

## THE SOAPBOX

# The New Deal Was on the Ballot in 1932

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During the 1932 campaign, Franklin Roosevelt explicitly committed himself to nearly all of what would become the important programs of the New Deal.<sup>1</sup> In the months before his March 4, 1933, inauguration, he made his proposed policies even clearer. Yet many Americans have forgotten this clarity of purpose, led in large measure by histories of the New Deal and biographies of Roosevelt that echo old misconceptions of this critical election. Such texts are far more likely to describe Roosevelt's campaign as so devoid of substance and full only of "sunny generalities" that at the time he took the oath of office his "plans remained largely unknown to the public."<sup>2</sup> He had "no larger philosophy or grand design."<sup>3</sup> He stood only for "action, any action, with little or no thought given to the long-term consequences."<sup>4</sup> One historian recently declared, "The notion that when Franklin Roosevelt became president he had a plan in his head called the New Deal is a myth that no serious scholar has ever believed."<sup>5</sup>

Outgoing president Herbert Hoover (and voters and politicians and diplomats at the time) knew better. On February 22, 1933, just over a week before Roosevelt's inauguration, Hoover wrote to Senator David Reed (R-PA) that "90% of the so-called new deal" consisted of inflationary measures, massive borrowing to build public works, and indefinite delay in balancing the budget. While scholars may quarrel over Hoover's percentage, there is no question that these three policies did much of the work of the New Deal, and indeed if we restrict our attention solely to that portion of Roosevelt's program devoted to recovery from the Great Depression (as opposed to relief or reform), these three policies may well account for about ninety percent of it. Hoover also knew by this date that the Democrats would adopt a subsidy to raise the price of agricultural goods and would lower tariffs on imports. The outgoing president knew about these elements of the New Deal because Roosevelt and other Democrats kept talking about them—or, as Hoover wrote to Reed, "there is constant promise" of such policies. In addition, during the campaign, Roosevelt had also proposed unemployment insurance and self-funding old-age insurance; increased public ownership of utilities (particularly electric power plants) to curb monopoly pricing; protections for labor, including minimum wages and maximum hours; and a program of reforestation. By the end of February, therefore, Hoover was fully prepared to spend his post-presidential career fighting the New Deal in all its specifics. He was able to start early on this project and devote his last energies as president to it only because he knew what the New Deal was, and what it meant for the United States—and he knew it because Roosevelt had told him, and their fellow Americans, and the world, repeatedly.<sup>6</sup>

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<sup>1</sup>The principal exception is public housing.

<sup>2</sup>Alan Brinkley, *Franklin Delano Roosevelt* (New York, 2010), 25 and 28.

<sup>3</sup>Robert Dallek, *Franklin D. Roosevelt: A Political Life* (London, 2017), 143.

<sup>4</sup>Jonathan Alter, *The Defining Moment: FDR's Hundred Days and the Triumph of Hope* (New York, 2006), 280.

<sup>5</sup>Roger Daniels, *Franklin D. Roosevelt: The Road to the New Deal, 1882–1939* (Urbana, IL, 2015), 131.

<sup>6</sup>Herbert Hoover to David A. Reed, Feb. 22, 1933, Post-Presidential Subject file, "Banking," Herbert Hoover Presidential Library, West Branch, IA. On Hoover's fight against the New Deal in these months, see Eric Rauchway, *Winter War: Hoover, Roosevelt, and the First Clash Over the New Deal* (New York, 2018).

Hoover's scholarship of the New Deal was fairly sound: not only did Roosevelt have a plan of action for the New Deal, he had made its components abundantly clear to the public. He ran on the New Deal and was elected on it; while 1933 predates modern polling, we may suppose that the voters had a reasonable expectation he would deliver it.

When scholars or pundits argue otherwise, they give life to what Ole Bjørn Rekdal calls an "academic urban legend," or a falsehood that is tempting to believe and perpetuated by an unwarranted reliance on secondary sources. As Rekdal says, "A good reason for avoiding the use of secondary sources in academia is that messages that pass through several links have the unfortunate tendency to become modified or altered along the way, as in the whisper game," or what American children call "telephone." Precisely this warping alteration has occurred in the history of the 1932 election and, just as Rekdal noted, "has now become common knowledge within sectors of academia to the extent that it can be used ... without any reference at all." It is long past time to dislodge this unfortunate and pernicious embedding enabled by overdependence on faulty memory.<sup>7</sup>

Far more is at stake than simply getting the history right. To claim that the New Deal was not on the ballot in 1932 is to argue that it lacked democratic legitimacy, and indeed, this claim originated as an argument that Roosevelt's opponents, preparing for the 1936 election, made for precisely this purpose. To repeat it is to echo these efforts to undermine the New Deal and to serve, after the fact, as instruments of long-gone propagandists, rather than as students of history.

One trap historians should take care to avoid is the uncritical repetition of unreliable reminiscence. For example: Marriner S. Eccles, the Utah banker and Republican who became chair of the Federal Reserve under Roosevelt, wrote in his 1951 memoir of the 1932 election that "apart from a will to get us out of the depression," the candidate Franklin Roosevelt's "specific economic plans to do so were little different from those offered by Republican leaders." Indeed, the banker said, "given later developments, the campaign speeches often read like a giant misprint, in which Roosevelt and Hoover speak each other's lines."<sup>8</sup> This last *bon mot* has endured all out of proportion to whatever little insight it affords, probably because William E. Leuchtenburg, with his characteristic eye for memorable prose, used it to cap an interpretive paragraph near the beginning of his landmark 1963 book, *Franklin D. Roosevelt and the New Deal*.<sup>9</sup> As Alan Brinkley remarked in 1997, Leuchtenburg's "influential synthesis ... remains the most important single-volume study of the 1930s even three decades later," and I daresay that even two further decades onward, Brinkley's assessment still holds true: few historians would challenge a key interpretive element of Leuchtenburg's classic.<sup>10</sup> Eccles's comment reappears, reinforced by another eminent historian's research, in David M. Kennedy's 1999 *Freedom from Fear*, where it supports the notion that Roosevelt did not win the election on the merits of the New Deal, whose elements remained obscure to voters, but rather, as Kennedy puts it, the Democrat "won by default."<sup>11</sup>

Even a casual student of the 1932 election should balk at quoting the banker's quip. Eccles claimed that for his memoir he "re-read the major addresses of both Presidential candidates in the campaign of 1932," but he quotes only two of Roosevelt's, briefly from one at the

<sup>7</sup>Ole Bjørn Rekdal, "Academic Urban Legends," *Social Studies of Science* 44, no. 4 (Aug. 2014): 638–54; esp. 641 and 647.

