For Further Reading

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**VIEWPOINT 25A**

**America Needs a New Deal (1932)**

Franklin D. Roosevelt (1882–1945)

In July 1932, with the nation still in the depths of the Great Depression, the Democratic Party nominated Franklin D. Roosevelt to run for president against the increasingly unpopular Republican incumbent, Herbert Hoover. Roosevelt was then governor of New York, where he had presided over the expansion of state government programs designed to deal with unemployment and other problems of the Great Depression. In accepting the presidential nomination, he broke with tradition by personally addressing the Democratic National Convention. In his speech, excerpted here, Roosevelt describes what he holds as fundamental differences between the nation’s two main political parties concerning government and the people’s welfare, and proposes new actions by the federal government to help farmers, the unemployed, and others hurt by the Great Depression. It was in this speech that he introduced the term “New Deal” to the American public.

How does Roosevelt describe the differences between the Republican and Democratic parties? How does he describe the causes and results of the Great Depression? What “simple moral principle” does Roosevelt state is the basis for his program?

The great social phenomenon of this depression, unlike others before it, is that it has produced but a few of the disorderly manifestations that too often attend upon such times.

Wild radicalism has made few converts, and the greatest tribute that I can pay to my countrymen is that in these days of crushing want there persists an orderly and hopeful spirit on the part of the millions of our people who have suffered so much. To fail to offer them a new chance is not only to betray their hopes but to misunderstand their patience.

To meet by reaction that danger of radicalism is to invite disaster. Reaction is no barrier to the radical. It is a challenge, a provocation. The way to meet that danger is to offer a workable program of reconstruction, and the party to offer it is the party with clean hands.

This, and this only, is a proper protection against blind reaction on the one hand and an improvised, hit-or-miss, irresponsible opportunism on the other.

**Two Views of Government**

There are two ways of viewing the Government’s duty in matters affecting economic and social life. The first sees to it that a favored few are helped and hopes that some of their prosperity will leak through, sift through, to labor, to the farmer, to the small businessman. That theory belongs to the party of Toryism, and I had hoped that most of the Tories left this country in 1776.

But it is not and never will be the theory of the Democratic Party. This is no time for fear, for reaction or for timidity. Here and now I invite those nominal Republicans who find that their conscience cannot be squared with the groping and the failure of their party leaders to join hands with us; here and now, in equal measure, I warn those nominal Democrats who squint at the future with their faces turned toward the past, and who feel no responsibility to the demands of the new time, that they are out of step with their Party.

Yes, the people of this country want a genuine choice this year, not a choice between two names for the same reactionary doctrine. Ours must be a party of liberal thought, of planned action, of enlightened international outlook, and of the greatest good to the greatest number of our citizens.

Now it is inevitable—and the choice is that of the times—it is inevitable that the main issue of this campaign should revolve about the clear fact of our economic condition, a depression so deep that it is without precedent in modern history. It will not do merely to state, as do Republican leaders to explain their broken promises of continued inaction, that the depression is worldwide. That was not their explanation of the apparent prosperity of 1928. The people will not forget the claim made by them that prosperity was only a domestic product manufactured by a Republican President and a Republican Congress. If they claim paternity for the one they cannot deny paternity for the other.

I cannot take up all the problems today. I want to touch on a few that are vital. Let us look a little at the recent history and the simple economics, the kind of
economics that you and I and the average man and woman talk.

In the years before 1929 we know that this country had completed a vast cycle of building and inflation; for ten years we expanded on the theory of repairing the wastes of the War, but actually expanding far beyond that, and also beyond our natural and normal growth. Now it is worth remembering, and the cold figures of finance prove it, that during that time there was little or no drop in the prices that the consumer had to pay, although those same figures proved that the cost of production fell very greatly; corporate profit resulting from this period was enormous; at the same time little of that profit was devoted to the reduction of prices. The consumer was forgotten. Very little of it went into increased wages; the worker was forgotten, and by no means an adequate proportion was even paid out in dividends—the stockholder was forgotten.

And, incidentally, very little of it was taken by taxation to the beneficial Government of those years.

