a permanent agency "to report on the urgency and desirability of the various types of government investment."⁴ This last emphasized the importance of permanent long range planning. It is clear that the President is not uttering a series of platitudes or merely repeating a previous theme, for infused into the whole message is a sense of urgency in terms of time since "the deadline of danger from within and from without is not within our control."⁵ Some stress is laid on the necessity to preserve reforms already achieved. This is hardly surprising since the President was evidently beginning to realize the importance of consolidation and preservation of the New Deal gains in view of the mounting opposition in Congress and in the country to his Administration. The examples of Taft, Harding, and Coolidge illustrated to him only too well how easily reforms could be extinguished if conservative reaction prevented their consolidation.

A few days later, on January 7, the President, at a Jackson's Day dinner, made another fighting speech which indicated

⁴Ibid., p. 11

⁵Ibid., p. 7.

no inclination to compromise on the New Deal. He welcomed Republican election gains since he felt that that party could no longer have an excuse for its lack of a program. Republican impotence in recent years had caused, in his opinion, undesirable elements to push their way into the Democratic Party and he now called for stronger party unity. He appealed to the members to keep the party liberal by saying that:

if there are nominal democrats who as a matter of principle are convinced that our party should be a conservative party--A Democratic Tweedledum to a Republican Tweedledee--it is on the whole better that . . . the fight be fought out, and that if the Tweedledums are defeated they join the Tweedledees.⁶

Before concluding his speech, Roosevelt cautions his listeners and fellow Democrats not to overlook the rising generation. "The younger generation of Americans, by a very large majority, intends to keep on 'going places' with the New Deal,"⁷ he asserted.

The tone of these addresses indicates that the good ship "New Deal" was sailing into stormy seas, but it also indicates that it was heading into the storm and not attempting to put about and seek calmer waters. Presidential appointments reflected this strengthening of purpose. Hopkins took over as Secretary of Commerce (to the chagrin of the business community); Murphy of Michigan became Attorney General; Felix Frankfurter was appointed to the Supreme Court, and William O. Douglas took the place of Louis D. Brandeis in that august body of men. Thus after six years

⁶Ibid., p. 63.

⁷Ibid., p. 67.

of the New Deal, liberal ascendancy in both cabinet and court was secure.

The situation in Congress was somewhat different. The conservative coalition (Republicans plus Southern Democrats chiefly) was in a position to block more and more New Deal programs. Some administration measures were successful, for example, a reorganization bill was passed and revised and a liberalized social security act was approved. But the spending programs (designed to implement economic recovery) fell in the face of Congressional opposition. Relief appropriations were cut and a bill to lend eight hundred million dollars for housing projects was thrown out by the House amidst general denunciation of the relief program. Though economic conditions improved significantly from the previous year, Congressional opposition succeeded in producing stalemate in the recovery effort. Private investment was not encouraging (investors were still afraid of a New Deal government) and government spending was hampered by the Congress.

This kind of Congressional opposition was not an attack on the New Deal itself, but upon further expansion of the New Deal. However, attempts to dismantle the New Deal were not lacking. Conservative opponents of the administration held important positions on many committees, as for instance in the case of the Texas Representative Martin Dies who as Chairman of the House Un-American Activities Committee was responsible for attacks on Hopkins, Frances Perkins, Ickes and other New Dealers as being soft on Communism. Through congressional investigation, opposition to

certain presidential appointments, and the slashing of funds for New Deal programs (i. e. by use of three classic congressional weapons) attacks were made. The situation has been aptly summarized by one political commentator as follows:

By 1939 coalition leaders in Congress had left their defensive posture of '37 and '38 and had moved openly to the attack. Where once they had been content to stop the New Deal from expanding, now they were trying to disrupt major federal programs or to divert them to their own purposes. Where once they had fought against a presidential control over the legislative branch, now they were extending their own controls over the executive branch.⁸

It would seem then that in terms of legislative success, the New Deal as a movement was now very much on the defensive. Some success was achieved--the Wheeler-Lea Transportation Act (1940), Government Reorganization Act (1939), Hatch Political Activity Acts of 1939 and 1940 and the Ramspeck Civil Service Act (1940) could certainly be counted as New Deal successes. But these limited successes cannot alter the fact that some of the New Deal momentum had been lost. The momentum of the movement had declined. From this conclusion many would suggest that the New Deal had ended. But this is only true in one sense--in the sense that new successes were not forthcoming at the legislative level. In other senses it would appear to be untrue. The gains already achieved remained intact; the administration, under the leadership of Roosevelt, was still fighting for the movement and as a political issue it was far from dead. As the war proceeded and thoughts slowly turned toward the advent of peace the issue

⁸ Burns, op. cit., p. 370.

of the continuation (or otherwise) of the New Deal was to be raised again and again.

After two terms as President of the United States, Franklin D. Roosevelt, in 1940, was faced with the question of whether to stand for a third term or not. The story of the debate over the "Third term," Roosevelt's evasiveness, the rigging of loudspeakers at the Chicago convention and so forth has been told many times and is not especially relevant to this discussion, except for one factor. Roosevelt's decision to run again for a third term was probably influenced by the serious international situation, but--less obvious yet important--his decision was almost certainly influenced by the fact that no other strong candidate was available who would protect the New Deal and have a chance of winning the election. In other words, Roosevelt considered the New Deal to be at stake. This is evident from the fact that Roosevelt emphasized the question of what was going to happen to the New Deal after the 1940 election. The President did very little campaigning. But in the few major speeches he did make--just before the election--he raised this question vigorously.

In a campaign address at Brooklyn, New York, on November 1, Roosevelt declared that the "New Deal was no mere rescue party to restore to a chosen few their old power over the people's savings, the people's labor, the people's lives."⁹ Rather, it

⁹Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1940), 1940 Volume, p. 533.

was a crusade to save America from the frustration and despair which had resulted from social unrest, apathy and cynicism. Listing the achievements of the New Deal, Roosevelt then asked his listeners if they wanted to abandon them. Referring to the achievements in the sphere of labor he asked,

Do you want to abandon collective bargaining, the outlawing of child labor, the minimum wage, the time-and-a-half for overtime, the elimination of sweat-shop conditions, by turning them over to the proven enemies of labor?¹⁰

He went on to outline the continuing objective of the Administration's program.

Again in a campaign address at Cleveland, Ohio, on November 2, he stated the issue:

It falls upon us to say whether the chapters that are to come will tell a story of retreat or a story of continued advance.

