

# The Politics of the New Deal

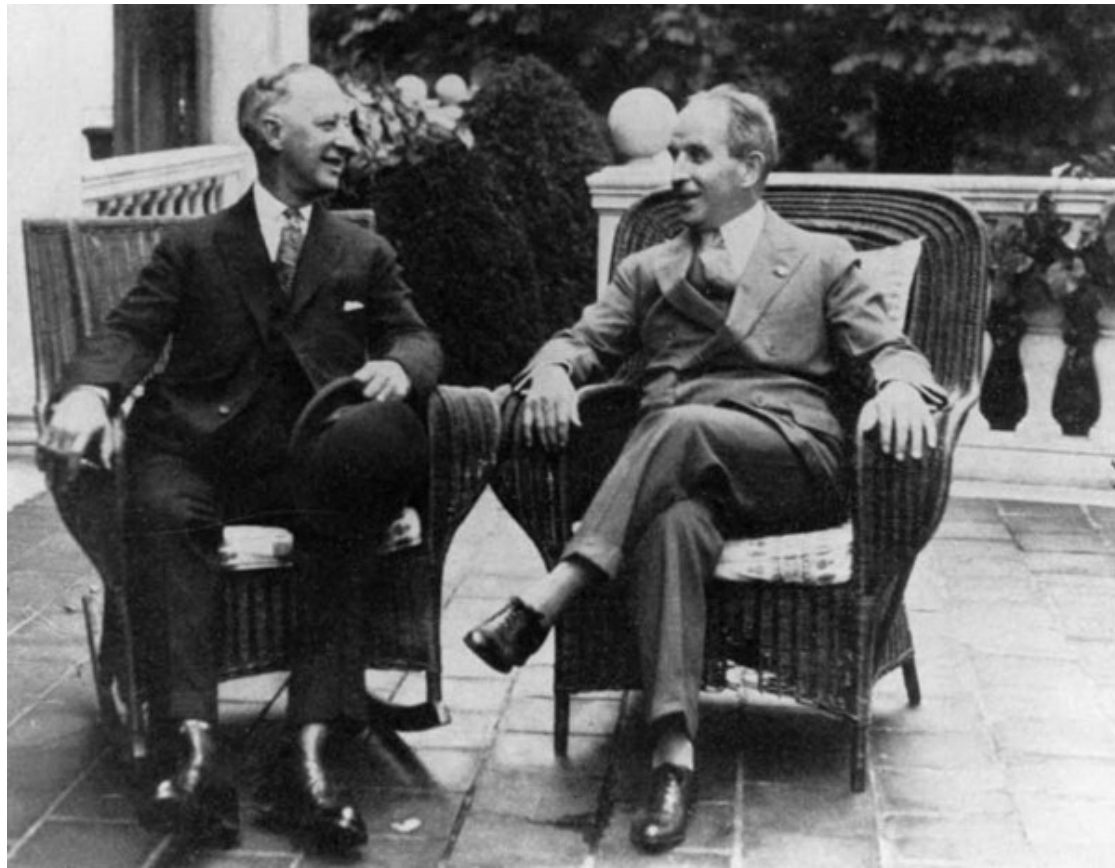
# Overview

- Before 1932
- 1932, 1934 & 1936: Votes for change
- Mass movements for change
- Key New Deal defeats
- Changing balance in Congress

# Pre-1932 Democratic Party

- South & ethnic, urban Catholic areas
- Pro business/Classical economics
- Raskob program
  - Repeal prohibition
  - Tax beer
  - Reduce corporate & individual income taxes
- Attacked Hoover as big spender
- Proposed national sales tax -- 1932

# Al Smith & John Raskob



# Pre-1932 Republican Party

- Big business/Eastern establishment
- Progressives
  - Rural and western
    - La Follette Wisconsin
    - Norris - Nebraska
    - Johnson - California

# First New Deal

- FDR's aim: consensus
- President of all the people
- Include large corporations, small businesses, labor, farmers...