<sup>8</sup>Marriner S. Eccles, *Beckoning Frontiers: Public and Personal Recollections*, ed. Sidney Hyman (New York, 1951), 95.

<sup>9</sup>William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal, 1932–1940* (New York, 1963), 11.

<sup>10</sup>Alan Brinkley, "Prosperity, Depression, and War, 1920–1945," 133–58 in Eric Foner, ed., *The New American History*, revised and expanded edition (Philadelphia, 1997), esp. 143.

<sup>11</sup>David M. Kennedy, *Freedom from Fear: The American People in Depression and War, 1929–1945* (New York, 1999), 102.

campaign's beginning and then more extensively from one of a series of speeches Roosevelt gave as election day neared.<sup>12</sup> And because each speech in that series addressed a different theme, it is a grave sampling error to cite only one; in doing so, one by definition omits all the other vital parts of the Democrat's campaign message. It is a bit as if one deduced from a perusal solely of the Song of Songs that the story of the Hebrew people as related in books of the Bible was one long love-in, and entirely devoid of commandments or smiting.<sup>13</sup>

In making his case, Eccles does not quote Hoover's campaign speeches. If he had, he might have been obliged to note that the then-president told voters that around the proposals of the New Deal, he could smell the same "fumes of the witch's caldron which boiled over in Russia and in its attenuated flavor spread over the whole of Europe."<sup>14</sup> Hoover warned Americans that "the so-called new deals [sic] would destroy the very foundations of the American system of life," and said that "the type of leaders who are campaigning for the Democratic ticket"—naming Senators George Norris, Robert La Follette, Bronson Cutting, Huey Long, Burton Wheeler, as well as media magnate William Randolph Hearst—possess "a social philosophy different from the traditional philosophies of the American people." If, Hoover said, the changes proposed by the "Democratic principals and allies" (many of those who so alarmed him were progressive, Roosevelt-backing Republicans) were "brought about this will not be the America which we have known in the past."<sup>15</sup> It is impossible to read this apocalyptic red-baiting critique of the New Deal and suppose it properly attributable to Roosevelt, as the Eccles "misprint" thesis urges historians to believe.

As for the Democratic candidate's addresses, there one can read in some detail Roosevelt's proposals, which Hoover regarded as plainly Bolshevist and unalterably alien to traditional American philosophies of government, even though many were long-standing Democratic policies. Consider for example an August speech at Columbus, Ohio, which took up the role of government with respect to finance. Roosevelt argued for increased regulation of security sales, saying, "The government, without becoming a prying bureaucracy, can act as a check or counter-balance to ... oligarchy" and work "to secure the chance to work and the safety of savings to men and women, rather than the safety of exploitation to the exploiter." For specifics in this speech, the governor proposed transparency in securities sales, including requiring a statement of "true earnings, true liabilities and true assets of the corporation itself," as well as federal regulation of exchanges and of holding companies selling securities, along with the separation of commercial from investment banking.<sup>16</sup>

Three weeks later, in remarks at Topeka, Kansas, Roosevelt explained his position on farm relief. He wanted to remove marginal lands from production, refinance farm mortgages at a rate advantageous to borrowers, and lower tariffs sufficiently "to restore the flow of international trade." Most important, he sketched a plan "to give to that portion of the crop consumed in the United States a benefit sufficient to give your farmers an adequate price." Without using the phrase "domestic allotment," Roosevelt here announced his support for that proposal most favored by farm organizations, and outlined its essential elements—a self-financing mechanism (depending on a processing tax) that did not provide an incentive for American farmers to dump products on overseas markets. And he couched it in the terms that

<sup>12</sup>Eccles, *Beckoning Frontiers*, 95–8.

<sup>13</sup>On the structure of Roosevelt's campaign, see, e.g., Roy V. Peel and Thomas C. Donnelly, *The 1932 Campaign: An Analysis* (New York, 1935), 127.

<sup>14</sup>"Text of the President's Final Campaign Address," *New York Times*, Nov. 6, 1932, 30.

<sup>15</sup>"Text of the President's Address Before Throng of 22,000 at Madison Square Garden," *New York Times*, Nov. 1, 1932, 12.

<sup>16</sup>"Text of Governor Roosevelt's Speech Opening His Presidential Campaign in Middle West," *New York Times*, Aug. 21, 1932, 18.

commodity-growers most wanted to hear: they would receive a subsidy “which is equivalent to the benefit given by the tariff to industrial products.”<sup>17</sup>

A week after that speech, in Portland, Oregon, Roosevelt spoke on the question of public power. He said that while he generally preferred private ownership of power plants, he thought that governments had the right to produce electricity, as a “yardstick”—that is, as a standard measure of the fair price for the production of energy. He pointed to the federally owned hydroelectric dam at Muscle Shoals as a notable success of this kind. He also called out “Boulder Dam” as a notable example of what public works could achieve for power generation. And he noted that his opponent (after whom Boulder Dam had lately been renamed) supported privatization of the Muscle Shoals facility.<sup>18</sup>

In the next week, at Sioux City, in Herbert Hoover’s home state, Roosevelt aimed at the central Republican economic policy, the protective tariff. The governor declared that the Smoot-Hawley tariff had provoked other nations to similarly protective measures, making it harder for Americans to sell their products overseas and thus worsening the effects of the Depression. (Modern studies have borne out this view.) “The ink on the Hawley-Smoot ... bill was not dry before foreign nations commenced their program of retaliation. Brick by brick they built their walls against us. They learned the lesson from us. ‘The villainy you teach me I shall practice.’” He pledged therefore to reduce tariffs.<sup>19</sup>