What was the result? Enormous corporate surpluses piled up—the most stupendous in history. Where, under the spell of delirious speculation, did those surpluses go? Let us talk economics that the figures prove and that we can understand. Why, they went chiefly in two directions: first, into new and unnecessary plants which now stand stark and idle; and second, into the call-money market (options to buy stock based on the belief the price will rise) of Wall Street, either directly by the corporations, or indirectly through the banks. Those are the facts. Why blink at them?

The Stock Market Crash

Then came the crash. You know the story. Surpluses invested in unnecessary plants became idle. Men lost their jobs; purchasing power dried up; banks became frightened and started calling loans. Those who had money were afraid to part with it. Credit contracted. Industry stopped. Commerce declined, and unemployment mounted.

And there we are today.

Translate that into human terms. See how the events of the past three years have come home to specific groups of people: first, the group dependent on industry; second, the group dependent on agriculture; third, and made up in large part of members of the first two groups, the people who are called “small investors and depositors.” In fact, the strongest possible tie between the first two groups, agriculture and industry, is the fact that the savings and to a degree the security of both are tied together in that third group—the credit structure of the Nation.

Never in history have the interests of all the people been so united in a single economic problem. Picture to yourself, for instance, the great groups of property owned by millions of our citizens, represented by credits issued in the form of bonds and mortgages—Government bonds of all kinds, Federal, State, county, municipal; bonds of industrial companies, of utility companies; mortgages on real estate in farms and cities, and finally the vast investments of the Nation in the railroads. What is the measure of the security of each of those groups? We know well that in our complicated, interrelated credit structure if any one of these credit groups collapses they may all collapse. Danger to one is danger to all.

How, I ask, has the present Administration in Washington treated the interrelationship of these credit groups? The answer is clear: It has not recognized that interrelationship existed at all. Why, the Nation asks, has Washington failed to understand that all of these groups, each and every one, the top of the pyramid and the bottom of the pyramid, must be considered together, that each and every one of them is dependent on every other; each and every one of them affecting the whole financial fabric?

Statesmanship and vision, my friends, require relief to all at the same time.

Taxes and Spending

Just one word or two on taxes, the taxes that all of us pay toward the cost of Government of all kinds.

I know something of taxes. For three long years I have been going up and down this country preaching that Government—Federal and State and local—costs too much. I shall not stop that preaching. As an immediate program of action we must abolish useless offices. We must eliminate unnecessary functions of Government—functions, in fact, that are not definitely essential to the continuance of Government. We must merge, we must consolidate subdivisions of Government, and, like the private citizen, give up luxuries which we can no longer afford.

By our example at Washington itself, we shall have the opportunity of pointing the way of economy to local government, for let us remember well that out of every tax dollar in the average State in this Nation, forty cents enter the treasury in Washington, D.C., ten or twelve cents only go to the State capitals, and forty-eight cents are consumed by the costs of local government in counties and cities and towns.

I propose to you, my friends, and through you, that Government of all kinds, big and little, be made solvent and that the example be set by the President of the United States and his Cabinet. . . .

Unemployment

And now one word about unemployment, and incidentally about agriculture. I have favored the use of certain types of public works as a further emergency
means of stimulating employment and the issuance of bonds to pay for such public works, but I have pointed out that no economic end is served if we merely build without building for a necessary purpose. Such works, of course, should insofar as possible be self-sustaining if they are to be financed by the issuing of bonds. So as to spread the points of all kinds as widely as possible, we must take definite steps to shorten the working day and the working week.

“Republican leaders not only have failed in material things, they have failed in national vision. . . . I pledge myself to a new deal for the American people.”

Let us use common sense and business sense. Just as one example, we know that a very hopeful and immediate means of relief, both for the unemployed and for agriculture, will come from a wide plan of the converting of many millions of acres of marginal and unused land into timberland through reforestation. There are tens of millions of acres east of the Mississippi River alone in abandoned farms, in cut-over land, now growing up in worthless brush. Why, every European Nation has a definite land policy, and has had one for generations. We have none. Having none, we face a future of soil erosion and timber famine. It is clear that economic foresight and immediate employment march hand in hand in the call for the reforestation of these vast areas. In so doing, employment can be given to a million men. That is the kind of public work that is self-sustaining, and therefore capable of being financed by the issuance of bonds which are made secure by the fact that the growth of tremendous crops will provide adequate security for the investment.

