User Name: =

Date and Time: = 2024-11-04

Job Number: = 237727801

Documents (32)

Client/Matter: -None-

Search Terms: atleast3(Moley) and "Raymond Moley"

Search Type: Boolean

Content Type	**Narrowed by**
news	-None-

1. Loose Ends (134)

Jul 14, 2021 Power Line

2. Waiver of provisions of E.O. of Jan. 17, 1873, for Raymond Moley

Apr 12, 1933 Primary Sources in U.S. Presidential History Franklin Delano Roosevelt

3. FDR against the Bill of Rights

Jan 05, 2024 ContentEngine Think Tank Newswire English David Gordon

4. DIED

Mar 03, 1975 Newsweek TRANSITION; Pg. 45

5. Moley, Dr. Jeffrey Fletcher 64

Oct 19, 2017 St. Louis Post-Dispatch (Missouri) CLASSIFIED ADVERTISING

6. KELLE HARBERT WED TO DR. JEFFREY MOLEY

Aug 23, 1987 The New York Times Section 1; Part 2, Page 59, Column 5; Society Desk

7. THE NEW DEAL AND RECOVERY, PART 2: INVENTING THE NEW DEAL

Jun 22, 2020 States News Service States News Service

8. Jobs, economic growth dream fading? The present approach of assuming markets will grow the economy and jobs is more like a raw deal for citizens

Feb 26, 2020 Pretoria News (South Africa)/Pretoria News Weekend (South Africa) BUSINESS REPORT; Pg. 18

9. SPEAK SOFTLY AND CARRY A BIG SPEECH; FDR's inaugural address offered hope to a nation

Sep 08, 2002 The San Diego Union-Tribune BOOKS;Pg. BOOKS-2; REVIEW. William W. Starr; (c) The State (Columbia , S.C.)

10. JFK, FDR, and the Secret History of How a Great Inaugural Address Is Written

Jan 15, 2009 USNEWS.com OPINION; Vol.; No. Robert Schlesinger

11. The Birth of 'New Deal'

Jul 02, 2007 All Things Considered

12. The Books: The Kiss-and-Tell Club

Apr 05, 2004 Newsweek COVER STORY: SPECIAL REPORT; Pg. 34 By Michael Beschloss; Presidential historian Beschloss's latest book is "The Conquerors: Roosevelt, Truman and the Destruction of Hitler's Germany ."

13. THE NEW DEAL AND RECOVERY, PART 15: THE KEYNESIAN MYTH

Mar 16, 2022 States News Service States News Service

14. THE BUREAUCRACY; EXERTS ON TRADE RELIVE THE 1930's

Jun 23, 1984 The New York Times Section 1; Page 7, Column 3; National Desk By CLYDE H. FARNSWORTH

15. LETTERS TO THE EDITOR

May 03, 2004 Crain's Chicago Business Pg. 10

16. THE NEW DEAL AND RECOVERY, PART 12: FEAR ITSELF

Apr 14, 2021 States News Service States News Service

17. 'Not My Fault'

Jun 22, 2008 The New York Times Section BR; Column 0; Book Review Desk; Pg. 23; ESSAY By JACOB HEILBRUNN Jacob Heilbrunn, a regular contributor to the Book Review, is the author of ''They Knew They Were Right: The Rise of the Neocons.''

18. Ghost Stories

May 01, 2010 The American Prospect CULTURE & BOOKS; Media; Pg. 45; VOLUME 21; NUMBER 4 CRAIG FEHRMAN Craig Fehrman is working on a book about presidents and their books.

19. ON LANGUAGE; SHOO-IN

Oct 07, 1984 The New York Times Section 6; Page 18, Column 3; Magazine Desk By William Safire

20. 100 YEARS OF EXPERTS ARMED WITH MONEY ...SURE DIDN'T DO MUCH FOR CLEVELAND

Apr 15, 2014 States News Service States News Service

21. TEAM OF RIVALS REDUX

Apr 01, 2009 The American Prospect CULTURE & BOOKS; Books; Pg. 37; VOLUME 20; NUMBER 3 LIZABETH COHEN Lizabeth Cohen, chair of the history department at Harvard University , is the author of Making a New Deal: Industrial Workers in Chicago, 1919-1939 and A Consumers' Republic: The Politics of Mass Consumption in Postwar America .

22. G-20: GHOSTS OF CONFERENCES PAST

Mar 23, 2009 States News Service States News Service

23. WEDDINGS; Janis H. Moley And Jed McCarthy

Jun 11, 1995 The New York Times Section 1;; Section 1; Page 56; Column 2; Society Desk; Column 2;

24. The 5 Best Inaugural Addresses

Jan 18, 2013 USNEWS.com OPINION; Vol.; No. Robert Schlesinger

25. FIGHTING WORDS; The White House memoir grows claws.

Jul 14, 2003 The New Yorker THE CRITICS; Books; Pg. 94 WALTER ISAACSON

26. Squandering Prosperity; George W. Bush has the worst economic record of any president since Herbert Hoover. But can the Democrats exploit that at all?

Jun 01, 2003 The American Prospect FEATURES; Pg. 26 BY HAROLD MEYERSON; HAROLD MEYERSON is the Prospect's editor at large.

27. FDR against the Bill of Rights

Jan 05, 2024 Newstex Blogs David Gordon

28. The New Deal and Recovery, Part 2: Inventing the New Deal

Jun 22, 2020 Newstex Blogs George Selgin

29. The Federal Reserves Magic Money

Nov 14, 2010 Newstex Blogs

30. The New Deal and Recovery, Part 12: Fear Itself

Apr 14, 2021 Newstex Blogs George Selgin

31. Victory Speeches

Nov 07, 2012 The New York Times Blogs OPINION ROBERT LEHRMAN

32. The New Deal and Recovery, Part 15: The Keynesian Myth

Mar 16, 2022 Newstex Blogs George Selgin

[Loose Ends (134)]

Power Line

July 14, 2021

Length: 246 words

Dateline: New Delhi, 2021-07-14 18:45:59

Body

July 14 -- · Lately I've been dipping into the great memoirs of ***Raymond Moley*** again. ***Moley*** was FDR's closest confidante early from the governor's mansion in Albany and into the White House in 1933. In fact, ***Moley*** wrote most of FDR's very problematic First Inaugural Address (but not the much more problematic Commonwealth Club Address).

Moley broke with FDR after 1936, appalled by where he thought the New Deal had gone badly wrong, and FDR's increasing monomania. Afterwards ***Moley*** moved to the right and eventually became a Republican. He wrote this in one of his memoirs, and see if it doesn't apply to today:
"Progressivism has always thrived upon the attacks of its enemies. It remains to be seen whether it can survive the mistakes of its friends."
· Over at the American Thinker, Gamaliel Isaac writes:
"Critical Race Theory is liable to end for reasons very similar to the reasons the Salem witch trials ended."
Let us hope this is true. I am doubtful. The biggest question for the fall is what is going to happen on college campuses that were shut down for the last academic year, and hence missed the chance for campus protests about George Floyd, BLM, Defund the Police, etc. Will the "great reset" entail things calming down, with students and faculty alike saying they've had enough wokery, or will there be pent up demand to push even further to the left? I can see either outcome happening.
· Finally-what's wrong with the humanities on college campuses in 10 seconds:

Classification

Language: ENGLISH

Publication-Type: Magazine

Subject: BIOGRAPHICAL LITERATURE (90%); POLITICAL & SOCIAL IDEOLOGIES (78%); GOVERNORS (77%); US REPUBLICAN PARTY (77%); CRIME, LAW ENFORCEMENT & CORRECTIONS (74%); NEGATIVE MISC NEWS (74%); COLLEGES & UNIVERSITIES (71%); CRITICAL RACE THEORY (68%); HUMANITIES & SOCIAL SCIENCE (66%); STUDENTS & STUDENT LIFE (66%); POLICE DEFUNDING (51%)

Industry: COLLEGES & UNIVERSITIES (71%); POLICE DEFUNDING (51%)

Geographic: NEW DELHI, INDIA (59%); UNITED STATES (78%); INDIA (74%)

Load-Date: July 14, 2021

Waiver of provisions of E.O. of Jan. 17, 1873, for Raymond Moley

Primary Sources in U.S. Presidential History

April 12, 1933

Length: 291 words

Byline: Franklin Delano Roosevelt

Body

Document Type: Executive Orders [Primary Source]

Title: Waiver of provisions of E.O. of Jan. 17, 1873, for ***Raymond Moley***

Author: Roosevelt, Franklin Delano

Author Note: Thirty-Second President of the United States, (1933-1945)

Date: April 12, 1933 Pages: 1 p.

Series Title: Executive Orders

Document Number: Executive Order No. 6108

Availability: CIS Index to Presidential Executive Orders and Proclamations, Part II: Mar. 4, 1921 to Dec. 31, 1980, Warren Harding to Ronald Reagan. 1933-EO-6108

Content Note: Waiving executive order prohibiting federal employees from holding office under any state, territorial, or municipal government, in order to permit the Assistant Secretary of State to serve as a member of a commission to investigate the administration of justice in the state of New York

Subject Descriptors: Administration of justice; Department of State; Government officials; New York State

Waiver of provisions of E.O. of Jan. 17, 1873, for *Raymond Moley*

Executive Order

WAIVER OF PROVISIONS OF EXECUTIVE ORDER OF JANUARY 17, 1873, FOR ***RAYMOND MOLEY***

The provisions of the Executive order of January 17, 1873, prohibiting Federal employees from holding office under any State, territorial, or municipal government, are hereby waived to permit ***Raymond Moley***, Assistant Secretary of State, to hold the position of a member of the commission to investigate and collect facts relating to the present administration of justice in the State of New York under the provisions of chapter 727, Laws of New York, 1930, and amendments thereto, in view of the fact that, such office is without compensation and will not conflict with duties by said ***Raymond Moley*** as Assistant Secretary of State.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
April 12, 1933.

[No. 6108]

Classification

Language: ENGLISH

Subject: EXECUTIVE ORDERS (91%); US FEDERAL GOVERNMENT (91%); US PRESIDENTS (91%); GOVERNMENT & PUBLIC ADMINISTRATION (90%); REGIONAL & LOCAL GOVERNMENTS (90%); GOVERNMENT ADVISORS & MINISTERS (89%); PUBLIC OFFICIALS (78%); WORKER CATEGORIES (78%); CIVIL SERVICES (75%); CITY GOVERNMENT (74%); JUSTICE DEPARTMENTS (74%); US STATE GOVERNMENT (74%); PRESIDENTIAL POWERS (73%); CITIES (69%); INVESTIGATIONS (69%); LAW ENFORCEMENT (69%)

Organization: ***RAYMOND MOLEY*** (55%)

Person: RONALD REAGAN (79%)

Geographic: NEW YORK, USA (94%); UNITED STATES (93%)

Load-Date: March 24, 2003

FDR against the Bill of Rights

Ludwig Von Mises Institute Of Canada
January 5, 2024 Friday

Length: 1151 words

Byline: David Gordon

Body

In this week's column, I'd like to raise two questions suggested by David Beito's excellent book The New Deal's War on the Bill of Rights, which I reviewed last week. First, how can it be that Franklin Roosevelt has acquired a reputation among leftist historians as a champion of liberty, with his internment of Japanese Americans during World War II regarded as an aberration, in the face of the manifold violations of civil liberties that occurred during his administration? Second, given Roosevelt's authoritarian proclivities, why wasn't he successful in imposing the complete regime of censorship he wanted?

The answer to the first question is that Roosevelt preferred in most cases to work behind the scenes, aiding and abetting others to do his work. We see this in the activities of Hugo Black and Sherman Minton, both senators and later Supreme Court justices, whom Roosevelt assiduously encouraged and promoted.
Black, who from 1935 chaired the US Senate Special Subcommittee to Investigate Lobbying Activities, subpoenaed a vast number of telegrams from opponents of the New Deal, putting their activities under surveillance in an effort to intimidate them. As Beito explains,
The committee monitored private communications on a scale previously unrivaled in US history, at least in peacetime. Working in tandem with the Federal Communications Commission and the Roosevelt administration, it examined literally millions of private telegrams with virtually no supervision or constraint. Those singled out for this surveillance were anti-New Deal critics, including activists, journalists, and lawyers.
In acting in this fashion, Black was doing what Roosevelt wanted.