And then, with just a week remaining before the election, in a speech at Boston, Roosevelt addressed the most pressing question of the Depression: unemployment. “Immediate relief of the unemployed is the immediate need of the hour,” he said. While he agreed with the traditional American view of this matter—“immediate responsibility for relief rests with local, public and private charity,” and where those failed, “States must carry the burden.” The nation had reached a point in the economic crisis where “the Federal Government owes the positive duty of stepping in to the breach.” He recommended, “The Federal Government should provide temporary work wherever possible,” in national forests and on flood prevention projects, as well as new public works. But Roosevelt’s proposals went further than the needs of the moment. He said, “No mere emergency measures of relief are adequate. Our goal, our unremitting objective must be to secure permanence of employment to the workers of America. Without stability of employment for our workers ... there can be no healthy national life.” Providing “a basis of permanent employment” meant coordinating job exchanges and planning a schedule of public works nationwide. And this program of public jobs would serve, like public power generation, as a yardstick for private employers, setting fair wages and hours: workers must “earn enough so that they can buy the things that are produced and have the leisure for the cultivation of body, mind and spirit.” The conditions of industrial work needed an improvement that was “long overdue,” reducing hours and days of work and instituting a federally coordinated system of unemployment insurance among the states. In all, the aim was not only to end the Depression, but “to restore the purchasing power of the nation” for the long term, so that the ordinary buying and selling of goods could provide sufficient work for everyone.<sup>20</sup>

<sup>17</sup>“The Text of Gov. Roosevelt’s Speech on Farm Relief at Topeka Yesterday,” *New York Times*, Sept. 15, 1932, 14. On the essential elements of the different methods for limiting far production see Gertrude Almy Slichter, “Franklin D. Roosevelt and the Farm Problem, 1929–1932,” *Mississippi Valley Historical Review* 43, no. 2 (Sept. 1956): 238–58, esp. 244.

<sup>18</sup>“Text of Governor Roosevelt’s Speech at Portland, Oregon, on Public Utilities,” *New York Times*, Sept. 22, 1932, 16.

<sup>19</sup>“Text of Governor Roosevelt’s Speech at Sioux City on the Tariff and Agriculture,” *New York Times*, Sept. 30, 1932, 12. On the effects of the tariff in the Depression, see Douglas A. Irwin, *Peddling Protectionism: Smoot-Hawley and the Great Depression* (Princeton, NJ, 2011).

<sup>20</sup>“Text of Governor Roosevelt’s Address to Democrats in the Boston Arena,” *New York Times*, Nov. 1, 1932, 16. Compare Eccles’s statement (without supporting evidence) that Roosevelt “in 1932 was still the good squire of Hyde Park who believed that local means could, in the main, relieve neighborhood suffering”; Eccles, *Beckoning Frontiers*, 96.

Thus by the end of the campaign, Roosevelt had in his own speeches outlined major elements of what we can recognize—and what Hoover recognized—as the New Deal. The Democrats, if put in control of the federal government, would subsidize commodity prices; regulate finance; lower tariffs; offer mortgage relief and unemployment relief; launch major public works programs, including especially the construction of hydroelectric power plants that Washington would operate; raise wages; and reduce working hours. Any minimally attentive audience for Roosevelt's speeches would have heard what the New Deal would be, quite clearly—which is why Hoover opposed Roosevelt's proposals so vehemently.

In contrast to Roosevelt's focused talks, each devoted mainly to a single theme, Hoover preferred omnibus speeches, running down all the issues he felt relevant in each. His campaign addresses therefore have a more repetitive quality than Roosevelt's. In each, Hoover took on almost all the points Roosevelt raised, usually in a list, and in doing so clearly established his opposition to the New Deal.

On the question of farm relief, the president opposed Roosevelt's subsidy scheme, saying the government could do nothing specifically for agriculture. "No power on earth can restore [commodity] prices except by restoration of general recovery and restoration of markets."<sup>21</sup> This declaration notwithstanding, Hoover did claim the Smoot-Hawley tariff had (contrary to Roosevelt) done the farmers some good: "By this act," he said, "we gave protection to our agriculture," so much so that he supported more of the same remedy should the Depression continue: if re-elected he would "widen the tariff by legislation if necessary to protect agriculture."<sup>22</sup>

In the matter of public ownership of power plants, the president opposed Roosevelt's proposals as well. Hoover had previously supported the privatization of Muscle Shoals, and he remained consistent in his views. "I have opposed the Federal Government undertaking the operation of the power business," he said on accepting renomination, and in a later speech more firmly reminded listeners, "I have stated unceasingly that I am opposed to the Federal Government going into the power business."<sup>23</sup>

When Hoover turned specifically to the issue of the tariff, he put himself unequivocally within the Republican tradition, saying that the protective tariff was synonymous with the American system of government. "I am squarely for the protective tariff," he said, in contrast to his Democratic opponent.<sup>24</sup> Lowering barriers to trade, as Roosevelt proposed, would be "ruinous to American agriculture and industry" alike.<sup>25</sup> In a more exercised passage on the subject of tariff rates, Hoover waxed apocalyptic as he envisioned the future under a Democratic administration: "The grass will grow in the streets of a hundred cities, a thousand towns; the weeds will overrun the fields of millions of farms if that protection be taken away."<sup>26</sup>

But Hoover reserved his greatest contempt and his direst warning for Roosevelt's public works and employment proposals. In the president's earliest campaign speeches, he put this point with some modesty and caution, admitting that he, too, had "always favored the development of rivers and harbors and highways," and allowing only that he disapproved of expanding such efforts to the scale envisioned by Roosevelt. The New Deal's public works plan would amount, Hoover said, to "the distortion of these needed works into pork-barrel, non-productive

<sup>21</sup>"Text of the Speech Delivered by President Hoover in Accepting Renomination," *New York Times*, Aug. 12, 1932, 4.

<sup>22</sup>"Text of the President's Final Campaign Address in the Capital of Minnesota," *New York Times*, Nov. 6, 1932, 30.

<sup>23</sup>"Text of the Speech Delivered by President Hoover in Accepting Renomination"; "Text of the President's Address Before Throng of 22,000 at Madison Square Garden."

<sup>24</sup>"Text of the Speech Delivered by President Hoover in Accepting Renomination."

<sup>25</sup>"Text of the President's Final Campaign Address in the Capital of Minnesota."