Yes, I have a very definite program for providing employment by that means. I have done it, and I am doing it today in the State of New York. I know that the Democratic Party can do it successfully in the Nation. That will put men to work, and that is an example of the action that we are going to have.

**Aid to Agriculture**

Now as a further aid to agriculture, we know perfectly well—but have we come out and said so clearly and distinctly?—we should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, to speculate in farm products in a futile attempt to reduce farm surpluses. And they are the people who are talking of keeping Government out of business.

The practical way to help the farmer is by an arrangement that will, in addition to lightening some of the impoverishing burdens from his back, do something toward the reduction of the surpluses of staple commodities that hang on the market. It should be our aim to add to the world prices of staple products the amount of a reasonable tariff protection, to give agriculture the same protection that industry has today.

And in exchange for this immediately increased return I am sure that the farmers of this Nation would agree ultimately to such planning of their production as would reduce the surpluses and make it unnecessary in later years to depend on dumping those surpluses abroad in order to support domestic prices. That result has been accomplished in other Nations; why not in America, too? . . .

Rediscounting of farm mortgages under salutary restrictions must be expanded and should, in the future, be conditioned on the reduction of interest rates. Amortization payments, maturities should likewise in this crisis be extended before rediscount is permitted where the mortgagor is sorely pressed. That, my friends, is another example of practical, immediate relief: Action.

I aim to do the same thing, and it can be done, for the small home-owner in our cities and villages. We can lighten his burden and develop his purchasing power. Take away, my friends, that spectre of too high an interest rate. Take away that spectre of the due date just a short time away. Save homes; save homes for thousands of self-respecting families, and drive out that spectre of insecurity from our midst.

**The Harms of Tariffs**

Out of all the tons of printed paper, out of all the hours of oratory, the recriminations, the defenses, the happy-thought plans in Washington and in every State, there emerges one great, simple, crystal-pure fact that during the past ten years a Nation of one hundred twenty million people has been led by the Republican leaders to erect an impregnable barbed wire entanglement around its borders through the instrumentality of tariffs which have isolated us from all the other human beings in all the rest of the round world. I accept th[e] admirable tariff statement in the platform of this convention. It would protect American business and American labor. By our acts of the past we have invited and received the retaliation of other nations. I propose an invitation to them to forget the past, to sit at the table with us, as friends, and to plan with us for the restoration of the trade of the world.

Go into the home of the business man. He knows what the tariff has done for him. Go into the home of the factory worker. He knows why goods do not
move. Go into the home of the farmer. He knows how the tariff has helped to ruin him.

At last our eyes are open. At last the American people are ready to acknowledge that Republican leadership was wrong and that the Democracy is right.

Work and Security

My program, of which I can only touch on these points, is based upon this simple moral principle: the welfare and the soundness of a nation depend first upon what the great mass of the people wish and need; and second, whether or not they are getting it.

What do the people of America want more than anything else? To my mind, they want two things: work, with all the moral and spiritual values that go with it; and with work, a reasonable measure of security—security for themselves and for their wives and children. Work and security—these are more than words. They are more than facts. They are the spiritual values, the true goal toward which our efforts of reconstruction should lead. These are the values that this program is intended to gain; these are the values we have failed to achieve by the leadership we now have.

Our Republican leaders tell us economic laws—sacred, inviolable, unchangeable—cause panics which no one could prevent. But while they prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings.

Yes, when—not if—when we get the chance, the Federal Government will assume bold leadership in distress relief. For years Washington has alternated between putting its head in the sand and saying there is no large number of destitute people in our midst who need food and clothing, and then saying the State should take care of them, if there are. Instead of planning two and a half years ago to do what they are now trying to do, they kept putting it off from day to day, week to week, and month to month, until the conscience of America demanded action.

I say that while primary responsibility for relief rests with localities now, as ever, yet the Federal Government has always had and still has a continuing responsibility for the broader public welfare. It will soon fulfill that responsibility. . . .