The committee's most powerful champion was Roosevelt himself, though he carefully avoided tipping his hand in public. . . . Roosevelt responded to [***Raymond***] ***Moley*** with "a long discourse of how Black's invasion of privacy had ample precedent." The inference drawn by ***Moley*** was that for Roosevelt "the end justified the means." The conversation left ***Moley*** "with the harrowing intimation that Roosevelt was looking forward to nothing more than having the opposition of his 'enemies'-the newspapers, the bankers, the businessmen-reelect him." . . . The Black Committee was first and foremost a creature of Roosevelt's wish to establish a congressional committee to discredit opponents. After the president had made that decision, he sought out Black, a loyal political foot soldier, to take charge.
Roosevelt appointed Black to a vacancy on the Supreme Court in 1936, knowing that he could count on that stalwart New Dealer to uphold all his unconstitutional programs. When it became public knowledge the next year that Black had, in the words of Charles Tansill, "hidden his face beneath the hooded robes of a Klansman," there was a clamor for Black to resign, but Roosevelt did not join it, even though Black admitted having been a KKK member. Many years later, Black ironically earned a reputation as a "free speech" absolutist, although he still defended his vote in Korematsu v. United States upholding Roosevelt's order to intern Japanese Americans in

concentration camps. According to Beito, "Black . . . was unrepentant. In 1971, he asserted that '[p]eople were rightfully fearful of the Japanese in Los Angeles. . . . They all look alike to a person not a Jap. Had [Japan] attacked our shores, you'd have had a large number fighting with the Japanese troops.'"

After his victory in the election of 1936, Roosevelt was determined to destroy those who had lobbied against his plan to pack the Supreme Court and against other New Deal measures. Probably the most important such group was the National Committee to Uphold Constitutional Government (NCUCG). Much of the day-to-day administration of this committee was conducted by Edward Rumely, who proved able and efficient in his job. Minton's chief tactic in disabling the group was to subpoena the tax records of its principal contributors, hoping that bringing their names before the public would make them reluctant to give more money. When Rumely and others challenged this gross invasion of privacy, Minton responded by releasing some of the tax records of the organization to the public. Roosevelt fully backed Minton and asked J. Edgar Hoover to conduct an FBI investigation of Rumely. Beito describes this sad chain of events:

New Dealers seemed to have found an ideal champion in Sherman Minton. As a biographer put it, his loyalty to the president and his agenda "uncommon even among fellow true-believers," included a "strong streak of populism, and belief that government must be powerful". . . . In December 1937, Roosevelt affirmed his confidence in the Minton Committee by inviting all three Democratic members to an eight-man "council of war" to plot strategy for 1938 . . . Minton articulated the group's consensus by recommending a fighting stance. "The opposition isn't satisfied with a conciliatory attitude," he declared. "The only thing they understand is a swift kick where it hurts." He urged a "crack down" on the taxes of the rich. . . . Roosevelt was more than receptive, chiming in, "We have just begun to fight."

It is clear that Roosevelt wanted the total suppression of his critics, and this leads to our second question: Why did he fail to achieve his goal? He won some victories: for example, the NCUCG suffered a major loss in funding due to Minton's efforts. But Roosevelt did not succeed in imposing totalitarian control. One reason for this, and it is a reason that is instructive for our own troubled times, is that his efforts at suppression met resolute opposition, and not only from those directly targeted. Many among those with impeccably pro-Roosevelt credentials, as well as libertarians such as Albert Jay Nock and H.L. Mencken, who could not be dismissed as lobbyists for big business, avowed their support for civil liberties, and the public pressure forced Roosevelt and his senatorial entourage to back down.

The ever-persistent Norman Thomas [a frequent Socialist Party candidate for president] charged that Roosevelt represented "the party of Frank Hague [a corrupt and tyrannical New Jersey political boss,]" while Albert Jay Nock, an individualist and civil libertarian, blamed what he regarded as Roosevelt's disdain for the Constitution on New Deal policies of centralization. Roosevelt, according to Nock, "advises Congressmen not to be too particular about the constitutionality of a measure which interests him. . . . Given a Roosevelt who manipulates or disregards the law as he sees fit, and you immediately spawn a tribe of Murphys, Hagues, Ickeses, Wallaces, Blacks, Mintons, who may freely manipulate or disregard the law as they see fit" (emphasis Nock's)

Faced with today's government schemes to deprive us of our liberties, such as "gun control" and the restriction of "hate speech," it is imperative that we fight back.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Journal Code: MISES

Subject: GOVERNMENT BODIES & OFFICES (90%); LEGISLATION (90%); LEGISLATIVE BODIES (88%); SUPREME COURTS (88%); CENSORSHIP (78%); FREEDOM OF SPEECH (78%); HUMAN RIGHTS & CIVIL LIBERTIES LAW (78%); US PRESIDENTS (78%); WAR & CONFLICT (78%); WORLD WAR II (78%); HISTORY (77%); INVASION OF PRIVACY (76%); INVESTIGATIONS (76%); US CONGRESS (76%);

TELECOMMUNICATIONS DEPARTMENTS (75%); US FEDERAL GOVERNMENT (75%); APPOINTMENTS (74%); LAW COURTS & TRIBUNALS (73%); LOBBYING (73%); SUBPOENAS (73%); WRITERS (73%); SURVEILLANCE (72%); ASIAN AMERICANS (71%); PRIVACY RIGHTS (71%); JUDGES (69%); ENERGY & UTILITY LAW (66%); RESIGNATIONS (64%); GOVERNMENT DEPARTMENTS & AUTHORITIES (51%)

Organization: FEDERAL COMMUNICATIONS COMMISSION (55%)

Industry: TELECOMMUNICATIONS DEPARTMENTS (75%); WRITERS (73%); ENERGY & UTILITY LAW (66%)

Geographic: UNITED STATES (92%)

Load-Date: January 6, 2024

DIED

Newsweek
March 3, 1975, UNITED STATES EDITION

Section: TRANSITION; Pg. 45
Length: 461 words

Body

Before moving down from New York to launch his first term in the White House, Franklin D. Roosevelt sent an advance team headed by ***Raymond Moley*** - a 46-year-old Columbia University professor and leader of Roosevelt's Brain Trust - who was more or less making his debut in public life. Within weeks, as Roosevelt's closest and most influential adviser, Ray ***Moley*** became known as "the second strongest man in Washington." As ti developed, ***Moley***'s turn in the Washington spotlight was brief, but he went on to a distinguished career in political commentary. At 88, and despite a recent heart attack, ***Moley*** was still busy with his memoirs and other writings when he died last week in Phoenix, Ariz.

The term New Deal was credited to ***Moley***. He set up shop for the Roosevelt Administration, hiring aides, making and screening Cabinet selections, twisting Congressional arms and swinging so much weight before and during the famous hundred days that one of FDR's old-friends was said to have approached the President-elect shortly before the inauguration and begged: "Franklin, can you do me one favor? Can you get me an appointment with ***Moley***?"

Soon, however, in his nominal title of Assistant Secretary of State, ***Moley*** butted heads with Cordell Hull, the proud and touchy Secretary of State. In addition, ***Moley*** was a fundamental conservative who began to find Roosevelt's policies alarmingly radical. ***Moley*** resigned in September 1933; despite a widening rift, he continued to serve the President as a consultant until 1936, but them Morley boted the Democratic Party and he and FDR never met again.

Moley taught school in his native Ohio and remained on the Columbia faculty in his Brain Trust days and for many years afterward, but journalism took up more and more of his time. In 1934, he became editor and columnist at Today, a current-events weekly. Three years later, when Today and Newsweek merged, ***Moley*** began a long association with Newsweek, briefly as editor and for 30 years as a columnist until his retirement from the newsweekly gind at 81 - though he went on writing books, chiefly on politics and political history. ***Moley***'s prose was direct and often critical but devoid of nasty twists. "We can hurt beyond repair by unfairness," he once said. "We should first be fair. Then, if there is something to spare, we may be clever." He also believed in getting to the point: "If I were th umpire, I would call a balk on some of our writers for delaying the game."

In 1970, ***Moley*** returned to the White House to receive the Medal of Freedom - the highest civilian honor that the U.S. awards. "A man of thought and a man of action," said the accompanying citation, "he has not only studied and analyzed the history of our times, but also helped to make it."

Graphic

Picture, ***Raymond Moley*** in 1967, Robert R. McElroy - Newsweek

Classification

Language: ENGLISH

Subject: GOVERNMENT ADVISORS & MINISTERS (90%); US PRESIDENTS (90%); WRITERS (89%); DEATH & DYING (78%); COLLEGE & UNIVERSITY PROFESSORS (77%); CABINET OFFICES (76%); ELECTIONS & POLITICS (75%); POLITICAL PARTIES (75%); POLITICS (75%); RESIGNATIONS (72%); BIOGRAPHICAL LITERATURE (69%)

Company: ROOSEVELT ADMINISTRATION (83%); WHITE HOUSE INC (61%); COLUMBIA UNIVERSITY PRESS (56%); ROOSEVELT ADMINISTRATION (83%); WHITE HOUSE INC (61%); COLUMBIA UNIVERSITY PRESS (56%)

Industry: WRITERS (89%); COLLEGE & UNIVERSITY PROFESSORS (77%)

Geographic: PHOENIX, AZ, USA (56%); ARIZONA, USA (79%); NEW YORK, USA (79%); UNITED STATES (93%)

Moley, Dr. Jeffrey Fletcher 64

St. Louis Post-Dispatch (Missouri)
October 19, 2017 Thursday
THIRD EDITION

Section: CLASSIFIED ADVERTISING

Length: 315 words

Body

Moley, Dr. Jeffrey Fletcher 64, passed away suddenly at his home on October 15. He was world-renowned for his scientific research and expertise in the endocrine surgical field. He was Professor of Surgery and Chief of the Section of Endocrine and Oncologic Surgery at Washington University in St. Louis. He was also an Associate Director of the Siteman Cancer Center, and the Chief of Surgical Services at the VA Hospital.

He was well-known in the St. Louis Medical community and was a highly respected teacher and role model to his medical trainees. Dr. ***Moley*** was born in New York City on September 13, 1953, to Dr. Malcolm ***Moley*** and Mrs. Janis Walton ***Moley***. He is survived by his wife, Dr. Kelle H. ***Moley***, and sons Patrick Malcom, Charles Raymond, and John Roger. Other survivors include his mother, his brother Roger Walton ***Moley***, and sister Janis McCarthy. Dr. ***Moley*** was the grandson of ***Raymond Moley***, a Columbia University professor and member of President Franklin D. Roosevelt's "Brain Trust." He was widely respected for his participation and/or leadership of clinical research projects in surgical management of recurrent disease, preventive thyroidectomy in Multiple Endocrine Neoplasia 2 gene carriers, as well as the identification of novel molecular targets in thyroid cancer. He was an accomplished musician, who led the local bands Seldom Home and The Fletcher ***Moley*** Group. He had a wonderful sense of humor and was extremely knowledgeable in a wide variety of areas such as sports, politics, and history. He loved his family dearly and was beloved in return. He will be greatly missed. Services: Funeral will be held at Grace Episcopal Church at 514 East Aragonne Avenue in Kirkwood at 3:00 PM Thursday, October 19. In lieu of flowers please donate to AMEND USA, The Association for Multiple Endocrine Neoplasia Disorders, PO Box 927327 San Diego, CA, 92192, or *www.amend.org.uk*

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: DEATH NOTICES & OBITUARIES (91%); ENDOCRINE SYSTEM DISORDERS (91%); ENDOCRINOLOGY (91%); CANCER (90%); COLLEGE & UNIVERSITY PROFESSORS (90%); DEATH & DYING (90%); EXPERIMENTATION & RESEARCH (90%); SCIENCE & TECHNOLOGY (90%); ASSOCIATIONS & ORGANIZATIONS (89%); DISEASES & DISORDERS (89%); MEDICAL RESEARCH (78%); ONCOLOGY (78%); RESEARCH & DEVELOPMENT (78%); THYROID CANCER (76%); GRANDCHILDREN (74%); MENTORS &

ROLE MODELS (70%); MUSIC (65%); MUSIC GROUPS & ARTISTS (65%); SINGERS & MUSICIANS (65%); CHRISTIANS & CHRISTIANITY (52%)

Industry: ENDOCRINOLOGY (91%); COLLEGE & UNIVERSITY PROFESSORS (90%); ONCOLOGY (78%); CANCER HOSPITALS (76%); MUSIC GROUPS & ARTISTS (65%); SINGERS & MUSICIANS (65%)

Geographic: SAINT LOUIS, MO, USA (89%); SAN DIEGO, CA, USA (79%); NEW YORK, NY, USA (77%); MISSOURI, USA (90%); CALIFORNIA, USA (78%)

Load-Date: October 19, 2017

KELLE HARBERT WED TO DR. JEFFREY MOLEY

The New York Times

August 23, 1987, Sunday, Late City Final Edition

Section: Section 1; Part 2, Page 59, Column 5; Society Desk

Length: 222 words

Body

The First Church of Christ, Congregational in New London, Conn., was the setting yesterday for the marriage of Kelle Kay Harbert and Dr. Jeffrey Fletcher ***Moley***. The Rev. Robert C. Hamm performed the ceremony.