<sup>26</sup>"Text of the President's Address Before Throng of 22,000 at Madison Square Garden."

works which impoverish the nation.”<sup>27</sup> As the campaign proceeded, though, Hoover tried to put more distance between himself and his opponent. No longer were the Democratic proposals merely pork-barrel corruption; now they were reckless and un-American in their promise of full employment. “I could not believe,” Hoover said, “that anyone could be so cruel as to hold out a hope so absolutely impossible of realization.... It is another mark of the character of the new deal and the destructive changes which mean the total abandonment of every principle upon which this government and the American system is founded.” Estimating that a public works program adequate to meet the nation’s employment needs would cost \$9 billion, Hoover projected “it would amount to 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.... But that is not all; they would break down our form of government. It would crack the timbers of our Constitution.... Free speech does not live many hours after free industry and free commerce die.”<sup>28</sup> Hoover continued to strike this note of incredulity with respect to a public works program sufficient to relieve the effects of the Depression. “The works are unavailable, the cost would destroy the credit of the government, deprive vast numbers of the men now working of their jobs and thus destroy the remedy itself. This fantasy is a cruel promise to these suffering men and women that they will be given jobs by the government, which no government could fulfill.”<sup>29</sup>

It is worth noting that Hoover had his macroeconomics substantially wrong. In a labor and credit market like that of the Depression, economists of various political leanings hold that effective policy includes borrowing money to put citizens to work, and they recommended such policies to the administration of Barack Obama early in 2009. Economic historians examining the history of the New Deal have found that Roosevelt’s stimulus policies were effective, and, if they were flawed, it was mainly because they should have been applied on a larger scale.<sup>30</sup>

Still: I am not principally seeking here to establish that Hoover was incorrect, but that subsequent claims that voters could scarcely tell the candidates apart, or did not know they were voting for a New Deal, are incorrect. No reader looking at the corpus of the 1932 campaign speeches can regard them, even for the sake of a witticism, as a misprint in which each candidate sounds more like his opponent than like himself. Roosevelt clearly laid out his intention to increase the role of the federal government in the U.S. economy, citing financial regulation, inflation of commodity prices, generation and sale of electric power, emergency relief, improved factory conditions, and adoption of long-term counter-cyclical employment planning, among other measures; Hoover opposed this obviously, identifiably New Deal platform as impractical, immoral, un-American, and Bolshevik. The intensity of Hoover’s opposition was possible only because Roosevelt made his intentions so plain.

To be sure, there were some matters on which the candidates’ positions approached each other. Roosevelt devoted an entire speech to railroad regulation, which did not develop into a major issue for the campaign.<sup>31</sup> Nor did the president put much daylight between himself and the governor on the question of securities regulation, although he did not go so far as Roosevelt in demanding the separation of commercial and investment banking. In the matter of Prohibition, the Democrats called for repeal, and although Hoover himself was a devoted

<sup>27</sup>“Text of the Speech Delivered by President Hoover in Accepting Renomination.”

<sup>28</sup>“Text of the President’s Address Before Throng of 22,000 at Madison Square Garden.”

<sup>29</sup>“Text of the President’s Final Campaign Address in the Capital of Minnesota.”

<sup>30</sup>The standard essay on New Deal fiscal policy holds famously that it was not properly tried; see E. Cary Brown, “Fiscal Policy in the Thirties: A Reappraisal,” *American Economic Review* 46, no. 5 (December 1956): 857–79, esp. 866. But see more recently Thomas M. Renaghan, “A New Look at Fiscal Policy in the 1930s,” *Research in Economic History* 11 (1988): 171–83. For a summary of recommendations made in early 2009, see Noam Scheiber, *The Escape Artists: How Obama’s Team Fumbled the Recovery* (New York, 2011), 27–8, 43.

<sup>31</sup>“Text of Gov. Roosevelt’s Address on Railways at Salt Lake City,” *New York Times*, Sept. 18, 1932, 32; “Text of the Speech Delivered by President Hoover in Accepting Renomination.”

dry, he conceded that some form of legalization of alcohol must occur, albeit with the option for local law to restrict production, distribution, sale, and consumption of intoxicants.<sup>32</sup>

But none of these issues defined the conflict between the two candidates so starkly as did the debate over the New Deal. Roosevelt was going to increase the scale and scope of federal power to aid workers, farmers, and consumers; Hoover held that, “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.”<sup>33</sup> Hoover and Roosevelt staked out clear and opposite ideological stances and campaigned hard on them in 1932. There was and is no considered mistaking one for the other, as Republicans and Democrats would continue to campaign, govern, and legislate along those same lines for decades afterward.

How, then, could Eccles—or anyone arguing the same point—have constructed even a spurious case for his quip that the two candidates sounded like each other? The answer lies in a specific urban legend about the 1932 campaign that did not originate with Eccles, but which he certainly perpetuated: that in running for the presidency for the first time, Roosevelt placed particular emphasis on a balanced budget. Eccles wrote, “No one among his advisers thought of planned deficits as an instrument of recovery. Roosevelt certainly did not do so.”<sup>34</sup> To support this statement, Eccles quotes Roosevelt’s campaign speech at Pittsburgh, one of the series of themed addresses the governor gave in the latter part of the campaign, this one covering frugality in government. “The first and most important and necessitous step in balancing our Federal budget is to reduce expense,” Roosevelt said. He declared his intention to “approach the problem of carrying out the plain precept of our party, which is to reduce the cost of the current Federal Government operations by 25 per cent,” a commitment that appeared in the Democratic Party platform of that year.<sup>35</sup>

Roosevelt weaseled markedly throughout this speech. Even in referring to the 25 percent target, he pledged only to “approach the problem,” not necessarily to solve it; but more important, throughout the address, he defined that target narrowly. In his discussion, budgetary excess did not refer to any federal spending necessary to provide relief from the Depression: “There can be no extravagance when starvation is in question . . . if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of this additional amount.” To his credit, Eccles acknowledged this caveat, calling it a “loophole” in Roosevelt’s budget-balancing program. But in truth it was far more. While declaring himself generally in favor of a balanced budget, Roosevelt expressly exempted not only running deficits to meet an emergency, but when figuring how far out of balance the budget was, he excluded from his calculations service on the debt, indicating he meant to reduce spending solely on ordinary operating expenses—and saying repeatedly that expenditures on New Deal programs to relieve hunger and poverty could never be too great, even if they led to a deficit. Arthur M. Schlesinger, Jr. would write of this speech that it was an outlier in the campaign—an unwise error and the product of conservative advisers like Bernard Baruch and Hugh Johnson appealing to Roosevelt’s residual conservative instincts. But on the face of it, it was no such thing; it represented an attempt to accommodate, within the framework of necessarily increased public spending, the untimely Democratic platform plank advocating government austerity.<sup>36</sup>

<sup>32</sup>“Throng Sees Notification: President Goes Beyond His Platform By Urging Dry Law Change,” *New York Times*, Aug. 12, 1932, 1; see also “Text of the Speech Delivered By President Hoover in Accepting Renomination.”