# FDR's First Cabinet

- Wilson Democrats (Hull, Dern, Cummings & Roper)
- Progressive Republicans (Wallace & Ickes)
- Democrat (Perkins)
- Republican (Woodin)
- Conservative Democrat (Swanson)

# Upton Sinclair & EPIC

- More “radical” than New Deal
- End Poverty in California
  - Production for use
  - Unrestrained productivity
    - Problem, not solution
  - State seizure of idle land & factories
  - Unemployed to produce for own use
- Sinclair’s campaign books: 435,000 copies
- 2,000 EPIC clubs



# Upton Sinclair



# 1934 Gubernatorial Primary

- 9 candidates in Democratic race
- Sinclair won absolute majority
- 350,000 new Democratic registrants

# 1934 Elections in California

- “Dirty” campaign against Sinclair
  - Fake documents
  - Smears
  - Fake newsreels
- Opposed by New Deal Dems
- Sinclair won 875,000 votes but lost election
- 30 EPIC supporters elected to legislature
- GOP Gov. Merriam endorsed New Deal

# Other “Radical” State Parties

- Wisconsin
  - Wisconsin Progressive Party
- Washington
  - Commonwealth Builders
  - Production for use
  - 1934: 2 Senators; 3 House seats; almost 1/2 state legislators
- Utah
  - Reform Taxpayers League
  - Redistribution of wealth
  - Controlled legislature

# Business Opposition

- 1934 stock exchange reforms
- Liberty League
  - Dupont interests
  - John Raskob (Dem Chairman 1928-1932)
  - Al Smith & business-oriented Democrats
- New Deal: unconstitutional & undemocratic
- 177 anti-New Deal publications
- 5 million copies

# Business Support

- New York interests
  - Winthrop Aldrich (Chase National Bank)
  - W. Averell Harriman (Union Pacific)
- New industries
  - Thomas Watson (IBM)
  - Jack Warner (Warner Bros.)
  - Walter Gifford (AT&T)
  - Gerald Swope (GE)

# 1934 Elections

- Dems
  - 9 more House seats
  - 26 of 35 Senate races
- First time President gained seats in mid-term election
- GOP
  - Lost 14 House seats
- Progressives - 7 House seats
- Farm Labor - 3 House seats

# Father Charles Coughlin

- Catholic priest in Detroit suburb
- Began radio sermons in 1926
- 1929 addressed economic & social issues
- Critical of Hoover
- Largest radio audience in world
- Redistribute wealth through monetary manipulation





# Coughlin & New Deal

- Initially supportive
- By late 1935 turned against FDR
- Attacked both communist influences & favoritism towards bankers

# Coughlin & Politics

- National Union for Social Justice
  - “Glorified mailing list”
- Core support
  - Irish & German Catholics in urban areas
  - Lower middle class

# Dr. Francis Townsend

- California doctor
- Old Age Revolving Pensions
- “The Townsend Plan”
  - Pay everyone 60+ years \$200 a month
  - Give up other income
  - Spend \$200 within 30 days
  - 2% transaction tax



# Public Appeal

- 3.5 million members of Townsend Clubs
- 20 million signatures on petitions
- Opinion poll (1936): 50% public support
- Core support
  - Elderly
  - Middle class, self-employed
  - WASP

# Huey Long

- Elected Gov. of Louisiana 1928
- Appealed to rural poor & industrial workers
  - Tax reforms
  - Expanded public services (esp. schools)
  - Road construction
- Elected US Senator 1931

# Long & New Deal

- Supported FDR at 1932 convention
- Broke with FDR by 1934
- FDR:
  - Directed patronage to Long's foes
  - Helped Southern senators attack Long
  - Launched tax investigations
- Long killed by La. opponent 9/35



# Share Our Wealth

- Redistribute surplus wealth
  - Income & inheritance taxes
  - Annual capital levy
- Provide every family with \$5000 estate
- 1935: 27,000 clubs
- 8 million names in files

# □ Long & National Politics

- 1935 DNC poll:
  - Long: 2-3 million votes for President
  - Support in farm belt, Great Lakes industrial areas

# Long, Coughlin & Townsend

- Outside electoral process
- Appeal to mass following
- Social justice
- Negative tone, scapegoats
  - Anti-intellectual
  - Anti-Eastern establishment
- Unorthodox economic ideas
- Democratic?
- Perceived as threat to New Deal

