

From:

Eric Foner: Give Me Liberty! The New Deal in US History.

THE NEW DEAL IN AMERICAN HISTORY

Given the scope of the economic calamity it tried to counter, the New Deal seems in many ways quite limited. Compared to later European welfare states, Social Security remained restricted in scope and modest in cost. The New Deal failed to address the problem of racial inequality, which in some ways it actually worsened.

Yet even as the New Deal receded, its substantial accomplishments remained. It greatly expanded the federal government's role in the American economy and made it an independent force in relations between industry and labor. The government told farmers what they could and

could not plant, required employers to deal with unions, insured bank deposits, regulated the stock market, loaned money to home owners, and provided payments to a majority of the elderly and unemployed. It transformed the physical environment through hydroelectric dams, reforestation projects, rural electrification, and the construction of innumerable public facilities. It restored faith in democracy and made the government an institution directly experienced in Americans' daily lives and directly concerned with their welfare. It redrew the map of American politics, helped to inspire, and was powerfully influenced by, a popular upsurge that recast the idea of freedom to include a public guarantee of economic security for ordinary citizens and that identified economic inequality as the greatest threat to American freedom.

One thing the New Deal failed to do was generate prosperity. Over 15 percent of the workforce remained unemployed in 1940. Only the mobilization of the nation's resources to fight World War II would finally end the Great Depression.

3 Excerpts from

F.D.R.

Speech to the Commonwealth Club, San Francisco, 1932

Added

During (this period of expansion) there was equal opportunity for all and the business of Government was not to interfere but to assist in the development of industry. This was done at the request of business men themselves. The tariff was originally imposed for the purpose of "fostering our infant industry." ... The railroads were subsidized, sometimes by grants of money, oftener by grants of land. ... Some of my friends tell me that they do not want the Government in business. With this I agree; but I wonder whether they realize the implications of the past. For while it has been American doctrine that the Government must not go into business in competition with private enterprises, still it has been traditional, particularly in Republican administrations, for business urgently to ask the Government to put at private disposal all kinds of Government assistance. The same man who tells you that he does not want to see the Government interfere in business—and he means it, and has plenty of good reasons for saying so—is the first to go to Washington and ask the Government for a prohibitory tariff on his product. ... Each group has sought protection from the Government for its own special interests, without realizing that the function of Government must be to favor no small group at the expense of its duty to protect the rights of personal freedom and of private property of all its citizens.

In retrospect we can now see that the turn of the tide came with the turn of the century. We were reaching our last frontier; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the State. Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living....

Doc B*

Every man has a right to life; and this means that he has also a right to make a comfortable living. He may by sloth or crime decline to exercise that right; but it may not be denied him. We have no actual famine or dearth; our industrial and agricultural mechanism can produce enough and to spare. Our Government formal and informal, political and economic, owes to everyone an avenue to possess himself of a portion of that plenty sufficient for his needs, through his own work.

Every man has a right to his own property; which means a right to be assured, to the fullest extent attainable, in the safety of his savings. By no other means can men carry the burdens of those parts of life which, in the nature of things, afford no chance of labor; childhood, sickness, old age. In all thought of property, this right is paramount; all other property rights must yield to it. If, in accord with this principle, we must restrict the operations of the speculator, the manipulator, even the financier, I believe we must accept the restriction as needful, not to hamper individualism but to protect it.

These two requirements must be satisfied, in the main, by the individuals who claim and hold control of the great industrial and financial combinations which dominate so large a part of our industrial life. They have undertaken to be, not business men, but princes of property. I am not prepared to say that the system which produces them is wrong. I am very clear that they must fearlessly and competently assume the responsibility which goes with the power....