<sup>33</sup>“Text of the President’s Address Before Throng of 22,000 at Madison Square Garden.”

<sup>34</sup>Eccles, *Beckoning Frontiers*, 96.

<sup>35</sup>“The Text of Governor Roosevelt’s Speech to 30,000 in Pittsburgh Baseball Park,” *New York Times*, Oct. 20, 1932, 18.

<sup>36</sup>Eccles, *Beckoning Frontiers*, 98; Arthur M. Schlesinger, Jr., *The Crisis of the Old Order, 1919–1933*, vol. 1 of *The Age of Roosevelt* (Boston, 1957), 432; “The Text of Governor Roosevelt’s Speech to 30,000 in Pittsburgh Baseball Park.”

Even if one were to accept Roosevelt's commitment to budget reduction at Pittsburgh as representing his entire campaign—which it plainly did not—it still does not support a case that the candidates sounded as if they had exchanged places. Hoover also claimed to support a balanced budget, and did so without Roosevelt's caveats and qualifications. "I have insisted upon a balanced budget as the foundation of all public and private financial stability and of all public confidence," the president said. "I shall insist on the maintenance of that policy." He attributed the federal government's fiscal imbalance to Democratic profligacy. "The opposition leadership insisted ... over the protests of our leaders, upon adding \$300,000,000 of costs to the taxpayer through public works inadvisable at this time," which the president characterized as "raids upon the Federal Treasury" that he would "continue to oppose" so that he could lower taxes. "It is the relief of taxes from the backs of men which liberates their powers," he said.<sup>37</sup>

Thus, while Roosevelt proposed to approach the goal of a balanced budget, he defined that budget narrowly, referring only to ordinary administrative expenses of the federal government, and excluding spending on the New Deal—which required a large and permanent expansion of public works planning for both temporary and long-term relief of unemployment. Roosevelt's view that while one would like a balanced budget, there could be no such thing as extravagance in time of need, foreshadowed John Maynard Keynes's later, pithy guidance for fiscal policy: "The boom, not the slump, is the right time for austerity at the Treasury."<sup>38</sup> Hoover by contrast declared he had demanded a balanced budget throughout the Depression and would continue to do so by preventing spending on precisely such public works as Roosevelt demanded, so that he could lower taxes. On this issue, as on others, the Republican clearly ran to the right of the Democrat.

In the matter of Roosevelt's ostensible enthusiasm for budget-balancing in the 1932 campaign, what Rekdal described as the effect of "the whisper game" has been plain. Eccles made a case that Roosevelt was a budget-balancer, albeit one who allowed important loopholes for relief spending. But over time and repetition, that nuance fell away. As Rekdal says, "even top-level academics" repeating false claims can magnify their spurious elements, especially when treating claims as commonsensical and not requiring careful support. Julian Zelizer, in the course of documenting the value of budget-balancing ideology to the New Deal, writes that "Franklin Roosevelt devoted much of his campaign to attacking the 'reckless' spending of Hoover," where the word "much" vaguely but certainly overstates the importance of this proposal in Roosevelt's pitch to voters.<sup>39</sup> Harold James even more flatly declares that the New Deal reversed "the presidential campaign of 1932, in which Roosevelt had made the case for a balanced budget and maintenance of the gold standard—in short, for conventional economics."<sup>40</sup>

For Eccles, the claim that Roosevelt began as a budget-balancer helped bolster his own historical importance. The banker took pride in having arrived at Keynesian ideas without having read Keynes, "based on naked-eye observation and experience in the intermountain region." Moreover, Eccles said, none of Roosevelt's advisors "cited his [Keynes's] writing to support"

<sup>37</sup>"Text of the Speech Delivered by President Hoover in Accepting Renomination."

<sup>38</sup>John Maynard Keynes, "How to Avoid a Slump" (1937), in Robert Skidelsky, ed., *The Essential Keynes* (London, 2015), 402. Later, Roosevelt personally added statements summarizing this position to Henry Morgenthau Jr.'s testimony before the House Ways and Means Committee describing the role of deficit spending in meeting an economic crisis. See the transcript of a Treasury staff meeting, May 23, 1939 at 3pm, *Henry Morgenthau Jr. Diaries*, vol. 191, 94–133 esp. 106–9, <http://www.fdrlibrary.marist.edu> (accessed June 3, 2018).

<sup>39</sup>Julian E. Zelizer, "The Forgotten Legacy of the New Deal: Fiscal Conservatism and the Roosevelt Administration, 1933–1938," *Presidential Studies Quarterly* 30, no. 2 (June 2000): 331–58, esp. 335.