Jennifer Ruth Harbert was maid of honor for her sister. Roger Walton ***Moley*** was his brother's best man.

Mrs. ***Moley*** is a daughter of Dr. and Mrs. Charles Armon Harbert of Waterford, Conn. Her father, a chemist, is executive director of medicinal chemistry for Pfizer Inc. in Groton, Conn. The bridegroom is a son of Dr. and Mrs. Malcolm ***Moley*** of New York and Quogue, L.I. His father is a surgeon at the St. Luke's-Roosevelt Hospital Center.

The bride, who expects to receive an M.D. degree from the Yale University School of Medicine next June, graduated magna cum laude from Wellesley College, where she was elected to Phi Beta Kappa.

Her husband, who is chief resident in general surgery at Yale-New Haven Hospital, graduated from the Hill School and magna cum laude from Harvard College, and received an M.D. degree in 1980 from the Columbia University College of Physicians and Surgeons. The bridegroom is a grandson of the late ***Raymond Moley***, who, as an adviser to President Franklin D. Roosevelt, coined the term "New Deal" and was a leader of the original brain trust. He later served as an assistant Secretary of State.

Classification

Language: ENGLISH

Subject: MARRIAGE (90%); RELIGION (90%); WEDDINGS & ENGAGEMENTS (90%); CHRISTIANS & CHRISTIANITY (88%); STUDENT HONOR SOCIETIES (77%); EXECUTIVES (76%); GRANDCHILDREN (76%); CERTIFICATES, DEGREES & DIPLOMAS (74%); RESIDENCY PROGRAMS (74%); CHEMISTRY (71%); PHARMACEUTICAL CHEMISTRY (71%)

Company: PFIZER INC (83%); PFIZER INC (83%); YALE UNIVERSITY (83%); YALE UNIVERSITY (83%); PHI BETA KAPPA (56%); PHI BETA KAPPA (56%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%)

Organization: YALE UNIVERSITY (83%); YALE UNIVERSITY (83%); PHI BETA KAPPA (56%); PHI BETA

KAPPA (56%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%); YALE UNIVERSITY (83%); YALE UNIVERSITY (83%); PHI BETA KAPPA (56%); PHI BETA KAPPA (56%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%)

Ticker: PFZ (LSE) (83%); PFE (NYSE) (83%)

Industry: NAICS325414 BIOLOGICAL PRODUCT (EXCEPT DIAGNOSTIC) MANUFACTURING (83%); NAICS325412 PHARMACEUTICAL PREPARATION MANUFACTURING (83%); NAICS325411 MEDICINAL & BOTANICAL MANUFACTURING (83%); SIC2836 BIOLOGICAL PRODUCTS, EXCEPT DIAGNOSTIC SUBSTANCES (83%); SIC2834 PHARMACEUTICAL PREPARATIONS (83%); SIC2833 MEDICINAL CHEMICALS & BOTANICAL PRODUCTS (83%); ACADEMIC MEDICAL CENTERS (74%); PHARMACEUTICAL CHEMISTRY (71%)

Geographic: NEW LONDON, CT, USA (79%); NEW HAVEN, CT, USA (58%); NEW YORK, USA (79%); CONNECTICUT, USA (73%)

THE NEW DEAL AND RECOVERY, PART 2: INVENTING THE NEW DEAL

States News Service

June 22, 2020 Monday

Length: 3413 words

Byline: States News Service

Dateline: WASHINGTON

Body

The following information was released by the Cato Institute:

By George Selgin

"It is difficult to think of an important aspect of the New Deal to which Roosevelt had not plainly pledged himself before taking office. ...Roosevelt had campaigned on a clear and specific New Deal Program." (Eric Rauchway, Winter War, pp. 15-17.)

To understand the New Deal's shortcomings as a grand scheme for achieving economic recovery, it helps to realize that the New Deal wasn't a grand scheme at all, but an assemblage of steps and programs, many of which were decided upon or concocted only after Roosevelt took office.

But if I'm to expect you to see the New Deal that way, I must first convince you that Eric Rauchway's opposite claim isn't true. Hence this post, which (unlike most others to come) is about history, but not so much about economics. If you're only here for the econ., you might skip it without fear of not being able to follow others in this series.

Rauchway's Revisionism

According to Rauchway, most of the New Deal's important components had been planned and pledged to well before FDR took office. Rauchway's view goes hand-in-hand with his portrayal of the New Deal as a well-oiled, supercharged recovery machine. In contrast my own view of the New Deal, as a set of make-shift remedies, makes it seem more likely to have had the U.S. economy bucking and stalling like an ill-tuned jalopy.

Of the two views, mine is (for once) the more orthodox. Although journalist Robert Wright took poetic license when he wrote, back in 2001, that "FDR threw a bunch of policies against the wall, and the ones that stuck became the New Deal," his opinion isn't all that far removed from what most New Deal historians believe. Roger Daniels, in his 2015 book Road to the New Deal, even goes so far as to say that "The notion that when Franklin Roosevelt became president he had a plan in his head called the New Deal is a myth no serious scholar has ever believed."

Rauchway is certainly a serious scholar. So, how has he come to his unorthodox view? In brief, he argues (1) that the New Deal must have been a coherent and well-advertised program, as well as a radical one, for otherwise Hoover couldn't have made opposition to it the cornerstone of his own presidential campaign; (2) that the memories and motives of FDR's own colleagues and advisors who insist there was no plan can't be trusted; (3) that other historians haven't examined the right documents; and (4) that the orthodox view can't possibly be right because it implies that Roosevelt misled voters, depriving his program of "democratic legitimacy," whereas it's clear that democratic legitimacy "was the New Deal's ultimate goal."

Most of these arguments seem easily answered. Concerning "democratic legitimacy": that Roosevelt didn't tell voters just "what he was going to do" needn't mean that he hoodwinked them. It could (and did in fact) mean that he himself had no precise idea what he would do once in office. Concerning Hoover: although he did say things like "they [i.e., the Democrats] are proposing changes and so-called new deals which would destroy the very foundations of our American system," it is of course common for candidates to accuse their opponents of harboring sinister plans. If Hoover's frightening portrayal of FDR's plans was unusual, it was not because it accurately represented the avowed designs of FDR or his party, but because Hoover appears to have sincerely believed it. Concerning other historians missing key sources: if so, then Rauchway ought to supply direct proof of his own thesis from these. But he never does.

What Rauchway does do is either ignore or dismiss key documents informing the orthodox view, including the testimonies of ***Raymond Moley*** and Frances Perkins, two of FDR's closest associates. According to ***Moley***, the first member of FDR's "brain trust," believing that New Deal policies were "the result of a unified plan" is like believing "that the accumulation of stuffed snakes, baseball pictures, school flags, old tennis shoes, carpenter's tools, and chemistry sets in a boys bedroom could have been put there by an interior decorator." Although he cites ***Moley*** extensively, Rauchway doesn't mention this statement.

Dissing Frances Perkins

Moley eventually parted company with FDR, so perhaps his testimony is jaundiced. The same certainly can't be said of the testimony of Frances Perkins, who first served with FDR in Albany and was secretary of labor for all four of his terms in Washington. In The Roosevelt I knew, her 1946 memoir, Perkins writes:

The notion that the New Deal had a preconceived theoretical position is ridiculous. The pattern it was to assume was not clear or specific in Roosevelt's mind, in the mind of the Democratic party, or in the mind of anyone else taking part in the 1932 campaign.

"Not clear or specific." Although Rauchway does refer to this passage, he avoids quoting these words flatly contradicting his own. Instead he opines, condescendingly, that while "Perkins may have been a great secretary of labor... she was a poor historian: not a word of her remarks is true."

Why would Perkins not tell the truth? "In reminiscing," Rauchway says, "she may merely have forgotten how things stood thirteen years before." But thirteen years isn't so long, after all; and "ridiculous" isn't the sort of adjective one uses to describe something one isn't certain about. Nor, for that matter, is it likely that Perkins' foggy memory inspired not only the passage in question, but several others to the very same effect that Rauchway doesn't quote. Passages like

When Franklin Roosevelt and his administration began their work in Washington in March 1933, the New Deal was not a plan with form and content. It was a happy phrase he had coined during the campaign, and its value was psychological. It made people feel better, and in that terrible period of depression they needed to feel better,

and

It is important to repeat, the New Deal was not a plan, not even an agreement, and it was certainly not a plot, as was later charged.

This last statement reads almost as if Perkins wanted to make sure no one would attribute her other statements to mere heedlessness.

There are also other passages referring to specific New Deal programs. For example, Perkins observes that as late as April 1933 FDR's "mind was as innocent as a child's of any such program as the NRA." In fact, far from being confined to scattered obiter dicta, Perkins' claim that the New Deal wasn't planned in advance forms one of her memoir's central themes.

But Rauchway has an answer to this as well. "In reminiscing," he says, "Perkins may have wanted to minimize Roosevelt's own role in the New Deal so she could maximize her own." To call this charge against Perkins, who has been described as "a modest woman" who "didn't care if other people took credit," and who by all accounts was fiercely loyal to FDR, "far-fetched," is being charitable. "Shabby" is more like it.

The New Deal and the FDR's Campaign

Let's now consider the facts of the case. They are, in brief, that while a few elements of what the "New Deal" came to mean in practice were spelled-out clearly enough beforehand, many others, including most of the New Deal's "recovery" components, weren't. Nor is it likely they could have been anticipated, or that Roosevelt would have divulged them if they had been.

As for what Roosevelt did make explicit, until his nomination his most revealing remarks came during his May 22, 1932 speech at Oglethorpe University. Here he spoke of "the vital necessity of planning for definite objectives." But if Roosevelt already had a plan in mind he revealed nothing of its content. Instead he declared that "the country demands bold, persistent experimentation. 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." This was indeed an accurate indication of what was to come. But what it described was more like a plan to throw policies against a wall to see which ones stuck than a "clear and specific New Deal program." The closest Roosevelt came in his speech to announcing even part of such a program was in declaring it "self-evident that we must... restore commodities to a level approximating their dollar value of several years ago or else see more defaults or loan write-downs." Even so, he didn't say how he planned to get "commodities" up again.

From the opening of the Democratic National Convention on June 27th, 1932, the Democratic platform became the official statement of FDR's intentions, to which he solemnly agreed to adhere. "We believe," it declared,

that a party platform is a covenant with the people to have [sic] faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

If there was ever an opportunity for the Democrats to reveal a "clear and specific" New Deal program, this was surely it. But while the platform listed some measures that would indeed be part of the actual New Deal, as far as the New Deal's recovery initiatives are concerned, it was more misleading than prescient. The platform promised:

"an immediate and drastic reduction of governmental expenditures...to accomplish a saving of not less than twenty-five per cent in the cost of the Federal Government";

"a federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay";

"a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our government";

"strengthening and impartial enforcement of the anti-trust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor."

The platform also "condemn[ed] the extravagance of the [Hoover administration's] Farm Board," including its "unsound policy of restricting agricultural products to the demands of domestic markets."

As we'll see, Roosevelt did in fact try to cut spending and balance the federal budget. But he was unsuccessful on both scores; and today it is the growth in spending, and especially in deficit spending, during the New Deal that is said to have contributed to the recovery as an early application of supposedly "Keynesian" thinking. (I'll address Keynes's actual influence on Roosevelt's policies in a later post.) As for "strengthening and impartial enforcement of the anti-trust laws," the National Recovery Administration, one of the actual New Deal's centerpieces, would do just the opposite. A second New Deal centerpiece, the Agricultural Adjustment Association, would, through its "domestic allotment" plan, implement the very "policy of restricting agricultural products to the demands of domestic markets" that the platform expressly condemned.{1]

Turning to monetary policy, that the "bank holiday" and Emergency Banking Act were adventitious measures rather than ones FDR had been planning all along should go without saying. The promised "international monetary conference" was actually scuttled by Roosevelt. As for the other monetary measures that were to be chiefly responsible for aggregate demand growth during the New Deal erasuspending gold payments, and devaluing the dollarthe platform never so much as hints at them. On the contrary: it assures voters that a "sound currency is to be preserved at all hazards."