One word more: Out of every crisis, every tribulation, every disaster, mankind rises with some share of greater knowledge, of higher decency, of purer purpose. Today we shall have come through a period of loose thinking, descending morals, an era of selfishness, among individual men and women and among nations. Blame not Governments alone for this. Blame ourselves in equal share. Let us be frank in acknowledgment of the truth that many amongst us have made obeisance to Mammon, that the profits of speculation, the easy road without toil, have lured us from the old barricades. To return to higher standards we must abandon the false prophets and seek new leaders of our own choosing.

A New Deal

Never before in modern history have the essential differences between the two major American parties stood out in such striking contrast as they do today. Republican leaders not only have failed in material things, they have failed in national vision, because in disaster they have held out no hope, they have pointed out no path for the people below to climb back to places of security and of safety in our American life.

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth.

On the farms, in the large metropolitan areas, in the smaller cities and in the villages, millions of our citizens cherish the hope that their old standards of living and of thought have not gone forever. Those millions cannot and shall not hope in vain.

I pledge you, I pledge myself, to a new deal for the American people. Let us all here assembled constitute ourselves prophets of a new order of competence and of courage. This is more than a political campaign; it is a call to arms. Give me your help, not to win votes alone, but to win in this crusade to restore America to its own people.

VIEWPOINT 25B

Roosevelt’s New Deal Would Destroy America (1932)

Herbert Hoover (1874–1964)

Elected in 1928, Herbert Hoover was president of the United States during the first years of the Great Depression. His popularity suffered sharply as economic conditions worsened in the early 1930s. Nonetheless, he was renominated for the presidency by the Republican Party in 1932. During the campaign he both defended his presidency and attacked his Democratic opponent, Franklin D. Roosevelt. In the following viewpoint, excerpted from a campaign address given at New York City’s Madison Square Garden on October 31, 1932. Hoover defends his record and what he calls the “American system” of individual freedom and limited government.

What does Hoover see as the proper role for the federal government in managing the nation's economy? What aspects of the "American system" are most threatened by a Roosevelt presidency, according to Hoover? What hope does Hoover offer the nation of the Great Depression's ending?

This campaign is more than a contest between two men. It is more than a contest between two parties. It is a contest between two philosophies of government.

We are told by the opposition that we must have a change, that we must have a new deal. It is not the change that comes from normal development of national life to which I object, but the proposal to alter the whole foundations of our national life which have been built through generations of testing and struggle, and of the principles upon which we have built the Nation. The expressions our opponents use must refer to important changes in our economic and social system and our system of Government, otherwise they are nothing but vacuous words. And I realize that in this time of distress many of our people are asking whether our social and economic system is incapable of that great primary function of providing security and comfort of life to all of the firesides of our 25,000,000 homes in America, whether our social system provides for the fundamental development and progress of our people, whether our form of government is capable of originating and sustaining that security and progress.

This question is the basis upon which our opponents are appealing to the people in their fears and distress. They are proposing changes and so-called new deals which would destroy the very foundations of our American system. . . .

The American System

Let us pause for a moment and examine the American system of government, of social and economic life, which it is now proposed that we should alter. Our system is the product of our race and of our experience in building a nation to heights unparalleled in the whole history of the world. It is a system peculiar to the American people. It differs essentially from all others in the world. It is an American system.

It is founded on the conception that only through ordered liberty, through freedom to the individual, and equal opportunity to the individual will his initiative and enterprise be summoned to spur the march of progress.

It is by the maintenance of equality of opportunity and therefore of a society absolutely fluid in freedom of the movement of its human particles that our individualism departs from the individualism of Europe. We resent class distinction because there can be no rise for the individual through the frozen strata of classes, and no stratification of classes can take place in a mass livened by the free rise of its particles. Thus in our ideals the able and ambitious are able to rise constantly from the bottom to leadership in the community.

This freedom of the individual creates of itself the necessity and the cheerful willingness of men to act cooperatively in a thousand ways and for every purpose as occasion arises; and it permits such voluntary cooperations to be dissolved as soon as they have served their purpose, to be replaced by new voluntary associations for new purposes.

"Our opponents . . . are proposing changes and so-called new deals which would destroy the very foundations of our American system."