<sup>40</sup>Harold James, "A Big Ask," *Times Literary Supplement*, Apr. 13, 2016, <https://www.the-tls.co.uk/articles/private/a-big-ask/> (accessed June 2, 2018). Roosevelt did not campaign on the gold standard. While he avoided saying publicly that he would erode it, so as not to spark a panic or expose himself to that line of attack from Hoover, he said "point blank" but privately to a panel of newspaper editors that he supported inflationary legislation. See Henry Wallace to George F. Warren, Aug. 26, 1932, Henry Wallace Papers, microfilm, reel 15, University of Iowa Libraries.

their arguments. If Roosevelt started out as a fiscal conservative and none of his advisors cited Keynes, then Eccles's Keynesianism *sans la lettre* would have been quite important in shaping the New Deal.<sup>41</sup>

But the claim that Roosevelt promised the voters a balanced budget and then changed course once in office has a different provenance, and more powerful purpose, than the merely personal aggrandizement of Marriner Eccles: In 1935, a different banker used it as the basis for his opposition to Roosevelt's re-election. James Warburg, once and briefly an informal Roosevelt advisor, deployed it to open his memoir of disaffection from the New Deal, *Hell Bent for Election*. Here, Warburg quoted from the Pittsburgh speech on the need for governmental thrift, omitting Roosevelt's caveat that there could not be such a thing as excessive spending so long as Americans faced dire need, and charged that while abandoning his pledge of budget-balancing, Roosevelt had instead carried out "word for word the first twelve planks in the platform of the Socialist party."<sup>42</sup> Warburg did not note Roosevelt's own pledges of labor legislation and public employment. As the 1936 campaign approached, Warburg tried to assemble similarly conservative Democrats with deep pockets to oppose Roosevelt's re-election; meanwhile, the Republican National Committee bought and distributed 200,000 copies of Warburg's book as support for its effort to defeat Roosevelt in 1936.<sup>43</sup> The case Warburg made, that Roosevelt campaigned on orthodox economics and betrayed this conservatism once in office, represents the 1932 campaign even less accurately and with more tendentious hostility than the memoirs of Eccles.

Nor were speeches the voters' sole basis for understanding Roosevelt's candidacy. In 1935, two political scientists analyzed the presidential campaign of 1932 and concluded that one of its most remarkable features was that uncharacteristically, the Democratic Party was extraordinarily well organized.<sup>44</sup> Not only did Roosevelt employ and manage a team of speechwriters to keep his addresses clearly focused on vital themes, but he also had an invaluable resource in Molly Dewson, head of the Women's Division of the Democratic National Committee.

Drawing on her experience of the 1928 campaign, Dewson wanted to make sure that when a Roosevelt campaign worker went knocking on doors, she had in hand a clear summary of the candidate's message. Dewson and her team created a series of one-sheet flyers, each of which had a unique color corresponding to its theme, so that they could be swiftly identified and assembled into comprehensive packets. Six million of these leaflets went into the hands of precinct walkers who in turn took them to voters' households. (To avoid sexist aspersions, the flyers omitted mention of their origin in the women's division, reading simply, "Democratic National Committee," and they received the okay of Charlie Michelson on behalf of the DNC.) The leaflets reminded voters of Roosevelt's record as governor and apprised them of his core positions and intentions. "Less Tariff Means More Business," one proclaimed, chiding the "futile and foolish attempt to bar every product without a Made in America trade-mark." Roosevelt stood for "a fair tariff that would improve trade." As for "the forgotten farmer," the flyers re-stated Roosevelt's position in favor of a "self-supporting plan" to provide farmers with a fair price for their commodities. Roosevelt, the flyers said, was the favored candidate of "wage earners" because he supported unemployment insurance, minimum wages and maximum

<sup>41</sup>Eccles, *Beckoning Frontiers*, 132. Eccles is substantially wrong in this; Felix Frankfurter had read Keynes and recommended him widely, and Frankfurter advised Roosevelt that, "The budget will be balanced when business recovers rather than this foolish theory of magic that business will recover by balancing the budget." Felix Frankfurter to Franklin D. Roosevelt, Feb. 23, 1933, Felix Frankfurter Papers microfilm, reel 51, Library of Congress.

<sup>42</sup>James P. Warburg, *Hell Bent for Election* (New York, 1935), 6.

<sup>43</sup>Eric Rauchway, *The Money Makers: How Roosevelt and Keynes Ended the Depression, Defeated Fascism, and Secured a Prosperous Peace* (New York, 2015), 115–6.

<sup>44</sup>Peel and Donnelly, *The 1932 Campaign*, 157.

hours, and defended the right to organize. As for a balanced budget, the flyers distinguished between unemployment relief, which could provide an “alibi” for deficit spending, and the regular budget, to which Roosevelt proposed economies. The colored sheets of paper emphasized the Democrat’s support of aid to the poor, support for mortgage-holders, and—a signature issue for Roosevelt as governor and later as president—the right of the public to own, produce, and transmit electric power, with public prices serving “as ‘yardsticks’ to measure the fairness of private charges.”<sup>45</sup>

For voters wishing to read the candidate’s positions at greater length, Roosevelt’s campaign put out a book of essays under the governor’s name titled *Government—Not Politics*. Like the flyers, these essays emphasized the same positions Roosevelt put forward in his speeches: lower tariffs, lower interest rates, regulation of securities, federal support for farm prices, limiting profits for private electrical power companies to a fair rate of return. Repeatedly in these writings Roosevelt declared there would not be a dole—that is, American government (he was ambiguous, probably deliberately, about whether he meant New York or the United States) would not establish programs for paying Americans not to work. Rather, the government would find jobs for those in need, by launching an ambitious program of public works. He also argued here for a contributory system of unemployment insurance and a “self-financing” program of old-age insurance.<sup>46</sup> As the *New York Times* columnist Arthur Krock wrote when reviewing the essays, “It has often been asserted by critics of Franklin Delano Roosevelt in his own party and in the ranks of the Hoover administration that he lacks a program. There is no lack of program here.”<sup>47</sup>

There was still another way in which candidates could convey their messages: private assurances to people who would convey the word to important constituencies. In one vital case, while in Columbus to give his speech on securities regulation, Roosevelt met the editors of farm newspapers in the region. The governor told them “point blank” that he favored inflation of the currency by legislation (specifically, in the form of the Goldsborough Bill before Congress earlier that year). Even though Roosevelt did not wish to commit himself publicly to this policy (to say he favored inflation, before he could do anything about it, would have been both bad politics and bad policy) he wanted the word to get out. One of his Brains Trusters, Rex Tugwell, told the influential farm-journal publisher Henry Wallace that Roosevelt would carry through with an inflationary policy.<sup>48</sup> These pledges, quietly made, had their effect. As the 1935 analysis of the campaign noted, “Discerning students thought they recognized in Roosevelt’s speeches some hint of a willingness to experiment with debts and media of exchange.”<sup>49</sup> Notably, when declaring just before the vote that he still stood for a “sound currency,” he omitted to commit himself specifically to the gold standard or to dispute Hoover’s accusation that he would institute a more elastic dollar.<sup>50</sup>

As cautious and systematic as the Roosevelt campaign was, it did sometimes err, especially in specifics. In *Government—Not Politics*, the chapter on agricultural price supports advocated use of the equalization fee, rather than the domestic allotment, whereas by the time of the campaign the Democrats and their farm supporters had decided the allotment was the superior policy. Confronted with this change of mind, Roosevelt had to confess that his book was written well in advance of the campaign and that he, with his advisors and constituents, had since then altered course.<sup>51</sup>

<sup>45</sup>Mary “Molly” Dewson, “An Aid to the End,” unpublished manuscript in the Mary Dewson Papers, vol. 1, 62–4 and flyers inserted between 63 and 64, Radcliffe Library, Cambridge, MA.