Some commentators claim that the phrase "sound currency" was vague enough to avoid committing Roosevelt to maintaining the gold standard; and in his 1936 book Half Way with Roosevelt Ernest Lindley explains that the word "gold" wasn't mentioned because "the silverites and other advocates of price-lifting by monetary action were strong enough to keep it out." The fact remains, however, that "sound currency" is just a variant of "sound money," which itself comes from the French "monnaie sonnante et trebuchante." This literally means "money that rings and stumbles"; but it stands for full-weight or standard, as opposed to debased, precious metal coins, which actually sound different than their debased counterparts when tossed onto and allowed to "stumble" on a hard surface. In other words, to practically everyone who heard it in 1932, including banker James Warburg, who was to be one of Roosevelt's more savvy financial advisors, and who felt bitterly betrayed by his decision to go off gold, the Democrats' promise to preserve "sound currency" could mean nothing other than that FDR did not plan to toy with the gold standard.

Once again: none of this is meant to deny that the platform did point clearly enough to some actual New Deal measures, including its extensive public works program, the Glass-Steagall Act's separation of investment from commercial banking, the TVA, unemployment insurance, and social security. But the anticipated bits almost all had to do with relief and reform, rather than recovery. So far as the voting public was concerned, the New Deal's recovery plan, to the extent that it was a plan at all, was a black box.

Nor is it the case that Roosevelt clarified matters by explicitly departing from any part of the platform. Instead, in his nomination acceptance speech FDR said, "I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent. ...And you can accept my pledge that I will leave no doubt or ambiguity on where I stand on any question of moment in this campaign." While it certainly can't be said that FDR led a campaign free of "doubt and ambiguity," he gave the public no reason to doubt that he meant to keep his word.

A Secret New Deal?

Nor, to judge from press reports, did the public doubt him. That is, they believed that the New Deal would be just as the Democratic platform described it, and not a far more ambitious program that would radically depart from that platform in many respects. Reporting just after the election, The Economist expressed a common opinion in saying that it didn't

anticipate that any very radical experiments will be made. We doubt whether Mr Roosevelt, in any attempt which he may make to lift America from the depression "by her own boot-jacks," will succeed in evolving measures very different from those formulated and applied during the past two years by Mr Hoover. ("The New President," November 12, 1932).

Although it might have been expected to help the public to form a more accurate picture of the coming New Deal, the interregnumthat is, the weeks separating FDR's election from his inaugurationwas marked by increasing rather than diminishing doubts as to just what the president-elect had in mind. With just three weeks to go before FDR took the oath of office, The Economist (February 11, 1933) observed that "The market has tacitly suspended action and judgment until the new Roosevelt administration has assumed office and declared its policy on major questions" (my emphasis). It would, of course, have been perfectly unnecessary for the incoming administration to "declare its policy on major questions" had FDR "campaigned on a clear and specific New Deal Program" all along.

That he didn't, and that the specifics of the actual New Deal would often run counter to FDR's less-vague campaign pledges, raises two possibilities. One is that there really was no well-worked-out New Deal plan, as ***Raymond Moley*** and Frances Perkins insisted. The other, which we must also consider, is that there was such a plan, blueprinting more-or-less what took place, but that FDR kept it under his hat. This last possibility appears especially plausible with respect to FDR's plans for the dollar. After all, if FDR did in fact intend all along to suspend the gold standard and eventually devalue the dollar, he could hardly have revealed these parts of his plan in advance! During the campaign Hoover repeatedly accused FDR of harboring plans to abandon the gold standard in favor of "fiat money"; and by the closing weeks of Hoover's presidency many had begun to suspect that Hoover might be right. Were they just falling for Hoover's FDR-bogeyman, or had Hoover been onto something after all?

The answer is a little of both. FDR wanted to keep his options open. "I do not want to commit to the gold standard," he told Brains Trust member Adolf Berle a few days before the election. "I haven't the faintest idea whether we will be on the gold standard on March 4th or not; nobody can foresee where we shall be.' "This was an astute position; but it spoke not of a definite plan for gold but of the folly of trying to formulate any such plan.

And that seems to have been FDR's position all along. Having carefully looked into the matter, Sebastian Edwards concludes

that during the primary and presidential campaigns, neither Roosevelt nor his inner circle had a strong view on gold or the dollar. ...Tinkering with the value of the currency was a possible area for experimentation; but it was an option with a relatively low priority. ...Until inauguration day FDR's views on the gold standard were ambivalent and noncommittal; he was neither a diehard fan of the system, nor was he a severe critic.

Nor, Edwards adds, had the Roosevelt team undertaken or commissioned any "studies that examined in detail what would be the possible consequences of abandoning the gold standard." In short, while FDR may have contemplated abandoning the gold standard, he certainly hadn't planned on it. What's more, nothing changed during the interregnum: "To put it simply," Edwards says, "on March 4th, the day Franklin Delano Roosevelt was to take over as President, there was no concrete or definitive plan for taking the U.S. off gold and devaluing the dollar."

What was true of FDR's secret plans for the dollar was almost certainly true of his other secret New Deal plans, namely, that he didn't have any. That is, there is no reason to disbelieve what Francis Perkins, ***Raymond Moley***, and most historians have had to say on the subject.

***

To conclude: "New Deal" rhetoric and revisionist histories notwithstanding, FDR didn't come to Washington equipped with any well worked-out plan for ending the Great Depression. Instead, his recovery plan was mostly rushed together during his famous first 100 days in office. That some components of this hastily-assembled program should have failed to contribute to the recovery, and that some may even have hindered it, should not seem all that surprising. But this is merely speaking of probabilities. I still have to prove that certain New Deal programs did in fact impede recovery, and did so enough to justify the claim that, taken as a whole, the New Deal, considered as a program for economic recovery, was a flop.

Continue Reading The New Deal and Recovery:

Intro

Part 1: The Record

Part 2: Inventing the New Deal

---

[1] Rauchway (Winter War, p. 97) ignores Roosevelt's pledge when he writes that "he indicated his support for a "domestic allotment or something similar to it" by "ruling out other production-controlling policies." Because the

domestic allotment was itself the one agricultural production-control policy expressly ruled-out by the Democratic platform, the fact that Roosevelt may also have ruled out others can hardly be reckoned an instance of his having offered voters a "clear and specific" indication of what he would do once in office. What happened in fact is that Henry Wallace, upon becoming Roosevelt's first secretary of agriculture, disregarded the Democratic platform's condemnation of the domestic allotment ideawhich had been put in it by then Tennessee Senator (and future secretary of state) Cordell Hulland instead based the AAA on the Republican platform, which among other things had called for "control of [agricultural] production to such volume as will balance supply with demand," where "demand" was understood to mean domestic demand alone. (See former Iowa Senator Smith Brookhart's May 22, 1938 letter to Cordell Hull, here at pp. 292ff.) The story is complicated by the fact that while many Republican Senators and Congressmen, as well as some Farm Board officials, favored a domestic allotment plan, Hoover himself vehemently opposed it while favoring a voluntary alternative. The Republican platform left room for either option.

Classification

Language: ENGLISH

Publication-Type: Newswire

Subject: ECONOMIC CONDITIONS (89%); HISTORY (89%); HUMANITIES & SOCIAL SCIENCE (88%); RESEARCH INSTITUTES (78%); CAMPAIGNS & ELECTIONS (77%); ECONOMIC RECOVERY (77%); ECONOMY & ECONOMIC INDICATORS (76%); NEWS BRIEFS (73%); WRITERS (62%)

Organization: CATO INSTITUTE (84%)

Industry: WRITERS (62%)

Load-Date: June 22, 2020

End of Document

Jobs, economic growth dream fading?; The present approach of assuming markets will grow the economy and jobs is more like a raw deal for citizens

Pretoria News (South Africa)

February 26, 2020 Wednesday

E1 Edition

Section: BUSINESS REPORT; Pg. 18

Length: 1745 words

Body

ONE BIG GIFT that South Africa can give itself is doing things out of the conventional to create a new economy, even if it means upsetting the highly favoured international investors.

The reality is that for many years now, all efforts aimed at growing the economy haven't worked and unemployment remains stubbornly high.

The International Labour Organisation's ILO-Stat database in 2019 puts South Africa's unemployment rate in the same category as that of the troubled West Bank and Gaza (29.9percent). Now at 29.1percent as per the latest indicators, this means that the number of unemployed people in South Africa is higher than that of the Democratic Republic of Congo (4.3percent), Libya (17.3percent, Syria (8.2percent), Zimbabwe (4.9percent) and Afghanistan (1.5percent). Of course, these figures are nonsensical to say the least.

Admittedly, South Africa has its own challenges, but over the past 25 years the government has increased the number of people with access to social security and other basic services, like water, electricity and housing.

In addition, the National Development Plan sets ambitious targets for various socio-economic indicators, including the economy and employment, that must be achieved in less than ten years from now. Yet, when one zooms at unemployment alone it appears all the effort has gone to waste.

Nonetheless, it is important to emphasise that both the economy and unemployment are not moving in the desired direction. It looks like the down spiral will not stop any time soon. At the rate things are going, unemployment will exceed 60percent percent and the economy will not exist.

There comes a time when estimates for both these indicators will not be of any interest to anyone. The biggest concern though is that there appears to be no serious thought invested in turning around the present situation. Market-driven effort has been a huge disappointment.

Obsession with right-wing economic interventions such as cutting government spending, labour reform and privatisation could be a bigger problem than the problems the country faces at the moment.

Structurally, South Africa appears not to be doing itself justice with its "two economies" structural make-up. The reality is that the gross domestic product (GDP) figures, for example, are mostly based on the economic activity in the formal economy.

A large part of the economy in townships and rural areas is not included in the basket of goods. Reluctance to incorporate the "informal economy" and rural areas to the broader economy is not helping at all. That could be the first problem.

Another problem is that unlike the GDP, which tends to focus on the formal economy, unemployment appears to include both Sandton and rural South Africa.

The assumption of statisticians and economists is that there is no economy in rural areas. So, not so much effort is put into understanding what exactly is driving the country's expansive rural settlement besides remittances and social grants.

Nonetheless, indices for economic activity - in the form the GDP and employment - tend to focus on the previously whites-only areas and their contribution to a section of the economy. Perhaps these figures would look slightly different than how they are presented had they been more inclusive and less politicised.

With all said, the unemployment problem exists in South Africa and therefore requires undivided attention from everyone.

Besides the private sector's reluctance to invest in the South African economy, an argument is thus put forward that the government has generally been lost at sea in terms of seeking genuine solutions to the problem of joblessness.

It has also shown reluctance in using all the tools at its disposal, be they economic or otherwise, to bring down unemployment. These include monetary and fiscal policies, public procurement and large-scale public works programmes (PWPs). PWPs at present form could be a waste of time for everybody; another approach is, therefore, more than necessary.

One of the arguments that is often disregarded in the ongoing debate on the nationalisation of the SA Reserve Bank concerns what the US Federal Reserve Bank has done well in the past: using central banking instruments to stimulate the economy. The US has faced two serious economic meltdowns in the past: the Great Depression in the 1930s and the Great Recession in 2008. In both instances, the state jumped in and rescued the economy by using its institutions, legal frameworks and instruments.

The same approach appears lacking in South Africa, whose unemployment and low growth will persist well into the future.

What the government announced in 2018 as an economic stimulus is a pittance when contrasted with the US interventions, both in terms of resources and effort.

The present situation therefore presents a lifetime opportunity not only to reinvigorate the economy but also to introduce overall, drastic structural changes of the economy.

But this requires a change in mindset by dumping neo-liberal thinking and adopting an intensely statist approach. If the US and other economies could successfully intervene in the economy, what stops South Africa from doing the same? This is not just about money but all the capabilities the country has, from policy framework to the state machinery.

In the past two years there has been talk about a "new deal" plan to revive the ailing South African economy, but this was more like water vapour. A case is therefore made for South Africa to learn from the US experiences in the 1930s and late 2000s.

Jobs, economic growth dream fading? The present approach of assuming markets will grow the economy and jobs is more like a raw deal for citizens

When the US economy collapsed around 1930, President Franklin D Roosevelt introduced the "New Deal", which dramatically expanded the federal government's role in the economy in response to the Great Depression. These actions were designed "to bring about immediate economic relief as well as reforms in industry, agriculture, finance, water power, labour, and housing, vastly increasing the scope of the federal government's activities".

To this day, the New Deal remains one of the biggest economic plans by a government, not even the Marshall Plan in Europe after WWII comes close. In fact, without a revived US economy the Marshall Plan wouldn't have existed.