I believe that the American people will say: "Forward!"¹¹

The usual verbiage of political campaigning need not be taken too seriously, but there is no reason for believing that Roosevelt's concern for the New Deal, which was on trial, was not serious. The President, when he retired to Hyde Park to await the election results was much more disturbed and apprehensive than usual and as the results came in--disappointing in the early stages--he made the unusual request to be left alone.¹² "In the

¹⁰ Ibid., p. 535.

¹¹ Ibid., p. 545.

¹² Burns, op. cit., p. 452.

little black numbers machine out of the ticker, not only Roosevelt but the whole New Deal was on trial."¹³ As it happened, there was little need for concern. Roosevelt won a decisive victory over Wendell Willkie: the popular vote was 27,243,466 to 22,304,755 and the electoral vote, 449 to 82. With a confident victory, Roosevelt could now begin his third term as President of the United States.

Throughout his third term, Roosevelt's messages to Congress, as well as his other speeches and addresses are concerned for the most part with the war situation on the international front and the defense preparation and obligation on the home front. However, in one of the most important speeches that the President made during the war period--the Four Freedoms Address-- he not only re-stated the basic aims of the New Deal but listed the areas in which it required immediate extension and expansion. He then went on, in what is perhaps his most famous speech as a world leader, to extend and apply the New Deal philosophy on an international level. The Four Freedoms Address is especially significant because it indicates Roosevelt's continued concern for the social and economic problems facing the Nation and the world. In the section of the address quoted below Roosevelt lists the basic things inherent in what Charles A. Madison has called "the wellspring of social and economic justice."¹⁴

¹³ Ibid., p. 453.

¹⁴ Charles A. Madison, Leaders and Liberals in Twentieth Century America (New York: Frederick Vugar, 1961), p. 283.

Certainly this is no time for any of us to stop thinking about the social and economic problems which are the root cause of the social revolution which is today a supreme factor in the world.

For there is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

Equality of opportunity for youth and for others.

Jobs for those who can work.

Security for those who need it.

The ending of special privilege for the few.

The preservation of civil liberties for all.

The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living

Many subjects connected with our social economy call for immediate improvement. As examples:

We should bring more citizens under the coverage of old-age pensions and unemployment insurance.

We should widen the opportunities for adequate medical care.

We should plan a better system by which persons deserving or needing gainful employment may obtain it. . . .

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

The first is freedom of speech and expression--everywhere in the world.

The second is the freedom of every person to worship God in his own way--everywhere in the world.

The third is freedom from want--which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants--everywhere in the world.

The fourth is freedom from fear--which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of

physical aggression against any neighbor--anywhere in the world.¹⁵

The same principles, in a more general form, were again expressed in the joint declaration of Roosevelt and Churchill (which is known as the Atlantic Charter) issued after their meeting at sea on August 14, 1941.

In the year 1943, we find little that is said or done which has a direct bearing on New Deal policies. This is to be expected in a year when the United States was fully and deeply involved in the Second World War. In the Address on the State of the Union, in January of that year, the President devoted the greater part of his address to a summary of the allied war effort and future effort. Yet, significantly, (and against the advice of those who felt that discussion of the postwar problems would be inappropriate,) Roosevelt turned again to the problem of the Four Freedoms and specifically raised the question of the "third freedom." The President suggested that people were beginning to wonder a little about this particular "freedom" and that, when the conversion to an economy of peace is made, they would expect full employment.

They expect the opportunity to work, to run their farms, their stores, to earn decent wages. . . .

They do not want a post war America which suffers from undernourishment or slums--or the dole.

They want no get-rich quick era of bogus "prosperity" which will end for them in selling apples on a street

¹⁵The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1941), 1941 Volume, pp. 663-72.

corner, as happened after the bursting boom in 1929.¹⁶

In Roosevelt's opinion there was a strong desire in the country to be assured against the evils of a "boom-and-bust" economy. "And this great Government can and must provide this assurance."¹⁷ The President reminded the Congress of his own stand on economic and social issues, and in effect gave warning of the continuation of his programs in these fields as soon as the appropriate time arrives:

I say this now to this Seventy-eighth Congress, because . . . that freedom from want--the right of employment, the right of assurance against life's hazards--will loom very large as a task of America during the coming two years.¹⁸

If evidence is sought of the President's underlying concern for the New Deal and its economic and social objectives and his determination to further these objectives then it is in statements such as the above--made in the middle of the war when the outcome of the conflict was by no means certain--that such evidence is to be found.

Furthermore, in a message to Congress on March 10, 1943,¹⁹ the President transmitted two reports of the National Resources Planning Board and he urged the Congress to give "full consideration"

¹⁶ The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1943), 1943 Volume, p. 31.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid., p. 122.

to the problems raised in the reports during the same session. In this message, Roosevelt asks for consideration of the Board's proposed measure designed to accomplish the postwar objective of full employment, fair pay and social security and the prevention of economic distress in old age, poverty, sickness, involuntary unemployment and fear of accidental injury. However, since the National Resources Planning Board reports form the basis of the President's Economic Bill of Rights (outlined in his 1944 State of the Union Message), they will be discussed later under that topic.

Dr. New Deal -V- Dr. Win the War

Towards the end of 1943, an interesting event occurred which possibly throws some light on Roosevelt's concern (or lack of concern) for the New Deal. After one of the frequent White House press conferences, Roosevelt had a conversation with a newspaper reporter from Cleveland, who was introduced to the President as a "friend of the New Deal!" Apparently, Roosevelt reacted to this by saying that he wished that newspapermen would stop talking about the New Deal so much. A few days later, the reporter in this conversation wrote an account on this comment for a Cleveland paper. Roosevelt was not directly quoted but his view was made known. The result was a national sensation. John Gunther has used this comment by Roosevelt as an indication of the New Deal's conclusion.²⁰ As a consequence of the controversy rising from the newspaper report, Roosevelt discussed the issue at his next press conference on

²⁰Gunther, op. cit., p. 313.

December 28, 1943. Indeed more explanation of the President's comment appeared to be necessary, in the eyes of many people.