<sup>46</sup>Franklin D. Roosevelt, *Government—Not Politics* (New York, 1932), esp. 48–50.

<sup>47</sup>Arthur Krock, “Franklin D. Roosevelt Speaks,” *New York Times*, Aug. 7, 1932, BR1.

<sup>48</sup>Henry Wallace to George Warren, Aug. 26, 1932, Henry Wallace Papers, microfilm, reel 15, University of Iowa Libraries.

<sup>49</sup>Peel and Donnelly, *The 1932 Campaign*, 134.

<sup>50</sup>“Text of Roosevelt’s Address at Brooklyn Rally,” *New York Times*, Nov. 5, 1932, 10.

<sup>51</sup>Slichter, “Franklin D. Roosevelt and the Farm Problem,” 249.

Such errors notwithstanding, and even accounting for the evasions that invariably characterize political campaigns, the Democratic effort to persuade voters to support the New Deal, together with the Republican determination fiercely to oppose the New Deal policies as not only unwise and unworkable but un-American, ensured, as political scientists wrote in 1935, that “the masses ... believed that the major parties really did have contrasting and opposing programs.”<sup>52</sup> Nor were the masses confused about which candidate wanted to increase the scope of government to provide aid to individual citizens, and which one believed that to undertake such an expansion risked the onset of Bolshevism. Roosevelt stood for a New Deal, and Hoover opposed it.

As I suggested at the outset of this essay, the question of what the voters knew about the candidates’ positions matters a great deal. Warburg’s polemic shows, the argument that Roosevelt was elected by default, and without letting the voters know what he would do, is an argument that the New Deal lacked democratic legitimacy. And democratic legitimacy was the most important goal Roosevelt could achieve; it was the New Deal’s ultimate aim. A sufficiently speedy turn to economic recovery and a program of (what was then already called) social justice, though they were goods in themselves, were vitally important to Roosevelt and those around him principally because they could fend off a movement for fascism. Employment on public works was desirable not only because it could give jobs to Americans who needed them, but because for the government to hire citizens would, Roosevelt said, “help restore the close relationship with its people which is necessary to our democratic form of government.”<sup>53</sup> As Ira Katznelson observes, it was not at all clear in 1932 “that America’s constitutional state possessed the means to meet the era’s challenges.” Dictatorship was on the rise throughout the world, and there was no necessary reason the United States should prove an exception. And so, Katznelson argues, “Of the New Deal’s achievements, none was more important than the demonstration that liberal democracy ... could govern effectively in the face of great danger.”<sup>54</sup> Roosevelt likewise understood this idea and stood for it in 1932. “Perhaps a Dictator, by suspending legality, could accomplish a ruthless clean-up,” he said, “—but we do not want dictators in the United States. The other penalties of dictatorship are too high.”<sup>55</sup>

The essence of the program on which Roosevelt ran in 1932 was the offer to prove that democracy could survive the Depression and face down the threat of fascism. I use the word “program” advisedly here, because it challenges another, too-often quoted, unreliable reminiscence about the New Deal as it stood on the eve of Roosevelt’s inauguration. As Frances Perkins wrote in her 1946 memoir, before the hundred days the New Deal “was not a plan with form and content.... [It] expressed a new attitude, not a program.”<sup>56</sup> That phrase, like Eccles’s quip, is obviously incorrect and nevertheless echoes in the historiography, signifying (as one historian writes) “the charge” that Roosevelt “had more personality than character, more charm than substance.”<sup>57</sup>

Perkins was probably as self-serving in her reminiscence as Eccles was in his—if Roosevelt had no specific ideas about social policy before taking office, her role in shaping the New Deal was therefore that much more historically important (and never mind what Perkins’s patron Dewson had done to make Roosevelt’s program clear during the campaign). But I suspect,

<sup>52</sup>Peel and Donnelly, *The 1932 Campaign*, 124.

<sup>53</sup>Roosevelt, *Government—Not Politics*, 29.

<sup>54</sup>Ira Katznelson, *Fear Itself: The New Deal and the Origins of Our Time* (New York, 2013), 6–8.

<sup>55</sup>Roosevelt, *Government—Not Politics*, 51.

<sup>56</sup>Frances Perkins, *The Roosevelt I Knew* (New York, 1946), 166. Perkins’s reminiscences are known to be unreliable; see, e.g., Elisabeth Israels Perry, “Critical Journey: From Belle Moskowitz to Women’s History,” 79–96, in Sarah Alpern, Joyce Antler, Elisabeth Israels Perry, and Ingrid Winther Scobie, eds., *The Challenge of Feminist Biography: Writing the Lives of Modern American Women* (Urbana, IL, 1992), esp. 87–8.

<sup>57</sup>Kennedy, *Freedom from Fear*, 101; see also 405 and 501.

though I cannot properly prove, that Perkins was up to more than mere self-promotion in disavowing a “program.” In the same section, she denies that the New Deal had “a preconceived theoretical position” and says also that “[t]here were no preliminary conferences of party leaders to work out details and arrive at agreements.”<sup>58</sup> Perkins’s remarks are, again, factually wrong: there were extensive conferences among party leaders at Warm Springs and in Washington in December 1932, with the aim of arriving at agreements and working out details of legislation, prioritizing the domestic allotment bill to raise the prices of agricultural commodities. But Perkins’s language sounds as if she wants to do more than merely convey a statement about the facts. She clearly intended to contradict Hoover’s accusation that the New Deal was Bolshevik in nature. It could not be: its practitioners had no theory, no program, nor did its party leaders convene to discuss one. Perkins was making a defensive statement, and one that probably seemed important to make in 1946 in a way it had not been important to do in 1932. It was akin to Schlesinger’s characterization of New Deal liberalism as not programmatic, but “pragmatic.”<sup>59</sup> These are the typical defenses of Cold War liberals against the charge of creeping socialism.