Nevertheless, the New Deal basically promoted "the concept of a government-regulated economy aimed at achieving a balance between conflicting economic interests." From March to June 1933, the US government enacted legislation that aimed at addressing the banking crisis, unemployment and weak industrial performance, among other problems.

In what was called an "alphabet soup", many laws and institutions were born, including the Agricultural Adjustment Act (subsidies to farmers), Federal Emergency Relief Act (relief to state employees), Securities and Exchange Commission (oversight and regulation to the stock market), and National Recovery Act (wage-setting and collective bargaining).

The US-based Khan Academy argues that the New Deal was based on the Keynesian economic school of thought. Keynesianism states that "government spending that put money in consumers' hands would allow them to buy products made in the private sector."

Even more so, this approach allows the government direct involvement in the economy to shape many outcomes, including employment, social security and housing, among others. It was not until the 1980s under Ronald Reagan that many of the gains from the New Deal were reversed.

As a result of "Reagonomics", the US has poor regulation of wages, working hours, collective bargaining rights and social security system.

When the economic crisis struck once more in the late 2000s, the US Federal Reserve was available to again provide relief to the American economy. In February 2009, the US Congress signed the American Recovery and Reinvestment Act of 2009, which was a stimulus package to respond to the financial crisis.

According to the estimates of the Congressional Budget Office , the government spent about $831billion (R12.56trillion) between 2009 and 2019.

What is regrettable though is that the developed nations and global financial institutions tend to treat South Africa different in as far as it tries to resolve its present economic problems. When the likes of the European Central Bank and the Bank of Japan bought stock in large struggling corporations, this move was applauded.

In the case of South Africa, state owned enterprises (SOEs) have a broader role in society, so it makes sense to do all that is possible to save them. As recent as January 2019, the International Monetary Fund said South Africa's economic growth was being weakened by bailouts without offering alternatives.

Again, the rationale behind the recent stimulus package in the US was based on the Keynesian economic theory which states that at times of recessions the government "should offset the decrease in private spending with an increase in public spending in order to save jobs and stop further economic deterioration".

Audaciously, what Finance Minister Tito Mboweni calls the "new economic recovery strategic plan" seeks to achieve the opposite: retrench state workers, reduce government spending overall, privatise SOEs and raise taxes.

As the saying goes: "Holy ***Moley***!"

Raymond Moley was one of US President Franklin Roosevelt's most heeded advisers, who coined the term "New Deal".

The New York Times explains that ***Moley*** later turned his back on the progressive policies due to "a too-radical" trend the New Deal was taking. Left-leaning politicians like Mboweni and scholars are simply too afraid to lead the way and now, like ***Moley***, they are conservative and timid.

In all fairness, no plan will ever turn around the economy within the present institutional and legislative frameworks. South Africa suffers from bureaucratic collectivism - it is administration to no end and is without fresh ideas.

The stale ideas and sight of conservative economists close to the National Treasury can only spell disaster of highest proportions. A developmental paradigm is needed to support a developmental state, not just in words but in deeds.

The present laissez-faire approach which assumes that markets will grow the economy and create jobs is more like a raw deal for citizens who expect change in the structure of the economy.

Government intervention in the economy can be a mix of simple solutions and complex ones.

Siya yi banga le economy.

Based in Pretoria, Siyabonga Hadebe is an independent commentator on socio-economics, politics and global matters.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Journal Code: PN

Subject: ECONOMIC GROWTH (91%); ECONOMIC CONDITIONS (90%); ECONOMIC NEWS (90%); EMERGING MARKETS (90%); NEGATIVE EMPLOYMENT NEWS (90%); UNEMPLOYMENT RATES (90%); ECONOMICS (89%); ECONOMY & ECONOMIC INDICATORS (89%); FOREIGN INVESTMENT (89%); GROSS DOMESTIC PRODUCT (89%); RURAL COMMUNITIES (83%); BUSINESS CLIMATE & CONDITIONS (79%); GOVERNMENT & PUBLIC ADMINISTRATION (78%); ECONOMIC INDICATORS (77%); POPULATION CHARACTERISTICS (77%); UNEMPLOYED PERSONS (77%); PRIVATIZATION (75%); DEMOCRACIES (73%); UNOFFICIAL ECONOMY (73%); LABOR DEPARTMENTS (72%); INTERNATIONAL ECONOMIC ORGANIZATIONS (70%); PUBLIC FINANCE (69%)

Organization: INTERNATIONAL LABOUR ORGANIZATION (83%)

Industry: ENERGY & UTILITIES (71%)

Geographic: PRETORIA, SOUTH AFRICA (89%); SOUTH AFRICA (96%); AFGHANISTAN (79%); AFRICA (79%); CONGO, THE DEMOCRATIC REPUBLIC OF THE (79%); ISRAEL (79%); LIBYA (79%); STATE OF PALESTINE (79%); SYRIA (79%); ZIMBABWE (79%)

Load-Date: February 27, 2020

SPEAK SOFTLY AND CARRY A BIG SPEECH; FDR's inaugural address offered hope to a nation

The San Diego Union-Tribune

September 8, 2002, Sunday

Section: BOOKS;Pg. BOOKS-2; REVIEW.

Length: 616 words

Byline: William W. Starr; (c) The State (Columbia, S.C.)

Body

'Recognition of that falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of pride and place and personal profit. And there must be an end to conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing."

Strong words, indeed. Do they come from the lips of President Bush? Or congressional reformers? Or district attorneys prosecuting executives from Enron, WorldCom and their ilk?

No. The words are from Franklin D. Roosevelt's first inaugural address, delivered March 4, 1933, when the nation faced an economic crisis even worse than the one in which it is mired today.

That was the speech that included the now-famous and oft-quoted aphorism, "The only thing we have to fear is fear itself."

It was an inaugural address offering hope to the hopeless, rivaled only by Lincoln's inaugural and the first delivered by George Washington. Author Davis Houck, professor of communications at Florida State University, says it was even more important judging from the thousands of responses FDR received, which Houck read researching this concise new book.

"FDR and Fear Itself" is a vivid and readable recounting of the circumstances that led to the inaugural address, as well as a study of how and why the speech was put together.

The unsung hero was ***Raymond Moley***, a professor who had become close to Roosevelt before the 1932 presidential election and who joined his staff as speechwriter and aide, part of the administration's first "brain trust." Houck writes that ***Moley*** was the chief architect of the address, with contributions from FDR and the president's close confidant, Louis Howe.

Moley's contributions were substantial and, in many quarters, still unrecognized. FDR "definitely wanted to take credit" for the inaugural, and some historians (notably James McGregor Burns) have virtually written ***Moley*** out of his part in the preparation. This book offers the restorative to that view. (It was, however, Howe who came up with the familiar line about "fear.")

The drafts that preceded the address are discussed fully, and to flesh out the arrival of Roosevelt in Washington to begin his term, Houck adds sketches of FDR and wife Eleanor and their lives before the election. These will help some readers better understand their complex relationship, though the account occasionally veers toward the melodramatic.

Houck's style is lively and his focus dramatic in narrative; this is no turgid history, as the subject might suggest. It relies heavily on ***Moley***'s voluminous papers and letters -- he apparently was something of a pack rat -- though the author said he does a "bit of surmising based on historical materials at various places in the manuscripts."

The address, only 1,929 words, is worthy enough to be included twice in the 166 pages of the book. Its passages again seem to reflect directly on our own times, as when Roosevelt called a restoration of civilization to "ancient truths," adding, "The measure of that restoration lies in the extent to which we apply social values more noble than mere monetary profit."

To which Houck appends this note: "Somewhere in the bold and determined delivery, the carefully worded policies, the assertive and clear statements, the ringing indictments and the promise of immediate action, the American people found reason again to believe, to hope, and to see beyond the landscapes of their own immediate future."

FDR and Fear Itself

The First Inaugural Address

Davis W. Houck

Texas A&M University Press, 160 pages, $29.95 ($14.95 paperback)

Classification

Language: ENGLISH

Subject: HISTORY (87%); WRITERS (79%); CAMPAIGNS & ELECTIONS (78%); ELECTIONS (78%); NEGATIVE PERSONAL NEWS (76%); HEADS OF GOVERNMENT ELECTIONS (75%); COLLEGE & UNIVERSITY PROFESSORS (71%); ECONOMIC CRISIS (71%); HUMANITIES & SOCIAL SCIENCE (71%); SOCIAL SCIENCE EDUCATION (71%); PUBLIC PROSECUTORS (70%); NEGATIVE ECONOMIC NEWS (69%)

Company: ENRON CREDITORS RECOVERY CORP (57%); VERIZON COMMUNICATIONS INC (57%); ENRON CREDITORS RECOVERY CORP (57%); VERIZON COMMUNICATIONS INC (57%); FLORIDA STATE UNIVERSITY (55%); FLORIDA STATE UNIVERSITY (55%)

Organization: FLORIDA STATE UNIVERSITY (55%); FLORIDA STATE UNIVERSITY (55%)

Ticker: VZC (LSE) (57%); VZ (NYSE) (57%)

Industry: SIC4911 ELECTRIC SERVICES (57%); NAICS517210 WIRELESS TELECOMMUNICATIONS CARRIERS (EXCEPT SATELLITE) (57%); NAICS517110 WIRED TELECOMMUNICATIONS CARRIERS (57%); WRITERS (79%); COLLEGE & UNIVERSITY PROFESSORS (71%); PUBLIC PROSECUTORS (70%)

Person: GEORGE W BUSH (70%)

Geographic: FLORIDA, USA (79%); UNITED STATES (92%)

Load-Date: September 18, 2002

JFK, FDR, and the Secret History of How a Great Inaugural Address Is Written

USNEWS.com

January 15, 2009 Thursday

Section: OPINION; Vol.; No.

Length: 1783 words

Byline: Robert Schlesinger

Body

Franklin D. Roosevelt's first inaugural address and John F. Kennedy's inaugural are rightly remembered as among the best speeches presidents have given to commence their terms. FDR's admonition that "the only thing we have to fear is fear itself" and his confident, calming tone soothed the jangled national psyche at a critical moment. Kennedy's singing imagery of a new generation of Americans coming to power with a spirit of self-sacrifice ("Ask not what your country can do for you; ask what you can do for your country") inspired the nation and set the tone for his administration.

But the two speeches have something more in common: a secret history, or perhaps a history of secrets.

It starts with two men sitting in the library of a mansion in Hyde Park, N.Y., one evening in February 1933. A bright fire roared in the fireplace, and they sipped whiskeys. Franklin D. Roosevelt, the president-elect of the United States, sat at a folding card table, poring over two manuscripts. The first was a typed speech draft. The second was a handwritten copy that Roosevelt was laboriously writing out on a yellow legal pad. A third document, a letter from Thomas Lamont of the JPMorgan & Co. giving a dire warning of the condition of the nation's banks, also lay on the table.

"How do you spell foreclose?" FDR asked his companion, ***Raymond Moley***. A Columbia University professor of public law, ***Moley*** had piercing eyes and would sometimes smoke a heavy, dark pipe. He had known Roosevelt since the 1928 gubernatorial campaign and in those years had become a close aide and his principal speechwriter. The two men had been talking since the previous September about what Roosevelt might tell the country when elected president. And now, with less than a week before FDR would be sworn in (the 25th Amendment, moving the inaugural from March 4 to January 20, would not take effect until the 1936 presidential elections), ***Moley*** had brought a draft of the speech to Roosevelt.

FDR had read it over carefully and then noted that he had better copy it out by hand: His aide, Louis Howe, was due to arrive at Hyde Park the following day and would "have a fit" if he suspected that anyone else beside FDR had worked on the speech. Howe, 5 foot 4 and weighing less than 100 pounds with a hollow, pitted face, was nicknamed "the Medieval Gnome." He had been a political mentor to FDR and devoted aide who was territorially jealous of other assistants getting too close.

So, FDR had started copying out the speech, editing as he went. The two men talked through every sentence, occasionally mulling each word, as Roosevelt moved through the speech. There were interruptions--incoming Treasury Secretary Will Woodin telephoned, as did incoming Secretary of State Cordell Hull. Sometimes, the

Roosevelt-***Moley*** conversation wandered. Gripped by the notion of witnessing history, ***Moley*** pulled out his notebook at one point and scribbled some notes: "A week--yes, five days--this man will be Pres. of the U.S."

Sometime past midnight, they finished. ***Moley*** rose from the long couch on which he had been sitting, took his typed draft from the table and tossed it onto the still-glowing embers in the fireplace. "This is your speech now," he told his boss.