# Minnesota Farmer-Labor Party

- Floyd Olson --Governor in 1930
- Critical of New Deal
  - Did not go far enough
- 1934 election
  - Olson: “I am a radical.”
  - Radical platform
- Olson died in 1935



# Minnesota 1936 Elections

- Farmer-Labor Party
  - Elmer Benson wins gov. by 2-1
  - Ernest Lundeen elected Senator
  - 5 of 9 House seats
  - All but one statewide office

# Between New Deals

- 1934-35
  - FDR:
    - Cooperation with business
    - Encourage new investment
  - Business groups
    - not interested

# Second New Deal

- Spring-Summer 1935
  - Social Security Act
  - Wagner Act
  - Wealth Tax Act
  - Public Utility Holding Company Act



# Second New Deal

- Anti-big business tone
  - Reaction to mass movements
  - Reaction to business opposition
  - Correct earlier mistakes
- Political change, not ideological

# 1936 Presidential Election

- Dem -- FDR (523 electoral votes)
- GOP -- Alf Landon (8 electoral votes)
- Union Party - William Lemke (2% of popular vote)

# FDR's 1936 Campaign

- Non-partisan
- Haves vs Have nots
  - Economic royalists
  - Privileged princes
  - New industrial dictatorship
- Mobilize new voters
  - African-Americans
  - Ethnic groups
  - Urban workers

# Alf Landon

- Born PA 1887
- Oil producer
- Progressive GOP
- Gov Kansas 1932-6

QuickTime™ and a  
decompressor  
are needed to see this picture.

# Landon's 1936 Campaign

- Endorsed New Deal goals
- Criticized “waste, fraud & abuse”
- Turned to direct attacks
  - Social Security would rob workers
  - New Deal would lead to guillotine
- Mass advertising techniques
- Outspent FDR \$14M to \$9M

# Union Party

- William Lemke (GOP - North Dakota)
- Remnants of Share Our Wealth
  - Gerald L.K. Smith
- Support from Coughlin & Townsend
- Funding from GOP
- Sounded anti-democratic

# 1936 Election Results

- Landon (>39% of popular vote)
  - 58% of upper income voters
- FDR (61% of popular vote)
  - 80% of union members
  - 81% of unskilled workers
  - 84% of people on relief

# 1936 Congressional Elections

- Senate:
  - 75 Dems
  - 16 GOP
  - 4 other
- House:
  - 333 Dems
  - 88 GOP
  - 13 other