Historical analyses that argue Roosevelt could have been swapped for Hoover in 1932 are also, of course, the characteristic conclusions of that close cousin to Cold War liberalism, consensus history. Consensus historians assume the absence of real ideological conflict in American political life and are keen, in Richard Hofstadter’s words, not only “to understand ... the limitations of American political thought” but often “to celebrate them.”<sup>60</sup> That the New Deal lacked ideas and an agenda was, for consensus historians, a virtue that helped distinguish the American political tradition from the dangerously leftist and rightist movements that infested the discourses of other nations.

The consensus analysis does real damage to the history and legacy of the New Deal. To assert the interchangeability of Hoover’s and Roosevelt’s campaigns in 1932 is not only to defy every iota of primary source evidence, it is to deny how very much was at stake in that contest, the American electorate’s awareness of those stakes, and the immense consequentiality of the outcome: the candidate who had a specific program to thwart the rise of fascism became president, and the candidate who derided that program as creeping Sovietization did not. It is of course possible that the nation was in such dire straits that Roosevelt might have won election without articulating much of an agenda. But he chose otherwise, and he made evident what he would do if elected. The 1932 presidential election was a clear ideological conflict. The New Deal was on the ballot, and the voters chose to have it implemented.

The New Deal did, of course, change and develop over the course of Roosevelt’s presidency, and it always featured a spirit of experimentation that Roosevelt embraced. He was, in fact, not a Communist, nor did he feel in any way obliged to deduce policy from first principles. Some elements of the New Deal came sometimes from outside the administration, and others had to be altered in response to the Supreme Court declaring them unconstitutional. Roosevelt stayed true to the platitude of his 1932 commencement address at Oglethorpe University: “It is common sense to take a method and try it: If it fails, admit it frankly and try another. But above all, try something.”<sup>61</sup> He did not, of course, say “try anything.” He had a set of options he would try, so that he could lead the country in one particular direction—it was not for nothing that he

<sup>58</sup>Perkins, *Roosevelt I Knew*, 166–7.

<sup>59</sup>Schlesinger, *Crisis of the Old Order*, 422–4.

<sup>60</sup>Richard Hofstadter, *The Progressive Historians: Turner, Beard, Parrington* (Chicago, 1968), 449. In a book about the progressives, Hofstadter offered this critique of consensus history by way of saying that he had come to appreciate the progressive view and now regarded consensus scholarship as problematic.

<sup>61</sup>On this speech, see Paul Stephen Hudson, “A Call for ‘Bold Persistent Experimentation’: FDR’s Oglethorpe University Commencement Address, 1932,” *Georgia Historical Quarterly* 77, no. 2 (Summer 1994): 361–75.

compared himself to a football quarterback.<sup>62</sup> He knew which way he wanted to go and what the rules permitted him to do.

At the start of this essay I mentioned the long shadow of William Leuchtenburg's 1963 synthesis, noting that few historians would have the temerity to challenge a key element of its interpretation. Some who do are those writing monographs, digging in primary sources, and thus avoiding the perils of the whisper game; Sarah Phillips, for example, sees clearly that "Roosevelt distinguished himself from Hoover" as a candidate in 1932.<sup>63</sup> Another historian who does have the requisite fortitude to challenge Leuchtenburg is Leuchtenburg himself, who rather than continuing to cite his early work has kept returning to the archives and reporting his findings afresh. Before even a decade had passed since the publication of *Franklin D. Roosevelt and the New Deal*, Leuchtenburg was already arguing that historians were too prone to exaggerate the similarities between Hoover and Roosevelt.<sup>64</sup> Hoover had, Leuchtenburg noted, pursued "policies that were not very different from those advocated by [Treasury Secretary Andrew] Mellon," who advised him that the only way out of the Depression was to allow the crisis to work itself out: prices must continue to fall, debtors must continue to go bankrupt, businesses and banks must continue to fail until, at last, the rot had all gone from the system. Only then, and only by this painful process, could the economy recover. As Leuchtenburg said, the Republican presided with a policy of "laissez faire."<sup>65</sup>

Meanwhile, Leuchtenburg also notes, there was from the start more substance to the New Deal than common wisdom now tends to acknowledge. In his 2015 book on the presidency, Leuchtenburg writes that Roosevelt held a distinct philosophy, a "Bismarckian conception of the State," and he ran on a platform of "purposeful planning." Together with his advisors, the governor did, over the course of the 1932 campaign, "chart a program for recovery." Which is to say, Leuchtenburg now expressly contradicts Perkins's "attitude, not a program" formula.<sup>66</sup> If to argue that as candidate and president-elect Roosevelt had a plan for the New Deal is to mark us as unserious scholars, then at least we will have Leuchtenburg for company. And in any case, all historians should follow Leuchtenburg's example (in this as in many things), testing memoir against primary sources and not fearing to revise ourselves, lest we fall prey to the whisper game.

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<sup>62</sup>Presidential Press Conference no. 13, Apr. 19, 1933, 10:38am, 5, Franklin D. Roosevelt Presidential Library, <http://www.fdrlibrary.marist.edu/> (accessed June 17, 2018).

<sup>63</sup>Sarah T. Phillips, *This Land, This Nation: Conservation, Rural America, and the New Deal* (Cambridge, UK, 2007), 71.

<sup>64</sup>William E. Leuchtenburg, *The FDR Years: On Roosevelt and His Legacy* (New York, 1995), 212 (citing an interview of the late 1960s).

<sup>65</sup>William E. Leuchtenburg, *Herbert Hoover* (New York, 2009), 143.

<sup>66</sup>William E. Leuchtenburg, *The American President: From Teddy Roosevelt to Bill Clinton* (New York, 2015), 139.