FDR had that sort of ownership in mind more than ***Moley*** knew. The handwritten draft is on file at the FDR Presidential Library at Hyde Park, with a typed note from the president attached to it explaining that it is "the Inaugural Address as written at Hyde Park on Monday, February 27, 1933. I started in about 9.00 P.M. and end at 1.30 A.M. A number of minor changes were made in subsequent drafts but the final draft is substantially the same as this original."

Moley is pointedly omitted from this account, conjuring an image of FDR writing his great speech alone. And it is an image that held for more than three decades until ***Moley***, incensed, published a White House memoir (his second) setting the historical record straight.

FDR's ploy also met its immediate goal as well. Howe arrived the next day and gave the speech an edit of his own, dictating a version with a new first paragraph, which included the exhortation that "the only thing we have to fear is fear itself."

Flash ahead nearly three decades. On Jan. 17, 1961, a Convair 240 twin-engine plane named the *Caroline* after its owner's daughter, flew north from Florida to Washington. The owner, President-elect John F. Kennedy, sat with *Time* magazine reporter Hugh Sidey in the private section of the plane's cabin, a yellow legal pad in front of him, a few paragraphs scratched out in his impenetrable handwriting. "It's tough," JFK told Sidey, referring to the process of drafting an inaugural address. His farewell address to the Massachusetts legislature had gone so well, Kennedy told Sidey, that it created a tough standard to meet.

Sidey watched the president-elect, stunned. How was it possible that with only three days before the transfer of power, Kennedy was still working on the first draft of his speech?

In fact, a near-finished version of the speech was elsewhere on the plane, typed up.

JFK had first met his speechwriter, Ted Sorensen, in 1953 when Kennedy was putting together his Senate staff. At first glance, they appeared an unlikely pairing. Sorensen hailed from Nebraska and came from a GOP family. He was, home-state friend William Lee Miller later wrote, "not a Harvard man or an Easterner or a Catholic or an Irishman or a hereditary Democrat, or a political middler or culturally sophisticated or rich or an aristocrat or an urbanite or an intellectual dilettante or widely traveled or weak on the civil-liberties side or primarily interested in *Why England Slept*type of foreign affairs or a master of the Ivy League casual style or anything at all of a playboy. He was instead, insofar as these things have opposites, somewhere near the opposite of all of them."

Nevertheless, by the 1960 presidential election, the pair had become a remarkable collaborative speechwriting team. Sorensen later credited the years leading up to that election, when he and Kennedy traveled the country together laying the groundwork for the race, as having helped give him such a clear sense of JFK. "Those three and a half years of traveling the country together made an enormous difference," Sorensen said. "There were all kinds of press stories--some of them exaggerations--about how I was inside his mind, could finish his sentences, knew what he was thinking before he said it. Well, I think maybe there is something to that. That's a tremendous advantage for a speechwriter to know his boss's mind as well as I did."

Kennedy and Sorensen first discussed the inaugural address in the weeks after the 1960 presidential election. Kennedy told Sorensen to read all the previous inaugurals ("undistinguished," Sorensen thought) and the Gettysburg Address, whose genius Sorensen was tasked with figuring out. (Sorensen concluded that in the speech Lincoln "never used a two- or three-syllable word where a one-syllable word would do, and never used three words where one word would do.") He read other great speeches like Pericles's Funeral Oration. He solicited suggestions from the likes of Adlai Stevenson and John Kenneth Galbraith.

By the time JFK flew from Washington to Palm Beach on Jan. 10, 1961, Sorensen had prepared a six-page typed draft of the speech that roughly followed the final address's outline and had early versions of several of the memorable sections. "So let the word go forth to all the world--and suit the action to the word--that this generation of Americans has no intention of becoming soft instead of resolute, smug instead of resourceful, or citizens of a second-rate power," the draft read. In the final speech that section would become: "Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans--born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage--and unwilling to witness or permit the slow undoing of those human rights to which this nation has always been committed, and to which we are committed today at home and around the world."

"So, ask not what your country is going to do for you," the draft read. "Ask what you can for your country."

Using the Sorensen draft, Kennedy dictated a new version to his secretary, Evelyn Lincoln, adding key concepts like a generation "born in this century--tempered by war" and a willingness to "pay any price, bear any burden, meet any hardships, support any friend, oppose any foe."

JFK passed the next several days at La Guerida, his father's Spanish Revival mansion in Palm Beach. He worked back and forth with Sorensen, who was in Washington, on the speech while wrapping up other preparations for his administration, mixing in rounds of golf and a generous amount of tanning. Jacqueline Kennedy later recalled hearing the address in "bits and pieces" over the course of the week. Sorensen flew down to Florida on January 16 and joined Kennedy, Sidey, and others for the flight back to Washington.

When he played at writing a first draft for Sidey, JFK could not have known he was echoing FDR: Ray ***Moley***'s account of his involvement with Roosevelt's first inaugural address would not be published for another five years.

In both cases, the presidents-elect had an eye toward history, toward ensuring that they alone received full credit for their inaugural addresses. JFK in particular had already been stung by allegations that someone else (presumably Sorensen) had authored *Profiles in Courage*. At moments of less immediate historic import, both men took a more generous attitude regarding acknowledging their speech collaborators.

But in a larger sense, both men missed the point regarding authorial credit. ***Moley*** and Sorensen were not writing in vacuums or for themselves. They were reflecting the men who would give the speeches. And regardless of who first committed what word to paper, it is the president who delivers the speech who owns it and deserves full credit for it, for better or worse: The president puts himself and his credibility behind a speech, imbues it with his authority and office.

And while sentiments like having only to fear fear or placing country before self have appeared in different ways over the centuries, we recall these specific moments not only because of phrasing but because the words matched the men and both suited the broader historical moment.

Robert Schlesinger is a deputy assistant managing editor at U.S. News & World Report. HisWhite House Ghosts: Presidents and Their Speechwriters(Simon & Schuster, 2008) was recently released in paperback.

Graphic

Picture, U.S. President John F. Kennedy delivers his inaugural address., (AP)

Classification

Language: ENGLISH

Publication-Type: Web Publication

Subject: GOVERNORS (89%); HEADS OF GOVERNMENT ELECTIONS (89%); CAMPAIGNS & ELECTIONS (87%); REPORTS, REVIEWS & SECTIONS (79%); ELECTIONS (78%); MENTORS & ROLE MODELS (77%); GOVERNMENT ADVISORS & MINISTERS (73%); LAW SCHOOLS (71%); PUBLIC FINANCE AGENCIES & TREASURIES (65%); EDITORIALS & OPINIONS (59%); COLLEGE & UNIVERSITY PROFESSORS (50%)

Company: JPMORGAN CHASE & CO (55%)

Ticker: JPM (NYSE) (55%); JPM (LSE) (55%)

Industry: NAICS551111 OFFICES OF BANK HOLDING COMPANIES (55%); NAICS523999 MISCELLANEOUS FINANCIAL INVESTMENT ACTIVITIES (55%); NAICS522110 COMMERCIAL BANKING (55%); SIC6022 STATE COMMERCIAL BANKS (55%); ALCOHOLIC BEVERAGES (71%); LAW SCHOOLS (71%); PUBLIC FINANCE AGENCIES & TREASURIES (65%); COLLEGE & UNIVERSITY PROFESSORS (50%)

Geographic: NEW YORK, USA (79%); UNITED STATES (92%)

Load-Date: January 16, 2009

The Birth of 'New Deal'

NPR All Things Considered (NPR) All Things Considered 9:00 PM EST

July 2, 2007 Monday

Length: 1174 words

Anchors: MELISSA BLOCK; ROBERT SIEGEL

Body

MELISSA BLOCK, host:

This is ALL THINGS CONSIDERED from NPR News. I'm Melissa Block.

ROBERT SIEGEL, host:

And I'm Robert Siegel.

Tonight, the Museum of Broadcast Communications in Chicago honors a famous political phrase that was first coined on this date in 1932. Seventy-five years ago, the Democratic National Convention was meeting in that city. It nominated the then-governor of New York, Franklin Delano Roosevelt. In his acceptance speech, Roosevelt promised America a new deal.

And as independent producer John McDonough tells us, that phrase was never intended to be quite so memorable.

JOHN McDONOUGH: It was not an original or stately phrase. It had appeared without notice in the works of Henry James and Mark Twain. And just before the 1932 Democratic convention, the new republic began a series of articles called "A New Deal for America." In those days, it was considered unseemly to want to be president. So navigating the intrigues of the process was something the wise candidate left for others to do on his behalf.

For Roosevelt, this was the job of two men: Louie Howe and Jim Farley, the gregarious point man who did the legwork, the handshaking and the bargaining on the convention floor. Roosevelt listened at a polite distance from Albany over the radio. This is what he heard after his name was placed in nomination.

Unidentified Man #1: Franklin Delano Roosevelt (Unintelligible) as the candidate of the presidency of the United States.

McDONOUGH: But he was not the only Democrat who wanted to be president. As the nominations drowned on, Howe listened, worked the phones, and one by one picked off Roosevelt's opponents with promises of position for some, exile for others.

Unidentified Man #2: The honorable Harry Flood Byrd.

McDONOUGH: The price of Byrd's support was a seat in the U.S. Senate. The fact that Virginia already had two Democratic senators was not a problem for Howe. Senator Claude Swanson would simply become secretary of the Navy.

Mr. CLAUDE SWANSON (Former Democratic Senator, Virginia): For the needs of humanity, I give to this convention the name of Alfred E. Smith.

McDONOUGH: Smith would bet his entire political future against Roosevelts, make no deals with Howe, and walk away with nothing.

Unidentified Man#3: The democracy of Texas presents her more distinguished son, John F. Garner.

(Soundbite of cheering)

MCDONOUGH: Garner came to Chicago with the support of William Randolph Hearst and enough Texas and California delegates to put Roosevelt over the top. When Howe offered Garner the vice presidency, history struck Roosevelt on the fourth ballot. William McAdoo of California sprang the switch.

Mr. WILLIAM McADOO (Former Democratic Senator, California): I would like to see Democrats fight Republicans and not Democrats. California, cast 44 votes for Franklin D. Roosevelt.

McDONOUGH: With that, Texas flipped and the deed was done. According to tradition, the candidate was now obliged to wait several weeks in silence for formal notification of his nomination. It was a pretense as leisurely as it was obsolete. Roosevelt had quietly told his inner circle that if he were nominated, things would be different. A month before Chicago, he had asked ***Raymond Moley*** to have an acceptance speech ready by the convention. ***Moley***'s first draft was finished by the third week in June.

Meanwhile, Louie Howe was quietly working on an acceptance draft of his own, one he refused to share with anyone including Roosevelt. As the convention rumbled on in Chicago, Roosevelt and his speechwriter, Sam Rosenman, polished the ***Moley*** draft in Albany. On Friday, July 1st, Rosenman scribbled out a concluding paragraph. He may have had the current new republic story in mind when he jotted the phrase down for the first time.

I pledge myself, he wrote, to a new deal for the American people. He saw nothing remarkable in it and penned it in lower case. That night, Roosevelt was nominated.

Unidentified Man#4: Franklin D. Roosevelt, having received four of the two- thirds of all the delegates voting (unintelligible) the nominee of this convention for president of the United States.

McDONOUGH: The next morning, in an extraordinary gesture, Roosevelt boarded an airplane in Albany, flew through a barricade of thunderstorms and set down on a gravel runway in Chicago. During the nine-hour flight, his Garner was being nominated for the vice presidency at the convention. He and Rosenman edited the ***Moley*** draft and a secretary typed the finished copy.

But when the plane landed, Roosevelt found an awkward surprise waiting for him - Louie Howe and that 12-page acceptance speech he had never laid eyes on. Howe was Roosevelt's oldest and most intimate advisor. He could not disregard his advice or his feelings. During the motorcade at the convention hall, Roosevelt quietly weighed the two drafts against his debt to Howe. By the time he reached the Chicago Stadium, he had tactfully slid the first page of Howe's speech on top of the ***Moley***-Rosenman draft.

President FRANKLIN D. ROOSEVELT: I regret that I am late, but I had no control over the winds of heaven.

McDONOUGH: Reading Howe's words, he told the convention why he had come to Chicago and made it symbolic of what to expect.

Pres. ROOSEVELT: The appearance before a national convention of its nominee for president is unprecedented and unusual. But these are unprecedented and unusual times. Let it also be symbolic that in so doing, I broke traditions. Let it be, from now on, the task of our party to break foolish traditions.