Roosevelt explained his comments on the "New Deal" in the form of an interesting parable. He posed the question--"how did the New Deal come into existence?" His answer to this question was that a very sick patient--the United States--suffering from internal disorders, was in need of a cure. Over a period of years, these ills were cured by "Dr. New Deal." However, two years ago the patient had a bad accident causing external injuries. "Dr. New Deal knew a great deal about internal medicine but not about surgery and so he called in his partner, an orthopedic surgeon, "Dr. Win-The-War." The President went through a list of remedies that "Dr. New Deal" had used for the internal trouble. There were, in fact, the impressive achievements of the New Deal in banking, agriculture conservation, housing, unemployment relief, old-age insurance, restraint of monopoly, T. V. A., labor, and trade agreements. After recounting about thirty major reforms, Roosevelt returns to his early point that "at the present time, obviously, the principle emphasis . . . should be on winning the war."²¹ However, when that task is achieved, "When victory comes, the program of the past, of course, has got to be carried on." He goes on to explain that he is not talking in terms of the 1933 program--"We have done nearly all of that." But other programs have now become necessary programs which will create:

²¹The Public Papers and Addresses of Franklin D. Roosevelt, op. cit., 1948, p. 573.

an expanded economy which results in more security, in more employment, in more recreation, in more education, in more health, in better housing for all of our citizens, so that the conditions of 1932 and the beginning of 1933 won't come back again.²²

At least one reporter was left with some doubt as to Roosevelt's purpose in changing slogans--even after the President's explanation. In the words of that same reporter,

The New Deal, I thought, was dynamic and I don't know whether you mean that you had to leave off to win the war and then will take up again the social program, or whether you think the patient is cured!²³

Roosevelt would not go further than saying that a new program was necessary for the future.

Whether Roosevelt considered his remarks of considerable importance or not we do not know, but reaction in the country came swiftly and strongly.

Perhaps the New York Times reaction was typical of men who felt that the change of phrase or slogan to "Win the War" was appropriate for the time. But the newspaper was critical of the President for not modifying more than just a slogan. One editorial stated:

The "New Deal" as originally conceived will find an honorable place in history. What we can regret, in the present still greater crisis, is the President's failure to move for the modification of those phases of the "New Deal" . . . which handicap unnecessarily the whole war effort.²⁴

The "phases" referred to were the legal discouragement through

²² Ibid., p. 574.

²³ Ibid.

²⁴ New York Times, December 30, 1943. Editorial.

penalty of a work week of more than forty hours and the retention of made-work practices in a period of manpower scarcity and rapidly rising prices.

Many Republican leaders sardonically expressed surprise that Roosevelt had only just caught up with the rest of the country in realizing that the New Deal was dead. They viewed his remarks as a feeble attempt to win popular support--with one eye on the election of 1944.

But these Republicans were not alone in taking this view. Their conclusions were supported (though for different reasons) in an interesting and vehement reaction which came from a very different area of the political spectrum. This was the reaction from the United Mine Workers Journal--the official organ of John L. Lewis' miners' union:

President Roosevelt's belated acknowledgment that the New Deal is dead as such could have been well made, and honestly so, in mid-1937--six and one-half years ago--for it was during the Little Steel strikes of that year when intelligent labor leaders first learned of the President's fear that the rapid organization of the rank and file of American workers into unions might reach such huge totals as to give to the American working man that degree of economic and political power which banking, business, and industry, as well as those of the upper social caste, coupon clippers and the self-appointed ruling clan boys, deemed unwise for the workers to possess in these United States.²⁵

We find expressed in this editorial the resentment and disillusionment (apparently still strong) which was felt in some

²⁵Quoted in the New York Times, December 31, 1943, p. 9.

sections of the labor movement in the year 1937 and which was responsible for labor's declining support of Roosevelt (especially in the case of John L. Lewis) during his second term.

It is once again evident that widely differing political elements in the country had regarded the New Deal as a dead letter for some time. Yet it is interesting that such swift and positive reactions to a few remarks about a political label or slogan took place. Though nothing decisive had been stated--one way or another--by the President in his press conference, yet newspapers, magazines, political and labor leaders were eager to interpret the President's remarks as a repudiation or termination of the New Deal. "Thus did the President consign to oblivion the label that had stuck with the Administration ever since it was coined during the 1932 campaign,"²⁶ wrote Newsweek. Whether such people were in favor or not of terminating the New Deal, their swift reaction to this question is perhaps an indication that they felt (possibly without realizing this) the Deal was still with them and still very much a part of the American Scene even in wartime.

But it was not only opponents and disillusioned followers of the New Deal who had reacted positively to Roosevelt's press conference remarks. Fervent supporters of New Deal policies were considerably disturbed by the President's statements and while taking for granted that the New Deal was still continuing felt that its future might be in the balance. Such a view was expressed

²⁶ Newsweek, January 3, 1944, p. 32

in a strongly worded editorial entitled "The New Deal Must Go On" which appeared in the New Republic. The editorial stated,

We wish to say, as emphatically as we know how, that the President is wrong; wrong in both his assumptions and his methods; wrong in fact and in strategy.

The New Deal is something bigger than any one person, bigger even than the President of the United States It can be disowned--that is, any person can disassociate himself from it. But it cannot be dropped.²⁷

If the President, the editorial continued, believes that he can drop the New Deal at anytime because he created it, he is gravely mistaken. Roosevelt did not create the New Deal, he was only an instrument used by the American people to express and carry out the energies and aspirations for reform which had long been present in American society. "He sensed and expressed the social energies which the New Deal has embodied." The article goes on to raise the issue of whether only a slogan is involved in this debate.

If it be said that nothing more is involved in the President's statement than the dropping of a slogan--a superficial and ephemeral thing that has outlived its usefulness, the answer must be that the New Deal is and has always been far more than a slogan. It has been a conception of government. It has been a general social direction. It has been a program of social action. The slogan itself may not count for much, although it has been remarkably effective and has still not lost its potency. But the New Deal as a fact and as an aspiration is the essential thing.²⁸

²⁷"The New Deal Must Go On," The New Republic, January 3, 1944, p. 6.

²⁸Ibid.

Perhaps, the editorial writers conjectured, the President is being influenced by the idea of compromising with his opponents in order to achieve maximum wartime unity, or perhaps he is being swayed by the tread of conservative reaction apparent in certain areas and elements in the Nation. If this is the case, the New Republic laments the:

irony it would be if the President could in actuality abandon the New Deal at home at the very moment when he is committed toward an extension of its spirit and its conception of social progress to the whole world scene. . . . All over the world the winds of opinion and tendency are blowing not away from the New Deal, but toward it.²⁹

Whatever else can be said, there can be no doubt that the New Deal was still an aggressive program and movement in 1943 and 1944 as the above reactions to a few remarks of President Roosevelt certainly indicate. Yet for all the concern of the New Republic and others it seems clear that the President was only changing to a more apt war-time slogan and it would be an unrealistic interpretation of his remarks that could claim he was jettisoning New Deal policies and concepts. Evidence is to the contrary, for as Samuel Rosenman has put it: "In the postwar period, old Dr. New Deal was again going to be in charge of the patient."³⁰ This was to become even more evident in the proposals put forward by the President in January 1944, and subsequently known as the "Economic Bill of Rights."