There has thus grown within us, to gigantic importance, a new conception. That is, this voluntary cooperation within the community. Cooperation to perfect the social organization; cooperation for the care of those in distress; cooperation for the advancement of knowledge, of scientific research, of education; for cooperative action in the advancement of many phases of economic life. This is self-government by the people outside of Government; it is the most powerful development of individual freedom and equal opportunity that has taken place in the century and a half since our fundamental institutions were founded.

It is in the further development of this cooperation and a sense of its responsibility that we should find solution for many of our complex problems, and not by the extension of government into our economic and social life. The greatest function of government is to build up that cooperation, and its most resolute action should be to deny the extension of bureaucracy. We have developed great agencies of cooperation by the assistance of the Government which promote and protect the interests of individuals and the smaller units of business. The Federal Reserve System, in its strengthening and support of the smaller banks; the Farm Board, in its strengthening and support of the farm cooperatives; the Home Loan Banks, in the mobilizing of building and loan associations and savings banks; the Federal Land Banks, in giving independence and strength to land mortgage associations; the great mobilization of relief to distress, the mobilization of business and industry in measures of
recovery, and a score of other activities are not socialism—they are the essence of protection to the development of free men.

The primary conception of this whole American system is not the regimentation of men but the cooperation of free men. It is founded upon the conception of responsibility of the individual to the community, of the responsibility of local government to the state, of the state to the National Government.

It is founded on a peculiar conception of self-government designed to maintain this equal opportunity to the individual, and through decentralization it brings about and maintains these responsibilities. The centralization of government will undermine responsibilities and will destroy the system. . . .

**Democratic Proposals**

A proposal of our opponents which would break down the American system is the expansion of Government expenditure by yielding to sectional and group raids on the Public Treasury. The extension of Government expenditures beyond the minimum limit necessary to conduct the proper functions of the Government enslaves men to work for the Government. If we combine the whole governmental expenditures—National, state, and municipal—we will find that before the World War each citizen worked, theoretically, 25 days out of each year for the Government. In 1924 he worked 46 days a year for the Government. Today he works for the support of all forms of government 61 days out of the year.

No nation can conscript its citizens for this proportion of men's time without national impoverishment and destruction of their liberties. Our Nation cannot do it without destruction to our whole conception of the American system. The Federal Government has been forced in this emergency to unusual expenditures but in partial alleviation of these extraordinary and unusual expenditures, the Republican Administration has made a successful effort to reduce the ordinary running expenses of the Government. Our opponents have persistently interfered with such policies. I only need recall to you that the Democratic House of Representatives passed bills in the last session that would have increased our expenditures by $3,500,000,000, or 87 per cent. Expressed in day's labor, this would have meant the conscription of 16 days' additional work from every citizen for the Government. This I stopped. . . . But the major point I wish to make—the disheartening part of these proposals of our opponents—is that they represent successful pressures of minorities. They would appeal to sectional and group political support, and thereby impose terrific burdens upon every home in the country. These things can and must be resisted. But they can only be resisted if there shall be live and virile public support to the Administration, in opposition to political log-rolling and the sectional and group raids on the Treasury for distribution of public money, which is cardinal in the congeries of elements which make up the Democratic party.

These expenditures proposed by the Democratic House of Representatives for the benefit of special groups and special sections of our country directly undermine the American system. Those who pay are, in the last analysis, the man who works at the bench, the desk, and on the farm. They take away his comfort, stifle his leisure, and destroy his equal opportunity. . . .

**The Growth of Government**

No man who has not occupied my position in Washington can fully realize the constant battle which must be carried on against incompetence, corruption, tyranny of government expanded into business activities. If we first examine the effect on our form of government of such a program, we come at once to the effect of the most gigantic increase in expenditure ever known in history. That alone would break down the savings, the wages, the equality of opportunity among our people. These measures would transfer vast responsibilities to the Federal Government from the states, the local governments, and the individuals. But that is not all; they would break down our form of government. Our legislative bodies can not delegate their authority to any dictator; but without such delegation every member of these bodies is impelled in representation of the interest of his constituents constantly to seek privilege and demand service in the use of such agencies. Every time the Federal Government extends its arm, 531 Senators and Congressmen become actual boards of directors of that business.