McDONOUGH: The message was clear. Roosevelt's campaign was off and running while the Republican nominee was still waiting to be told he had been nominated. Roosevelt paid tribute to Woodrow Wilson, then moved into his planned text. ***Moley*** and Rosenman breathed more easily as they heard the familiar rhythms of their words emerge, words that would mark the Democratic Party for decades to come.

Pres. ROOSEVELT: 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.

McDONOUGH: After 45 minutes, Roosevelt came to the final paragraph, the one Rosenman had written in Albany the morning before. He gave it only modest emphasis, preferring to save his rhetorical thrust for the final call to arms.

Pres. ROOSEVELT: I pledge myself to a new deal for the American people.

MCDONOUGH: He used the phrase new deal only once. But if Roosevelt missed its symbolic potential, reporters did not. In a text of nearly forty-four hundred words, they spotted it immediately and tabbed it for stardom. The next morning, the Chicago Tribune singled out the phrase in a headline. Other papers flagged it in their leads. Cartoonists turned it into a label. Soon, it became shorthand for everything the party stood for. Within 10 months, reporters started writing it in upper case. And by the end of the first 100 days a year later, the words new deal had become the most powerful political brand of the 20th century.

For NPR News, this is John McDonough.

Classification

Language: ENGLISH

Publication-Type: Transcript

Subject: CONFERENCES & CONVENTIONS (90%); POLITICAL PARTY CONVENTIONS (90%); LEGISLATIVE BODIES (89%); POLITICAL PARTIES (89%); US DEMOCRATIC PARTY (89%); DEMOCRACIES (78%); TYPES OF GOVERNMENT (78%); THIS DAY IN HISTORY (77%); TALKS & MEETINGS (76%); US CONGRESS (76%); US DEMOCRATIC NATIONAL CONVENTIONS (76%); US PRESIDENTS (76%); US REPUBLICAN PARTY (76%); US SENATE ELECTIONS (67%); NAVIES (50%)

Industry: PUBLIC BROADCASTING (79%); PUBLIC RADIO (79%); MUSEUMS & GALLERIES (77%); NAVIES (50%)

Geographic: ALBANY, NY, USA (73%); CALIFORNIA, USA (94%); TEXAS, USA (92%); NEW YORK, USA (79%); UNITED STATES (94%)

Load-Date: July 3, 2007

The Books: The Kiss-and-Tell Club

Newsweek

April 5, 2004 U.S. Edition

Section: COVER STORY: SPECIAL REPORT; Pg. 34

Length: 684 words

Byline: By Michael Beschloss; Presidential historian Beschloss's latest book is "The Conquerors: Roosevelt, Truman and the Destruction of Hitler's Germany."
Highlight: Sometimes they avenge. Sometimes they expose. Sometimes, they even sell. The political memoir, through the ages.

Body

In 1939 ***Raymond Moley***, a onetime member of Franklin Roosevelt's "brain trust," published a memoir charging that his ex-boss had been ruinously captured by leftists. When Republicans used ***Moley***'s tract to attack FDR, the president privately muttered that ***Moley*** had "kissed a-- and told."

Ronald Reagan's former budget director David Stockman took on his old boss by writing in a 1986 memoir that Reagan, then serving his second term, had been "misled" into letting deficits explode: "What do you do when your president ignores all the palpable relevant facts and wanders in circles?" Democrats said that Stockman's book proved that they had been right all along: the emperor had no clothes.

Richard Clarke's new book, "Against All Enemies," is the latest entry in the category of hostile memoir by a presidential appointee. Over the years, these books have tended to be written out of a desire to avenge, expose or lament--or some combination of all three.

Some memoirists have been handpicked presidential aides who feel betrayed by their chiefs (like John Dean, author of "Blind Ambition"); others are cabinet members with reputations of their own to protect. Forty years ago, the aggrieved usually waited for their presidents to leave office before opening fire; in recent years, they're more likely to strike while the game's still in progress. But few have enjoyed the kind of notoriety commanded by Clarke, who's gone overnight from anonymous bureaucrat to best-selling author.

Anger is a motive as old as time. Fired Bush Treasury secretary Paul O'Neill vented his in "The Price of Loyalty," the memoir-by-proxy written by Ron Suskind. Reagan's ousted secretary of State, Alexander Haig, published "Caveat" in 1984, while Reagan was running for re-election. Haig's screed made it clear that he felt he should have been president rather than Reagan, whose White House, Haig said, was a "ghost ship" with no one at the helm. When Reagan canned his chief of staff Donald Regan during the Iran-contra affair in 1987, Regan stormed out of the White House and signed his own book contract. ("It couldn't end this way. I won't be a scapegoat.") It was too late to inflict serious political damage on the president (Reagan was about to leave office) but in his 1988 volume--imaginatively titled "For the Record"--he huffed and puffed hard to embarrass the old man. The book's chief contribution to history was to expose Mrs. Reagan's astrologer.

Other memoirists have written out of genuine sadness. Some diehard Clintonites portrayed George Stephanopoulos's "All Too Human" (1999) as an act of betrayal, but the book was actually a judicious lament that

Bill Clinton had not become the president he might have been. In 1962 Emmet John Hughes's "The Ordeal of Power" offered a similar lament about ex-President Eisenhower, for whom Hughes had written speeches. In those more genteel times, Eisenhower was outraged that a staff member would dare to write such a book only a year after his presidency had ended.

Most recent presidents have worried about the danger of a book-writing defector in their entourage. At the start of his presidency, John Kennedy made his household employees sign pledges that they would not write about what they saw. Jackie Kennedy feared White House aides who "hit the White House with their Dictaphones running." As his adviser Arthur Schlesinger Jr. recalled, JFK told his staff he didn't want them "recording the daily discussions of the White House." (Kennedy later recanted when he realized that the CIA and Joint Chiefs would be keeping their own such records, which might not be flattering to him.) JFK told one friend he wondered who might turn out to be his own Emmet John Hughes. The Paul O'Neill and Richard Clarke episodes may lead future presidents to be even more inhibited than they already are in asking aides for unvarnished advice.

As furious as presidents and their loyalists may be about such books when they appear, they may take comfort from one thing: years later, when historians write biographies and histories, the angry memoir will be only one voice in the mix.

Graphic

PHOTO: Dean at the Watergate hearings

Classification

Language: ENGLISH

Subject: BIOGRAPHICAL LITERATURE (90%); LIBERALISM (90%); GOVERNMENT ADVISORS & MINISTERS (89%); US REPUBLICAN PARTY (89%); WRITERS (89%); BOOK REVIEWS (78%); CABINET OFFICES (78%); CAMPAIGNS & ELECTIONS (78%); POLITICAL SCANDALS (78%); PUBLIC FINANCE (77%); US DEMOCRATIC PARTY (77%); CELEBRITIES (76%); BESTSELLERS (73%); TREASURY DEPARTMENTS (63%); ASTROLOGISTS & PSYCHICS (60%)

Organization: WHITE HOUSE (78%)

Industry: BIOGRAPHY PUBLISHING (89%); BOOK PUBLISHING (89%); WRITERS (89%); BOOK REVIEWS (78%); CELEBRITIES (76%); BESTSELLERS (73%); BUDGETS (71%); TREASURY DEPARTMENTS (63%)

Person: RONALD REAGAN (79%)

Load-Date: March 30, 2004

THE NEW DEAL AND RECOVERY, PART 15: THE KEYNESIAN MYTH

States News Service

March 16, 2022 Wednesday

Length: 4293 words

Byline: States News Service

Dateline: WASHINGTON

Body

The following information was released by the Cato Institute:

George Selgin

In The Money Makers, his 2015 book on the New Deal and its aftermath, Eric Rauchway says that FDR "conducted an active monetary and fiscal program of recovery...working along lines suggested by Keynes." His book's subtitle in turn declares that between them, "Roosevelt and Keynes ended the Depression." Other popular accounts likewise declare that "[t]he beliefs of Keynes and FDR proved successful at alleviating the Great Depression" and even that "Without John Maynard Keynes, FDR's New Deal may never have happened."

In this series, in contrast, I've argued that, instead of ending the Great Depression, the New Deal did relatively little to counter it, and, in some ways prolonged it. Readers who share the popular understanding of Keynes's influence upon New Deal policies will therefore conclude that I also consider Keynesian economics a failure. But they'd be wrong, for a very simple reason: despite what one reads everywhere, the New Deal was not particularly "Keynesian," and was in some ways quite un-Keynesian.

According to Rexford Tugwell (1957, p. 290), the Columbia economics professor who was a member of FDR's original Brain Trust, "the Keynesian myth" (as he styles it) first became fashionable in the later 1930s, as the General Theory began to sweep the board of macroeconomic thought. It was later reinforced by Roy Harrod's Life of Keynes (1951)though Harrod admitted, in a 1950 letter to Dennis Robertson, that he'd deliberately exaggerated Keynes's influence on Roosevelt's policies because "in the mind of the general public you have to have One Man. There isn't room for more." Rauchway's more recent effort appears to reflect a similar awareness of popular psychology.

Tugwell dismisses the claim that Keynes influenced FDR's thinking, or that Keynes otherwise played an important part in shaping New Deal policies. Another New Dealer, Leon Keyserling, who served as an attorney for the AAA, and helped draft some other major New Deal legislation, does as well, though in starker terms: "With all due respect to Keynes," he wrote in 1972, "I have been unable to discover much reasonable evidence that the New Deal would have been greatly different if he had never lived, and if a so-called school of economics had not taken on his name."

That Keynes the man played hardly any part shaping those New Deal policies that came retrospectively to be described as "Keynesian" is only part of the truth. It's also true that, had Keynes's advice, or that of many American economists who independently favored those policies, actually been taken, the Great Depression would have taken a far different, and less destructive, course.

Brains and Keynes

Any account of Keynes's role in shaping New Deal policies should begin with an appreciation of two facts. The first is that, despite his stature in Great Britain, Keynes was not well known in the United States until after he published the General Theory in 1936. The second is that, far from feeling any need to seek advice from a British economist, FDR came to office accompanied by a corps of advisors unmatched by any other in the history of the U.S. presidency.

Historians of the New Deal have found it convenient, if perhaps never entirely accurate, to divide FDR's many advisors into various factions. All agree that the most important of these were the "planners," led by Tugwell, and the "trust-busters," led by Harvard law professor Felix Frankfurter. As the name suggests, the trust-busters' ideal was something like economists' notion of "perfect competition," which they hoped to more closely approximate by breaking-up large corporations and banks. The planners, in contrast, had nothing against large-scale enterprises: to their way of thinking, competition was more dangerous than desirable, and the trust-busters were hopelessly out of touch. Rather than try to do away with big business, the planners merely wanted to transfer control of it from businessmen to bureaucrats like themselves, who would manage it rationally, in the public interest, instead of just trying to make a buck.

As diametrically opposed as their ideals were in many respects, these factions had at least one important belief in common: both treated the Great Depression "less as a problem to be solved than as an opportunity to be exploited for radical surgery on U.S. business and finance" (Best 1991, p. 11). Nor was it obvious how either of their programs, which predated the depression, would help end it. The generally-held verdict, that these reforms "never contributed much to economic recovery" (Hawley 1966, p. 15), should therefore not come as a surprise. Nor should it be necessary to add that such reforms bore only an incidental relation to policies aimed at enhancing aggregate spending that later came to be identified with "Keynesian" economics. The simple truth is that, when it came to fiscal and monetary policy, most of FDR's closest advisors, including members of the original Brain Trust, simply weren't "Keynesians," even in a loose sense.

This isn't to say that FDR received no "Keynesian" advice. Besides the trust-busters and planners, a third group of advice-giversthe "inflationists"also influenced his thinking. This groups most influential members, neither of whom was a genuine New Dealer, were Irving Fisher and Cornell agricultural economist George Warren, the latter of whom gained an important ally in Henry Morgenthau, FDR's second Treasury Secretary. Though they were fiscal conservatives, Fisher, Warren and Morgenthau favored suspending the gold standard and otherwise trying to raise prices by means of what may loosely be called "monetary" policy. Expansionary fiscal policy, and particularly large-scale spending on public works, had their own New Deal proponents in Frances Perkins, Harold Ickes, Harry Hopkins, and Marriner Eccles. But calling the policies these New Dealers favored "Keynesian" is one thing; claiming that their advocates were actually influenced by Keynes is quite another. In fact, there's no evidence that any of them came to think as they did because of Keynes.