²⁹
Ibid.

³⁰
The Public Papers and Addresses of Franklin D. Roosevelt, op. cit., 1943, p. iii.

The "Economic Bill of Rights"

There had been allegations in some quarters, for example by John L. Lewis, that the Administration had no program in mind for the war-peace transition and no sense of direction for the post-war domestic situation gradually approaching. Others urged the dangers of looking and planning too far ahead to the problem of peace. In any event, Roosevelt's answer to the Administration's critics was given in his State of the Union Message to the Congress on January 11, 1944. Much of the case for the view that sees the New Deal as a living concept and movement after 1938 and during the following years rests on this important message and to it we must now turn.

In his introduction to the 1944-45 volume of Roosevelt's Public Papers, Samuel Rosenman mentions the President's resurgence in 1944 as a fighting liberal. He recalls that, during the war, some of his friends who were New Dealers and ardent liberals became disappointed with what they considered the President's lack of liberal enthusiasm.

In 1942 and 1943, some of them used to say that Roosevelt had lost his liberal fervor, that he was becoming a tired New Dealer who had shifted to the right. The President knew about this criticism, and, in due time, answered it publicly.³¹

Rosenman then cites the President's press conference statement (December, 1943) in which he explains the need to substitute "Dr. Win-The-War" for "Dr. New Deal"--but only until victory came. After

³¹The Public Papers and Addresses of Franklin D. Roosevelt (New York: Random House, 1945), 1944-45 Volume, p. vi.

the war he would fight for a new and expanded liberal program. As victory approached, Roosevelt began to fulfill his promise and the year 1944 witnesses increased activity on Roosevelt's part to carry out liberal measures. But perhaps most important of all, the year 1944 sees him "laying a firm groundwork for a postwar New Deal whose charter was to be the President's Economic Bill of Rights."³²

It should be noted that the goals laid down by the President in his 1944 State of the Union Message (and which he referred to as an "Economic Bill of Rights") had their origin in reports of the National Resources Planning Board (set up in 1941) which the President had transmitted to the Congress both in 1942 and 1943. The text of these reports had been simplified and revised by President Roosevelt ready for presentation in his State of the Union Message. The President was to emphasize these same objectives again later in the year by including the revised version of the "Economic Bill of Rights" in his Chicago Address during the 1944 presidential campaign.

In presenting this new bill of rights at the end of the State of the Union Message, Roosevelt referred to the necessity of making plans and determining strategy to face the postwar world. The Nation, he submitted, would not be content, if any faction of it (no matter how large or how small) was ill-fed, ill-housed, ill-clothed or insecure. He recalled the United States had begun its life under the protection of certain inalienable political rights such as free speech, free press, free worship, jury trial and the

³²Ibid., p. vii.

rights to life and liberty. But as the country grew and expanded into an industrial economy, these same rights had proved inadequate as a guarantee of equality in the pursuit of happiness. Now, it had begun to be realized that true freedom for the individual could not exist without economic security. "Necessitous men are not free men," but rather an easy prey for dictatorships. These new economic truths were as self-evident and as necessary as the older political rights.

The President then outlined this second Bill of Rights:

Among these are:

The right to a useful and remunerative job in the industries or shops or farms or mines of the Nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every businessman, large or small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;

The right to a good education.

All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.³³

³³Annual Message to Congress, 78th Congress, 2nd Session, 1944, House Doc. 377, p. 26.

The President then called upon Congress, as a duty, to make implementation of these rights possible.

Later in the same year on October 28, President Roosevelt reiterated his Economic Bill of Rights in a speech at Chicago, during the presidential campaign. It would be true to say that Roosevelt did not expect these proposals to be implemented immediately. He viewed them more as an act of economic and social objectives and which the American people must work towards and establish in the postwar period. It was not so important that these goals could not be attained immediately. He said:

Some people have sneered at these ideals as well as at the ideals of the Atlantic Charter, the ideals of the Four Freedoms. They have said that they were the dreams of starry-eyed New Dealers--that it is silly to talk of them because we cannot attain these ideals tomorrow or the next day.³⁴

But the American people, he reminded his audience, had "the habit of accomplishing the impossible."

Throughout 1944, Roosevelt did more than put forward general liberal concern for continuing and safeguarding the liberal policies of the New Deal. He criticized sharply the system of poll taxes operation in certain parts of the country. He vetoed an important tax bill on the ground that "it is not a tax bill but a tax relief bill providing relief not for the needy but for the greedy."³⁵ This caused the resignation of Senator Alben Barkley,

³⁴ The Public Papers and Addresses of Franklin D. Roosevelt op. cit., 1944-45, p. 371.

³⁵ Ibid., p. 80.

Majority Leader of the Senate since 1937 and an old friend and supporter of Roosevelt. This distressed Roosevelt, but with his strong encouragement, Barkley was immediately re-elected unanimously by his colleagues to the majority leadership.

In a message to Congress on September 21, 1944,³⁶ the President called for the development of the Missouri River basin through the creation of an authority similar to the Tennessee Valley Authority. He had already suggested similar schemes for the development of the Arkansas River watershed from the Mississippi to its source in Colorado and also for the Columbia River watershed to serve the states of Washington, Oregon, Idaho, and Montana. In this way, Roosevelt demonstrated his strong desire to further and develop an idea which was responsible for one of the New Deal's greatest achievements--the creation of the T. V. A.

³⁶Ibid., p. 274.

CHAPTER III

THE CONTINUING NEW DEAL; UNDER PRESIDENT TRUMAN

On April 12, 1945, after serving for twelve years as President of the United States, Franklin D. Roosevelt died. Though Roosevelt had not kept excellent health for some time before his death, the country as a whole, Mrs. Roosevelt, Winston Churchill, the Cabinet members--and perhaps most of all, Harry S. Truman, were quite unprepared for his death. To many people, Harry Truman was an unknown quantity since his background and accomplishments seemed mediocre for a president. He came from a small Missouri town had been quite successful in Kansas City politics and had been elected to the United States Senate in 1934. He had been re-elected again in 1940, without the help of the Roosevelt Administration, and came into the public eye, and the President's attention, as chairman of a committee to investigate the National Defense Program (generally known as the Truman Committee). Partly as a result of his work on the Truman Committee, his Senate connections, his political know-how and partly because of Roosevelt's aversion to having James Byrnes as Vice President (and the political unsuitability of Henry Wallace), Truman had been chosen as the Vice Presidential candidate at the 1944 Chicago convention and subsequently succeeded to the office.