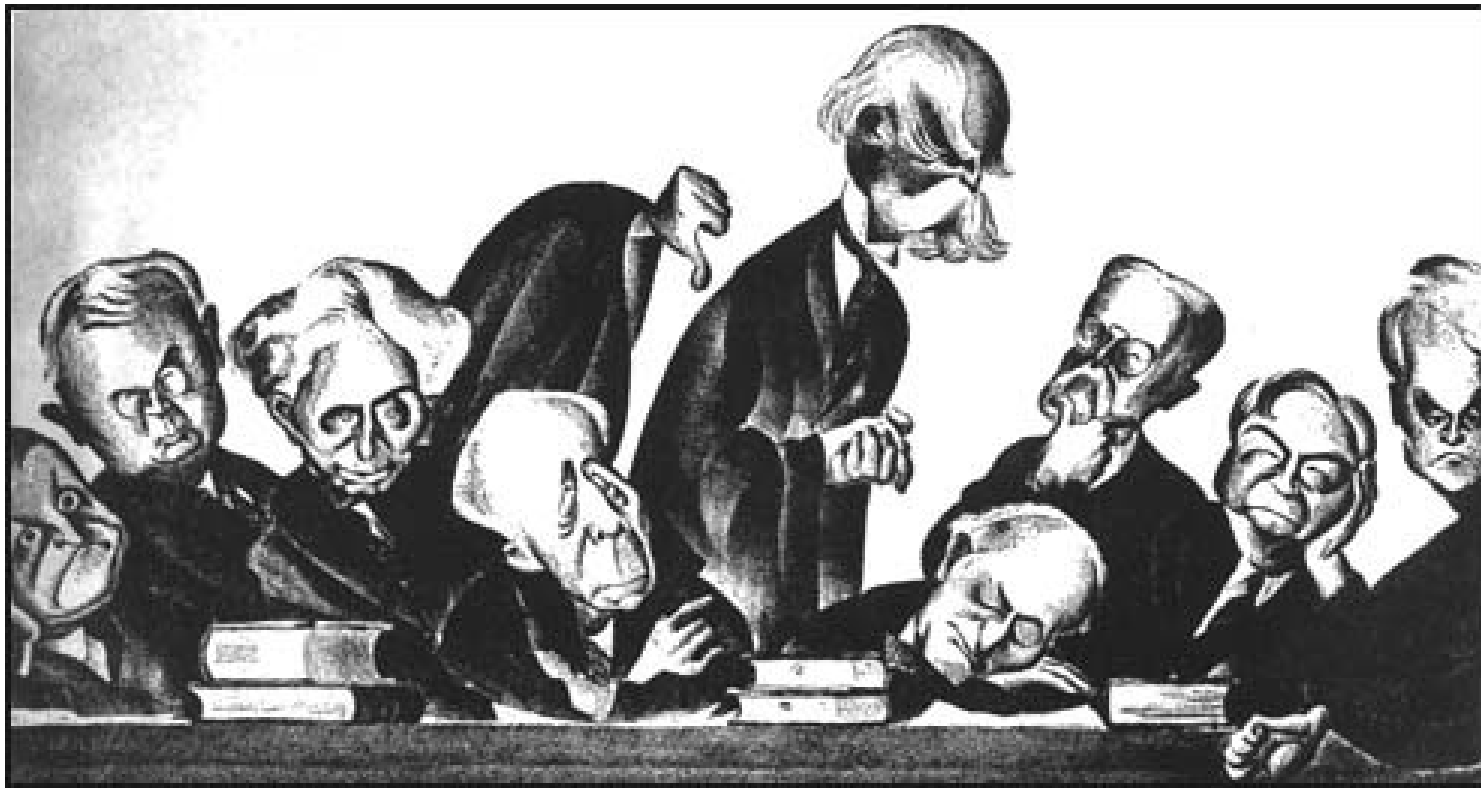
# Supreme Court

- 7 of 9 Justices appointed by GOP
- None by FDR
- Activist
  - 1920-1933: invalidated 22 laws
  - Invalidated New Deal legislation
    - NIRA
    - Parts of AAA
- 5-4 votes (Van Deventer, Sutherland, Roberts, Butler & McReynolds)

# Charles E. Hughes

- “Constitution is what the judges say it is”

# Nine Old Men



# Court “Packing” Proposal

- February 1937
- President to appoint new judges
  - every judge with 10 years service & older than 70.5 years
- Little discussion within administration
- No consultation with Congress