Capable men can not be chosen by politics for all the various talents required. Even if they were supermen, if there were no politics in the selection of the Congress, if there were no constant pressure for this and for that, so large a number would be incapable as a board of directors of any institution. At once when these extensions take place by the Federal Government, the authority and responsibility of state governments and institutions are undermined. Every enterprise of private business is at once halted to know what Federal action is going to be. It destroys initiative and courage. . . .

**The Cost of Freedom**

Even if the Government conduct of business could give us the maximum of efficiency instead of least efficiency, it would be purchased at the cost of freedom. It would increase rather than decrease abuse
and corruption, stifle initiative and invention, undermine development of leadership, cripple mental and spiritual energies of our people, extinguish equality of opportunity, and dry up the spirit of liberty and progress. Men who are going about this country announcing that they are liberals because of their promises to extend the Government in business are not liberals, they are reactionaries of the United States.

**Ending Poverty**

I am not setting up the contention that our American system is perfect. No human ideal has ever been perfectly attained, since humanity itself is not perfect. But the wisdom of our forefathers and the wisdom of the 30 men who have preceded me in this office hold to the conception that progress can only be attained as the sum of accomplishments of free individuals, and they have held unalterably to these principles.

In the ebb and flow of economic life our people in times of prosperity and ease naturally tend to neglect the vigilance over their rights. Moreover, wrongdoing is obscured by apparent success in enterprise. Then insidious diseases and wrongdoings grow apace. But we have in the past seen in times of distress and difficulty that wrongdoing and weakness come to the surface and our people, in their endeavors to correct these wrongs, are tempted to extremes which may destroy rather than build.

It is men who do wrong, not our institutions. It is men who violate the laws and public rights. It is men, not institutions, which must be punished.

In my acceptance speech four years ago at Palo Alto I stated that—

One of the oldest aspirations of the human race was the abolition of poverty. By poverty I mean the grinding by under-nourishment, cold, ignorance, fear of old age to those who have the will to work.

I stated that—

In America today we are nearer a final triumph over poverty than in any land. The poorhouse has vanished from amongst us; we have not reached that goal, but given a chance to go forward, we shall, with the help of God, be in sight of the day when poverty will be banished from this Nation.

Our Democratic friends have quoted this passage many times in this campaign. I do not withdraw a word of it. When I look about the world even in these times of trouble and distress I find it more true in this land than anywhere else under the traveling sun. I am not ashamed of it, because I am not ashamed of holding ideals and purposes for the progress of the American people. Are my Democratic opponents prepared to state that they do not stand for this ideal or this hope? For my part, I propose to continue to strive for it, and I hope to live to see it accomplished.

**America's Choice**

My countrymen, the proposals of our opponents represent a profound change in American life—less in concrete proposal, bad as that may be, than by implication and by evasion. Dominantly in their spirit they represent a radical departure from the foundations of 150 years which have made this the greatest nation in the world. This election is not a mere shift from the ins to the outs. It means deciding the direction our Nation will take over a century to come.

**For Further Reading**


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**VIEWPOINT 26A**

**The New Deal Is a Momentous Achievement (1933)**

Allan Nevins (1890–1971)

Franklin D. Roosevelt was elected president in 1932 promising a "New Deal" for the American people. He called Congress into special session shortly after his inauguration in March 1933 to carry out his promise. Over the next hundred days, Roosevelt and Congress passed numerous laws and programs designed to reduce unemployment and promote economic activity. Among the federal agencies and programs created were the National Recovery Administration (NRA), the Agricultural Adjustment Administration (AAA), the Federal Emergency Relief Administration (FERA), the Securities and Exchange Commission (SEC), and the Federal Deposit Insurance Corporation (FDIC).

The following viewpoint is taken from a December 31, 1933, article in the *New York Times Magazine*, in which well-known historian Allan Nevins attempts to summarize the historical events of that year and to evaluate Roosevelt's New Deal. Nevins compares the actions of the United States with those of other countries facing economic depression and argues that the New Deal is an impressive showing of America's ability to adapt to new conditions. Nevins taught American history at Columbia University in New York and held editorial posts at the *New York Times Magazine*, December 31, 1933.