Truman's first job in 1945 was to insure victory for the United States and its allies in the European and Far Eastern theaters of war. His primary concern therefore was for the prosecution of the war in cooperation with the other allies. But, by this time, it was obvious that the allies were going to overcome the axis powers and therefore it was essential that much thought and planning be given to the problems of the transition to peace and to postwar domestic policies and objectives. Since there was now a new occupant in the White House for the first time since 1933, the question of what would happen to the New Deal was inevitably raised. The issue was not whether the New Deal would be undone or repudiated but whether it would continue and if so, with what impulse and momentum. The question might be raised of what importance was the future continuation of the New Deal, in the election of Harry Truman as Vice-Presidential candidate at the 1944 Chicago Convention. Obviously, if Roosevelt believed there was a strong possibility that he would not complete his fourth term, then his choice of a vice-presidential candidate would have reflected his desire to guarantee the continuation of the New Deal. But there is no evidence to suggest that Roosevelt considered the possibility of his not completing the term as a serious one. However, at least one of Truman's biographers has suggested that there was a significant connection between Roosevelt's selection of Truman, and the future of the New Deal in the event of Roosevelt's death. Jonathan Daniels writing about the Chicago Convention of 1944 says:

Truman was nominated by men speculating beyond the death of Roosevelt who knew what they wanted but did not know what they were getting.

Perhaps the man who understood best what had happened was not even there. He made his report after the convention to Henry Wallace, whom Truman had defeated. Senator George W. Norris, in rejection and retirement at McCook, Nebraska, after forty years of carrying the Middle American banner of progressivism, suggested that he might be puzzled but what he wrote was clear. Was the fighting based on the idea that Roosevelt would not live through his next term? And so was a final decision made as to Democratic directions?

He said in that letter: "I am wondering if the gambling chances are that he is going to die before he serves out his next term if he is re-elected. . . . In this why the machine was so anxious to defeat you? . . . Cold-blooded politicians are not moved by any patriotic sentiment. These are the gamblers of the world of politics."

But old Norris, who unexpectedly outlived Roosevelt, saw that some gamblers had bet wrong on Harry Truman. In that same letter he said of Truman: "He has done a very fine progressive work . . . steered a very fine progressive course. . . done a wonderful work, I think, in the committee of which he is chairman, investigating our various war efforts Such a man would not be the selection of the machine which nominated him."¹

At the time of the convention, Roosevelt, of course, was still very much preoccupied with directing the war effort and because of this the party "machine" probably felt that it could act with considerable independence. Daniels, however, appears convinced that:

The clear thing in the confusion is that Roosevelt did get what he wanted and, in terms of the continuation of his New Deal, what he believed the country required.²

¹Jonathan Daniels, The Man of Independence (New York: J. B. Lippencott Company, 1950), p. 234.

²Ibid., p. 235.

It is true that Truman's record of support for Roosevelt and for New Deal legislation had been consistent since he first became a United States Senator in 1934. There was therefore good reason to believe that Truman was a man committed to the progressive economic and social reforms of the New Deal. But the criticism of Daniel's assertion lies in the character of Roosevelt. He was not the kind of man who would give serious consideration to his departure from the scene, since he had no way of knowing when this was likely to occur. Almost certainly Roosevelt would not have stodd for a fourth term if he had been aware of the imminence of his death. His sudden and unexpected death on April 12, 1945, would seem to substantiate this. Roosevelt may have felt tired and weary after 12 years as President of the United States, but though many were aware of his declining health few were able to contemplate his death seriously.

What can be said in relation to Truman's nomination at the Chicago Convention is that it facilitated (though it did not guarantee) the continuation of the New Deal. It is doubtful whether Truman's selection formed any part of a plan in Roosevelt's mind, but on this we can only conjecture since, to my knowledge, there is no evidence available to suggest the existence of such a plan.

To find out what happened to the New Deal in the Truman Administration, it is necessary to examine the "Fair Deal." This was the term which gradually became popular as a description of Truman's economic and social objectives. It is perhaps

interesting that at a recent conference at the Truman Library in Independence, Missouri, the former President in answering a question on whether the Fair Deal was an extension of the New Deal or not, replied that "the Fair Deal was the Fair Deal and only the Fair Deal."³ This statement of Truman's would seem to indicate only a lack of consistency due to the passage of time for it does not correspond to his views at the time of his succession to the presidency and the ensuing years.

The phrase "Fair Deal" came into popular use in 1949 when the Truman administration had run half of its course. It originated almost in an accidental way (as with the New Deal itself), in the State of the Union Message of January 5, 1949. "Every segment of our population and every individual has a right to expect from his government a fair deal."⁴ No clearer statement can be found in support of the idea that Truman was continuing and extending the New Deal (by his Fair Deal), than that of Truman himself in a speech at Akron, Ohio, (October 11, 1948) during the 1948 presidential campaign, when he said:

. . . there is one basic issue in this campaign.
That is: The Democratic party and the people
against the special interests of the privileged
few

That is our basic philosophy for the people
--the greatest good for the greatest number. And
upon that philosophy we have erected during the
past sixteen years a great progressive body of laws.

³ Related to me in a conversation with the Director of Archives at Independence.

⁴ January 5, 1949 State of the Union Message, 81st Congress 1st Session, House Doc. 1, p. 4.

We call those laws--and I say it proudly--we call them the New Deal.⁵

In this statement, Truman, without qualification, describes the New Deal as the period from 1933 to the present time (October, 1948). Clearly, in his mind, the New Deal was an ongoing program and he does not attempt to distinguish his administration from that of Roosevelt, in this respect. A difference in slogans, therefore, (and, as we have noted, "Fair Deal" was not used until 1949) is not important if, in fact, the Fair Deal was a continuation and extension of the Roosevelt programs.