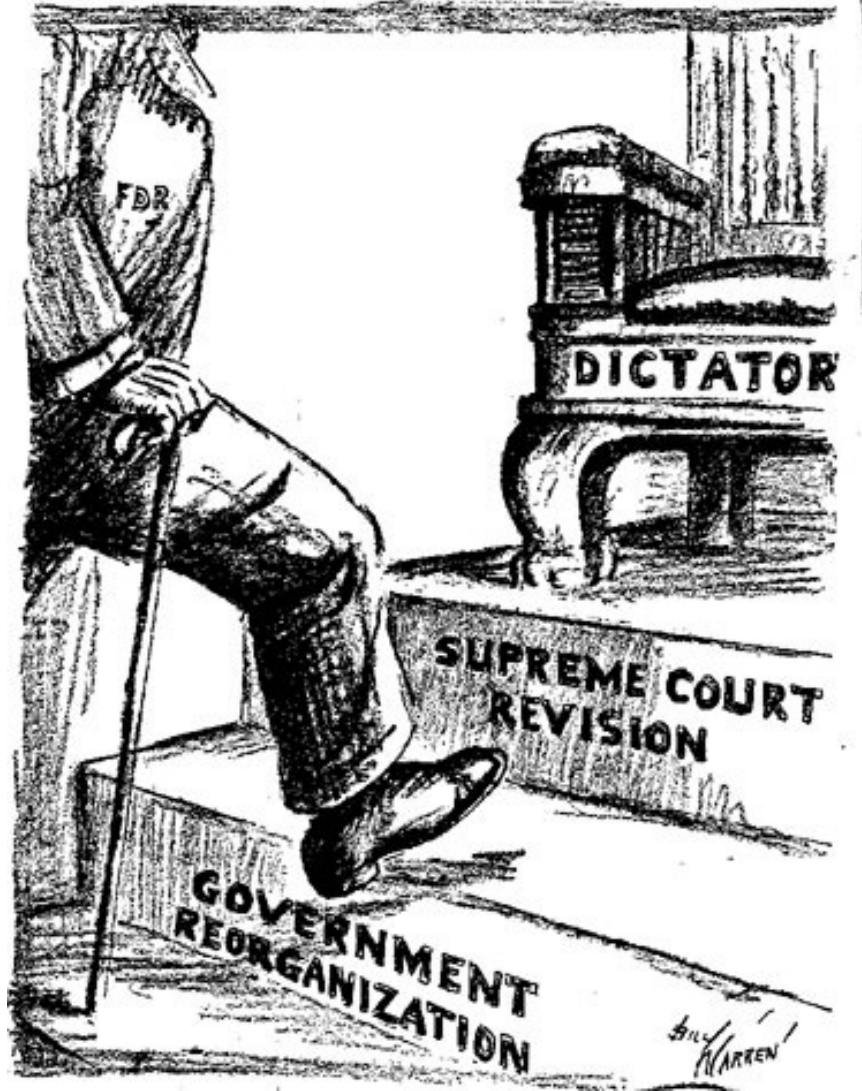
# Court Controversy

- Opposition across political spectrum
- Considered by Senate
  - Opposition led by Dems
    - Burton Wheeler (Dem -- Montana)
  - GOP: United, but silent
- FDR resisted compromise
- Innocuous judicial reform bill passed

Hear Ye! Hear Ye! Hear Ye!



Step by Step



# Supreme Court Shifts

- Affirmed Washington wage law
  - Similar to NY law invalidated in 1936
  - Decided before Court proposal
  - Announced in March 1937
  - Justice Roberts changed position
- April 1937: affirmed Wagner Act
- May 1937: Van Deventer announced retirement
- May 1937: affirmed Social Security Act



# Executive Branch Reorganization

- Brownlow Report - 1937
  - 12 Cabinet agencies
    - Social Welfare
    - Public Works
  - Central planning agency
  - Additional White House Staff

# Opposition to Reorganization

- Congress
  - Expansion of Civil Service system
  - Executive pay
  - Expanded White House
- Frank Gannett & National Committee to Uphold Constitutional Government
- Small businesses & farmers
- FDR subordinates

# Anti-New Deal Coalition

- Original anti-New Deal Democrats
  - Glass, Byrd, Bailey...
- Southern and rural Democrats
- Republicans
- Strength:
  - Block legislation after 1937-1938
  - Pass legislation 1939 & after

# 1938 Primaries

- 3 of 4 New Deal supporters won
- FDR's purge: anti-New Deal Dems
  - Failed to defeat 5 Senate candidates
    - Millard Tydings (MD)
    - “Cotton Ed” Smith (SC)
    - Walter George (Ga.)
  - Defeated John O'Connor (NY)
    - Chairman of House Rules Committee

# 1938 Elections

- GOP gained
  - 13 governorships
  - 8 Senate seats
  - 81 House seats

# Political Realignments

- Demise of Progressive Republicans
- GOP becomes party of “no”
- Rural & farm voters
  - Early support for FDR
  - Reverted to GOP
- New Democratic supporters
  - Urban ethnics
  - Blacks
  - Unions
- Southern Dems increasingly disenchanted

# Politics of New Deal

- FDR more popular than Dems
- Initial “consensus” politics = limited success
  - Business not interested
- Mass movements pushed FDR toward reforms
  - Townsend & Social Security
- Flirtation with class politics = less success
  - FDR & unions: uneasy allies
  - Labor allies produced business & rural opposition