As a program, the Fair Deal originated, in fact if not in name, with Truman's message to Congress on September 6, 1945. On the way home from the Potsdam conference, Truman asked Samuel Rosenman to draft a message to Congress on the basis of ideas and proposals which Truman explained to him. Rosenman had been counsel to Roosevelt for almost twenty years and he was an ardent New Dealer. Truman recalls in his Memoirs that when he had finished his description of the type of domestic program he envisaged and which he would like embodied in his message to Congress, Rosenman was evidently filled with excitement and enthusiasm which aroused Truman's curiosity. The explanation, as given by Rosenman, Truman himself records:

Well, he (Rosenman) replied, I suppose I have been listening too much to rumors about what you are going to do--rumors which come from some of your conservative friends, and particularly from some of

⁵Quoted in Louis W. Koenig, The Truman Administration: Its Principles and Practice (New York: New York University Press, 1956), p. 246.

your former colleagues up on Capitol Hill. They say you are going to be quite a shock to those who followed Roosevelt--that the New Deal is as good as dead--that we are all going back to "normalcy" and that a good part of the so-called "Roosevelt nonsense" is now over. In other words, that the conservative wing of the party has now taken charge. I never really believed any of that in view of your long voting record in the Senate--on the basis of which President Roosevelt was so anxious that you become the vice-presidential candidate, just in case anything happened to him.

But this seems to settle it, he continued, this really sets forth a progressive political philosophy and a liberal program of action that will fix the theme for your whole term in office. It is one thing to vote for this kind of program when you are following the head of your party; it is quite another to be the head of a party and recommend and fight for it.⁶

When completed, the September 6th message to Congress contained a twenty-one point domestic program. In it Truman called for an expansion of social security, an increase in the legal minimum wage from 40 to 65 cents an hour, a full employment bill, a permanent Fair Employment Practices Act, public housing and slum clearance, long-range planning for the protection of natural resources and building of public works (similar to T. V. A.) and government promotion of scientific research.⁷ In one of the most important parts of the message--the section on employment-- Truman reiterated the objectives set down in Roosevelt's economic Bill of Rights. Thus he not only endorsed these economic and social

⁶ Harry S. Truman, Memoirs: Year of Decision, Vol. I (Garden City, New York: Doubleday and Company, Inc., 1955), p. 483.

⁷ House Document 282 (79th Congress, 1st Session), also Public Papers of Harry S. Truman, Vol. 1, p. 263. (United States Government Printing Office, Washington, D. C., 1961).

objectives but he committed himself to working for their implementation. Indeed, within a few weeks of the September 6th message, Truman sent additional recommendations to Congress for federal aid to education, health insurance, and prepaid medical care.

Daniels writes:

The message was the substance of the New Deal which had gone before and the Fair Deal which would be ratified in the presidential election three years later. Those who had buried Roosevelt deep under their conservative hopes in Truman found quoted in extenso in the message that Economic Bill of Rights which Roosevelt had enunciated in his State of the Union message to Congress in January 1944 "Let us make the attainment of these rights," Truman told the Congress, "the essence of post-war American economic life."⁸

For Truman, the September 6th message not only marked the beginning of what later came to be called the Fair Deal, it also as he has stated, "symbolizes for me my assumption of the office of President in my own right."⁹ In this message we find Truman's philosophy on the goals of government. It was primarily drafted by Samuel Rosenman but, of course, other advisers were also consulted. Clark Clifford (counsel to the President), John Steelman (Special Assistant to the President), and John Snyder were among the officials who worked closely with the President on the drafting of this message. However, not all of them were agreed on the proposals set forth in the message. John Snyder, the Director of War Mobilization and Reconversion at that time and one of the more

⁸Daniels, op. cit., p. 295.

⁹Truman, op. cit., p. 481.

conservative in the advisory group, strongly advised Truman against such definite commitments to liberal measures. Another interesting source of opposition to the message is to be found in Truman's state papers in a letter sent by the Director of the Bureau of the Budget to Samuel Rosenman. The Director, Harold Smith, was primarily opposed to the message from the point of view of strategy. But the strategy proposed by Smith would have involved very little commitment to the continuation and expansion of New Deal policies and it is interesting that this was the reaction of a man, who as Budget Bureau Director, was in a strong position to register approval or disapproval of proposed legislation. Mr. Smith's criticisms were not acted upon, but they are nevertheless interesting since they suggest a conservative approach to government on the part of an important official in a liberal administration. He admitted to a "sense of alarm" about the whole message mainly because he felt that the President was being committed to too many programs and that the danger was that of attempting too much without a definite sense of direction. Smith was aware of the magnitude of the economic and social problems facing the United States, but he felt that the Administration should proceed with caution.

While on the one hand boldness is called for, on the other hand a balancing sense of caution is necessary, largely because the picture--even of the immediate future--is not too clear.¹⁰

¹⁰Harold Smith to Samuel Rosenman, August 31, 1945, Truman Papers, 0-1516, Harry S. Truman Library. The full text of the letter is given in the Appendix.

Many of Truman's proposals were not acted upon by the Congress and consequently have never been implemented. However, some of the recommendations were eventually translated into legislation. In August, 1946, Congress passed the Atomic Energy Act; but more important the Murray-Wagner Full Employment Bill became law earlier in the same year. In his September 6th message, Truman after referring to the Roosevelt Economic Bill of Rights suggested that most of those rights depended, in the last analysis, on the existence of full production and full employment. He then called for:

A national reassertion of the right to work for every American citizen able and willing to work-- a declaration of the ultimate duty of government to use its own resources if all other methods should fail to prevent prolonged unemployment-- these will help to avert fear and establish full employment. The prompt and firm acceptance of this bedrock public responsibility will reduce the need for its exercise.

I ask that full employment legislation to provide these vital assurances be speedily enacted.¹¹

Truman then went on to ask for machinery to help maintain full employment.

Such legislation should also provide machinery for a continuous full-employment policy--to be developed and pursued in co-operation among industry, agriculture and labor, between the Congress and the Chief Executive, between the people and their government.¹²

The President was successful in gaining some machinery which could help maintain full employment but other important

¹¹House Document 282 (79th Cong., 1st Sess.), op. cit.

¹²Ibid.

recommendations--for example an assertion of Federal responsibility for employment and a pledge to resort to deficit spending in time of recession--were eliminated. The machinery set up by the Act was a three-man Council of Economic Advisers to help the President and issue an annual economic report. This Council has become an integral part of government machinery and has assumed an important position in establishing the economic policies not only of the Truman Administration but of subsequent administrations. Also in effect, it was the kind of agency which conservatives had greatly feared since its purpose was to engage in economic planning for the general welfare. The advisers themselves were close to the President and their reports have gained considerable prestige. One commentator has suggested that "they did much to accustom the public to the new economics that had been emerging during the New Deal and the war."¹³

In addition to the Council of Economic Advisers, the Act also provided for a permanent joint committee to receive and analyze the annual economic report of the President and to submit recommendations concerning it to both Houses of Congress.

The immediate problem in 1945 and 1946, however, was that of reconversion from a war-based economy to a peace-time economy. In fact, the process of reconversion was accomplished without the gloomy expectations of many people being realized. War-time controls and agencies were liquidated with great rapidity.

¹³Freidel, op. cit., p. 486.

Congressional conservatives who soon abandoned the hope that Truman would be their ally began at this time the strategy which has been followed ever since. In the process of dismantling the war machinery they tried to break up as much as possible of the New Deal. Recognizing finally, that it had now become impossible to overturn the New Deal now firmly entrenched in American life, they sought to curb existing programs and to whittle away New Deal legislation by side attacks. Perhaps the outstanding example of this was the passing of the Taft-Hartley Act of 1947. The passage of this Act had become possible as a result of the 1946 congressional elections when the Republicans had won both houses of Congress, controlling the House 246 to 188 and the Senate 51 to 45. They could also command the votes of many Southern Democrats.

The Taft-Hartley Labor-Management Relations Act was designed to replace the pro-labor Wagner Act of 1935. In its most relevant parts the act,

Outlawed "closed shop" (which required that one must be a union member to be hired), but permitted "union shop" (which meant that, if the contract so provided, one had to join the union after being hired).

Provided "cooling off" periods and empowered the President to issue injunctions to prevent strikes imperiling national safety or health.

Prohibited as "unfair" union practices: jurisdictional strikes, refusal to bargain in good faith, secondary boycotts, exaction of pay for work not performed, and union contributions to political campaign funds.

Prohibited certification of unions as bargaining agents with employers until officers had filed affidavits that they were not communists.

Required unions to register with the Secretary of Labor and submit annual financial reports to him.

Allowed employers to present their side during organizational campaigns, petition the National Labor Relations Board for elections to determine bargaining agents, and sue unions for breach of contract.¹⁴

On June 20, 1947, President Truman vetoed the Taft-Hartley Bill, but on the same day Republicans and Southern Democrats in the House overrode his veto (331 votes to 83) and the Senate followed three days later (68 votes to 25).

Truman had opposed the Taft-Hartley Act because he believed it was a retrogressive step in the development of labor-management relations. But Truman's opposition to the act went much deeper than that. He understood that in passing such an act, the Congress was, in fact, challenging basic New Deal legislation and possibly beginning a process which would end in dismantling the New Deal. As one columnist, writing for the New Republic, put it: "Victories fought and won years ago were suddenly in doubt. Everything was debatable again."¹⁵ As events were to show, the Taft-Hartley Act was the only major victory of the anti-New Deal forces. The movement had lost some momentum, partly because of past gains and partly because of the President's difficult relations with the Congress. But the New Deal-Fair Deal continued through the Truman Administration and if a date must be chosen for its conclusion, the most appropriate date, in the opinion of the present writer, would be 1952, since it heralded the coming of the Eisenhower years.

¹⁴Ibid., p. 493

¹⁵Ibid., p. 494.

CHAPTER IV

CONCLUSION

In the foregoing chapters some of the difficulties encountered by those who seek to write about--or simply to understand the New Deal have been described. At the beginning of this paper we noted the tendency among some scholars to place the New Deal in a specific period of time, usually 1933-1938, with the terminating year varying slightly but not significantly. Different reasons were put forward as the cause of the New Deal's demise--though in some cases the assumption seemed to be that this fact was so obvious that little or no discussion of the fact was mentioned. Where a reason for dating the New Deal's termination was offered most writers preferred to accept one of three causes or a combination of them. These were: (1) that since the New Deal and Roosevelt were as inseparable as two sides of a coin the New Deal must have suffered greatly from Roosevelt's loss of prestige in 1937-1938. The decline in his political prestige and national image was attributed to his unsuccessful attempt to change the composition of the Supreme Court and to purge Democrats who would not support his programs, in the 1938 primaries. In addition, Roosevelt inevitably lost some support as a result of the economic recession which occurred in 1937. (2) Another reason was that substantially all the major

reforms had been achieved and therefore the objectives of the New Deal had been fulfilled. (3) Finally, the outbreak of war in Europe and subsequent American involvement in that conflict inevitably meant that domestic policy--in this case the New Deal programs--became subordinate to foreign policy consideration.

Since the above events did influence Roosevelt's prestige and power they therefore affected the course of the New Deal. There certainly can be no doubt that they were instrumental in reducing the momentum of the New Deal. They were discussed, therefore, at length in the first chapter.

It is not the purpose of this paper to claim that the New Deal after 1938 continued its course with the same speed and the same intensity of its first few years. There can be no doubt that the New Deal suffered set backs after 1938. The elections of that year produced, for the first time in strength, the Southern Democratic-conservative Republican coalition in Congress and it was not long before the coalition began to make itself felt in its attacks on the New Deal. Though New Deal liberalism now held ascendancy in the Supreme Court and the President's cabinet, its opponents were gaining strength in the legislature.

However, it is the claim of the present writer that the movement of social and economic reform led by a strong executive known as the New Deal continued inspite of attacks, failures, and a lessening of momentum. It continued because Franklin D. Roosevelt supported by other New Dealers continued his efforts to extend and expand existing New Deal programs and bring about action on new

measures. During the remaining years of Roosevelt's presidency, after 1938, in political speeches, campaign addresses, messages to Congress and directives to the executive departments and agencies, Roosevelt continued to press for an extension of those programs which constitute the New Deal. The question must therefore be asked--"How can Professor Hofstadter and others suggest that in Roosevelt's State of the Union Address of January, 1939, he was ringing the death knell of the New Deal?" The evidence presented in chapter two of this paper would seem to indicate clearly that nothing could have been further from the truth. Indeed, not only did Roosevelt press for further New Deal expansion in the early 1940's, but his successor, President Truman, worked just as hard to put through his own program of the Fair Deal. But the Fair Deal must be regarded as a continuation of the New Deal movement. The substance of Truman's Fair Deal program (which was set forth in his message to the Congress on September 6, 1945) was born in Roosevelt's Economic Bill of Rights, enunciated in 1944. It is furthermore most significant that even during the Eisenhower years, in the first Republican administration in twenty years, no serious attempt was made to repeal New Deal measures. Though there was no desire on the part of the Chief Executive to go further along the New Deal road, no attempt was made at retreat and there was even an extension of some existing programs.

If we examine briefly, the current situation, we find that the programs of the New Frontier and the Great Society read very much like the "unfinished business" of the New Deal. It

should, however, be pointed out that this thesis was first conceived and, for the most part, written during the first year of the Kennedy Administration. For this reason the Johnson and Kennedy Administrations have been excluded from consideration in this paper. Also, so far as the eight years of Republican rule following Mr. Truman, are concerned, it can be said that since there was little forward movement of the New Deal during those years--and a maintenance of the status quo--it was thought unnecessary to discuss them. In any case, the insecurity of those writers who claim an end to the New Deal in the 1930's is amply demonstrated by analysis of the final Roosevelt years and the Truman Administration.

Recently, an article in the New Republic referred to President Johnson's Administration and his legislative program as the second half of the New Deal. A similar description was also given in a newspaper editorial.¹ This editorial, in discussing President Johnson's voting rights bill as one aspect of the Great Society, suggested: "No one--not even the President himself--can quite foresee how far his kind of second New Deal will carry the nation."¹ Once again we encounter the same semantic problem in references to the New Deal. "The second half" of the New Deal implies that the first half was completed. The view of this writer is that the New Frontier and the Great Society are not second New Deals but a logical continuation of the Roosevelt New

¹ St. Louis Post-Dispatch, Tuesday, March 16, 1965

Deal. A brief glance at President Johnson's legislative program --at the Aid to Appalachia Act; the War on Poverty; Federal aid to education; medical care for the aged through Social Security; public housing, and many other programs, in almost every case reveals that these proposals have their antecedents in the Roosevelt or Truman years. The symbols, of course, change. The New Deal becomes the New Frontier of the Great Society. This is inevitable because the particular circumstances, personalities and specific needs of the time also change. Many believe, with Arthur Schlesinger, Jr., that with the solving of many of the quantitative problems of American life (for example, adequate food, housing and employment), the emphasis of the New Deal will focus on the qualitative problems of better education, use of leisure time, and cultural development.

Whatever the specific changes, the foundation of the New Deal is here to stay. Unless a complete and cataclysmic revolution in the American social system takes place, study of the available evidence indicates that the New Deal will continue.

APPENDIX

Text of letter from Harold Smith, Director of the Bureau of the Budget, to Samuel Rosenman, August 31, 1945. Truman Papers, 0-1516, Harry S. Truman Library, Independence, Missouri.

"I have a sense of alarm about this message as it is now drafted. It seems to me that the Departments, in submitting material, have done so largely with the view of committing the President to programs without regard for the relation of these programs to others in the Government, without much regard for common benchmarks with respect to prospective national economic health, without much regard for the strategy of Executive--Congressional relationships. In connection with this last, I am thinking chiefly of the reorganization legislation.

I have a feeling that the message shoots in many directions without a clear sense of the target. This may be so partly because no one can have a sufficiently clear view of the targets far ahead. It seems to me that the message should deal concisely and clearly with proposals which the President has already submitted to the Congress and with such additional proposals as he wishes to have dealt with specifically at this time. Beyond that, he should not commit himself specifically to public works programs, for example, to the specific items of reorganization, to specific amounts of money with respect to appropriations. I am sure that the rest of the message could be so written as to give the people

of the country the impression that the Government is swinging into action and that plans are being prepared to meet and forestall any emergency.

As a matter of political strategy, as well as perhaps economic strategy, I feel that the specific programs should be dealt with concisely in special messages to the Congress as the need arises. This will permit careful staff work and careful consideration of all sides of the problem involved.

I personally have an ominous feeling about this transition period. I proceed in large measure from the point of view that it is important to maintain at a high level the prestige of the President of the United States--important to this country and to the world. While on the one hand boldness is called for, on the other hand a balancing sense of caution is necessary, largely because the picture--even of the immediate future--is not too clear.

As a matter of strategy, therefore, I would like to have the President save as much of his ammunition as possible for times when particular targets are clear.

Harold Smith
Director"

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THE NEW DEAL: CESSATION OR CONTINUANCE?
A DISCUSSION OF SOME OF THE PROBLEMS INVOLVED
IN DATING THE NEW DEAL

by

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THE NEW DEAL: CESSATION OR CONTINUANCE?

It is the purpose of this paper to examine statements made by a number of writers relating to the conclusion of the New Deal era of the 1930's. Dexter Perkins, and other historians of the period, have selected 1938 as the year in which the Roosevelt New Deal ended. Whether the year selected is 1938, 1939, or even 1940, the claim that the New Deal did terminate at the end of the 1930's appears to be based on a combination of five premises. These are:

1. The President's attempt to reform the Supreme Court in 1937 had turned many people against him, thus reducing his popularity and thereby his effectiveness as the force behind the New Deal.
2. The President's attempt in the 1938 election to purge the Congress of those Democrats opposed to his programs lost him support in the Democratic Party.
3. In 1938 an economic recession occurred, shaking the confidence of the people in the Roosevelt Administration.
4. The advent of the Second World War shifted the emphasis to foreign policy.
5. The objectives of the New Deal had already been accomplished by 1938.

Of course the historians of the period are, in one sense correct in speaking in terms of conclusion. It is useful and even necessary to classify history into periods and sections for the purposes of study. Indeed the year 1938-1939, in terms of legislative achievement, did mark an end to one phase of the Roosevelt

Administration and of the New Deal. However it is not possible to dismiss the New Deal with such a conclusion. Much more is involved than the classification of a political era into a compact period of history. If it is true that many political historians have asserted that the New Deal ended in, say, 1938, then we are left with the question--what precisely do they mean? Do they mean that the New Deal lost its momentum--for example, in terms of legislation? Do they mean that the program of the New Deal came to end because its objectives had been substantially attained? Or do they mean that the philosophy of the New Deal declined in terms of its acceptance by the New Dealers or by the American people generally?

If it is meant that the ideas of the New Deal ceased to be translated into a coherent legislative program then there is possibly some justification for placing the end of the movement in the year 1938. If, however, it is meant that the New Deal as an idea, or a collection of ideas, came to an end in the late 1930's then there would seem to be little or no justification for such a claim. With the advent of war the emphasis on the New Deal necessarily changed but that does not mean that it was abandoned. One might ask the rather unnecessary question--"Why didn't the first Republican Congress (1946) followed by the first Republican President (1952) since Roosevelt make any attempt to undo the New Deal? The only answer seems to be that the basic measures of the New Deal have been accepted by the majority of Americans, both Republicans and Democrats, and now form a permanent part of the American political tradition.

It is the purpose of the present thesis to examine the bases for the statement "that the New Deal came to an end in 1938" and to demonstrate that it was never abandoned by Franklin Roosevelt even during the years when the United States was deeply involved in global conflict. And that even after Roosevelt's death, the New Deal continued under the Truman Administration.