Until The General Theory made its big splash in 1936, Keynes's own arguments appear to have impressed only one of FDR's close advisors: trust-buster Felix Frankfurter. In the fall of 1933, Frankfurter on sabbatical to England where, in early December, after visiting Keynes at Cambridge, he encouraged him to write the open letter published in the New York Times later that year. Keynes gave Frankfurter an advance copy, which Frankfurter sent to Roosevelt on the 12th (Edwards 2018, pp. 1-2). If Tugwell (1957, p. 404) is right in saying that FDR "never...read anything Keynes wrote, except perhaps some newspaper pieces commenting on his [Roosevelt's] own actions," that letter would have been one of Roosevelt's first helpings of Keynes's own advice. But the letter didn't impress him. "You can tell the Professor," Roosevelt told Frankfurter in reply, "that in regard to public works we shall spend in the next fiscal year nearly twice the amount we are spending in this fiscal year, but there is a practical limit to what the Government can borrow." From that terse reply and other evidence, William Barber (1996, p. 83) concludes that Keynes's pleas "had little impact on Roosevelt's thinking."

Nor were the two men's minds ever to really meet. Their disharmony was especially evident when, in May 1934, the men themselves met for the first and only time. To judge by the impressions each shared with Frances Perkins after their one-hour meeting, that event, which Frankfurter hoped would establish a rapport between them, was unsuccessful. "I saw your friend Keynes," Roosevelt said. "He left a whole rigmarole of figures. He must be a mathematician rather than a political economist." Keynes, for his part, told Perkins that, though he admired the President very much, he expected him to be "more literate, economically speaking." According to Arthur Schlesinger (1960, p. 406), Keynes later told Alvin Johnson, the New School's director who was himself an economist, "I don't think your President Roosevelt knows anything about economics." However much the men may have respected one another, so far as economic policy was concerned, each might have spoken a foreign language that the other couldn't understand.

The Wrong R's

As Tugwell (1970, p. 103) points out, FDR's "less than enthusiastic" response to Keynes's advice was due, not to his being unpersuaded by it, but to his belief that Keynes was merely telling him "to do what he had already been doing for some time'." But was he?

Keynes himself certainly didn't think so. One purpose of his open letter was to encourage FDR to spend moremuch moreon public works, and to finance that spending by borrowing more instead of raising taxes. As we'll see, Keynes was quite right to think that FDR needed such encouragement. But that wasn't all: Keynes also disapproved of much that FDR had "already been doing." Among other things, Keynes questioned FDR's priorities, wondered whether he was quite sure what he was doing, and called some of the advice he was taking "crack-brained and queer."

Regarding priorities, Keynes believed that of Roosevelt's had two of his "three R's"Reform, Relief, and Recoveryout of order. Instead of making Recovery his administration's first priority, Keynes told the president, he was "engaged on a double task, Recovery and Reform," whereas he ought to defer reform until recovery was achieved. Keynes was especially critical of the National Recovery Administration (NRA), a brainchild of the "planners," describing it, accurately, as a reform that masqueraded as part of a plan for recovery while actually impeding it. He called some of the advice FDR was taking "foolish," while comparing the gyrations in gold's price that those policies were abetting to "a gold standard on the booze." In short, while Keynes applauded FDR's willingness to reject orthodox policies in favor of "bold experimentation," he believed he'd chosen the wrong experiments, while clinging to some of the most obstructive orthodoxies.[1]

Nor was Keynes less critical when, not long after meeting FDR in 1934, he once again shared his thoughts with The New York Times, this time in the shape of some brief "notes" on the New Deal. Here Keynes again took aim at the NRA, objecting to its "excessive complexity and regimentation," and especially to its "impractical and unnecessary" attempts to regulate prices. He noted as well the lack of business confidence, "for some of which the administration may be to blame." (And how!) And he complained that, despite a temporary boost, the government was still not spending, or not deficit-spending, enough. Keynes repeated many of these complaints, more trenchantly, in a February 1, 1938 letter to the President.

Even such a cursory review of Keynes's public and private remarks on the New Deal should suffice to call into question Eric Rauchway's claim that he "staunchly defended the New Deal through 1933, and continued to do so into 1934." Keynes admired Roosevelt's boldness. He particularly applauded his decision to abandon the gold standard. He also approved of some of the reforms his administration was pursuing as long-term reforms. But in 1933 and 1934, Keynes's verdict on the New Deal as a program for recovery was, on the whole, negative. And he made no bones about it.

Anchors Aweigh

Of all the steps Roosevelt took during his first year in office, none pleased Keynes more than his decision to abandon the gold standard. But much as Keynes, who had famously condemned the gold standard as a "barbarous relic" in his 1923 Tract on Monetary Reform, welcomed that decision, he had nothing to do with it.

That the gold standard might eventually have to go was a possibility FDR recognized as early as October 1932, when he wisely chose not to mention the topic in his campaign speeches. "I do not want to be committed to the gold standard," he privately explained to his aides at the time. "I haven't the faintest idea whether we will be on the gold standard on March 4th or not; nobody can foresee where we shall be."

On the eve of the inauguration, FDR and his advisors still hadn't given up on the gold standard. According to Sebastian Edwards (2017, p. 3), although they considered "tinkering with the currency," they viewed doing so as "an option with a rather low priority." Events, more than economic doctrine, were to ultimately seal the gold standard's fate: the banking crisis, which had been triggered by a run on the dollar, compelled Roosevelt to restrict both gold exports and domestic ownership of gold, while gold's subsequent appreciation, which FDR would eventually encourage through his gold purchase program, put paid to any prospect of a restoration of the dollar's former gold value.

Had FDR wished to permanently devalue the dollar all along, he didn't need to turn to any British economist to gain an expert's approval of that decision. Days before the inauguration, Irving Fisher, who was then, according to Joseph Schumpeter, the United States' "greatest scientific economist," urged FDR to begin his presidency by announcing that the United States was abandoning the gold standard in favor of a "managed currency." That step, Fisher maintained, "would reverse the present deflation overnight and would set us on a path toward new peaks of prosperity" (Barber 1996, p. 25). But FDR wasn't yet prepared to go that far. Instead, he settled for his March 6th Bank Holiday proclamation suspending both gold exports and internal gold paymentssteps that could hardly be avoided since gold withdrawals were about to exhaust the New York Fed's reserves. Subsequent Executive Orders extended and reinforced these prohibitions until, on April 20th, FDR issued a proclamation formally suspending the gold standard.

FDR's next, major step away from the gold standard consisted of his "bombshell" cable of July 3rd, 1933, effectively withdrawing his support for the currency stabilization goals of the World Economic Conference then being held in London. The other participating nations hoped the United States would cooperate with them to restore the international gold standard, with the system of fixed exchange rates that went hand-in-hand with it, by agreeing to stabilize the then free-floating gold value of the dollar. Though it was understood by then that the dollar would be devalued, the thought was that, by working together, the assembled delegates could avoid "competitive" devaluations that might delay the gold standard's revival, if not prevent it altogether. The United States' withdrawal left FDR free to devalue the dollar as much as he liked, or to let it keep floating forever.

Keynes's role in FDR's decision to not support the conference's currency stabilization agenda has been exaggerated. He approved of the bold steps Roosevelt took during the Bank Holiday, and his decision to officially let the dollar float that April. He also understood that Roosevelt was prepared to permanently devalue the dollar if that would help to raise the U.S. price level. Keynes believed that FDR's willingness to devalue the dollar made his cooperation crucial to any successful, international stabilization plan. "[T]here is one man in the world," Keynes wrote in the Daily Mail that June, who seems to take seriously the business in hand to which others do not more than pay lip service, namely, President Roosevelt, [yet] we are all talking as though that man is defeating the alleged objects of the conference" (Rauchway 2015, p. 70). But it doesn't follow that it was Keynes who convinced FDR to torpedo the conference.

As far as I'm aware, the only evidence for that claim consists of ***Raymond Moley***'s (1939, p. 236) statement that FDR's thinking had been "greatly influenced" by Keynes's 1930 Treatise on Money. But that statement, which Rauchway (2015, p. 51) takes at face value, simply isn't credible. For one thing, ***Moley*** contradicts himself, saying elsewhere (1939, p. 225n20; my emphasis) that FDR's views "seemed to approximate those" found in the Treatise, which means something altogether different. It's also highly unlikely that FDR, who had little patience for abstract thought, and who Tugwell says hardly read anything by Keynes, either had or took the time to read Keynes's longest and most abstruse work!

But the most important reason for doubting ***Moley***'s claim is simply that there's nothing in the Treatise that could possibly have inspired FDR's July 1933 decision. Although it's true that, in his Tract on Monetary Reform, Keynes's disparaged attempts to restore the then dismantled gold standard, by 1930 "the facts had changed," and so had Keynes's thinking. "Today," Keynes wrote in the Treatise"s second volume (1930, p. 338),

the reasons seem stronger...to accept, substantially, the fait accompli of an international standard... . For to seek the ultimate good via an autonomous national system would mean not only a frontal attack on the forces of conservatism, ...but it would [sic] divide the forces of intelligence and goodwill and separate the interests of nations.

Such words could hardly have inspired FDR to "torpedo" the London conference! Nor are there any other passages in the Treatise that might have done so.

Instead, the experts whose views almost certainly informed FDR's decisions were Fisher and, above all, Warren. Although Fisher, like Keynes, was never one of FDR's official advisors, unlike Keynes he corresponded with FDR often, and met with him on numerous occasions, throughout the New Deal. Between late February and early June 1933 alone Fisher sent Roosevelt no fewer than seven letters, all addressing the currency question. In a March 2 letter, he wrote that "The present situation in currency cries to heaven for reflation (up to a reasonable price level about half way back) and, after such reflation, for stabilization" (my emphasis).[2] According to Barber (1996, p. 33), just before the London conference began, Fisher wrote again, advising FDR that the U.S. "should not wait for action by other countries, nor make our action dependent on theirs, nor tie up our standard to theirs irrevocably." The cable's endorsement of "efforts to plan national currencies with the objective of giving those currencies a continuing purchasing power which does not vary in terms of commodities" might have been written by Fisher himself, who long favored the idea.

Warren also urged Roosevelt not to commit to any definite plan to stabilize the dollar. Ever since Roosevelt took office, Warren had been trying to win him over his theory that, as the price of gold rose, so would other commodity prices. After Roosevelt let the dollar float, commodity prices started to rise rapidly, while gold depreciated, in apparent confirmation of the theory. Then, when it seemed that the United States was going to please Britain by stabilizing the dollar, gold depreciated, and prices fell. Between them, these events and Warren's advice played an important role in convincing FDR to resist getting "trapped" (Warren's term) by any proposal to stabilize the dollar's gold value while commodity prices were still well below their pre-depression levels. The Committee for the Nation, a lobbying group (a sympathetic source, on which this paragraph draws, describes it as a group of bankrupt farmers, businessmen, bankers, and cooperative leaders) to which both Fisher and Warren belonged, joined them in advising Roosevelt against tying the United State's hands.

In short, U.S. experts appear to have done all the persuading necessary to get Roosevelt to fire off his July 3rd cable. Keynes's welcome but minor contribution consisted solely of the support he gave to FDR after the fact, by publishing an article in the Daily Mail declaring him, by its title, "Magnificently Right."

Sober Advice

While Roosevelt's withdrawal from the London conference left little doubt that the old gold dollar was history, it offered no clue as to where its gold value would settle, or even whether it would settle anywhere, rather than continuing to float. Nor does Roosevelt himself seem to have known yet. Instead, he sought further advice. But once again he turned for it to U.S. experts, not to Keynes. Some advice came from Fisher and from one of Fisher's many students, Yale economist James Harvey Rogers. But it was George Warren's thinking that ultimately prevailedand Warren was certainly the least Keynesian of the bunch.

Warren's theory, which he and Frank Pearson developed on the basis of mere extrapolation from the past, posited a more-or-less mechanical link connecting the dollar price of gold to the price of agricultural and other commodities. According to it, a sufficient devaluation of the dollar, however achieved, was sure to deliver on FDR's promise to restore the prices of farm products to their 1926 level. Warren's theory thus inspired FDR's ill-fated gold buying spree.

But apart from convincing FDR himself, Warren's theory won few converts either in or outside of the Roosevelt administration. Henry Morgenthau bought it. "Foolish" and "nonsense" were the brusque opinions of James Warburg and Rex Tugwell, respectively; and their view seems to have been closer to the general consensus among economists. (Even Fisher, whose views superficially resembled Warren's, insisted that raising gold's price alone wouldn't raise other prices: monetary expansion was needed to get people to spend more.) By February 1934, when FDR and Morgenthau quit buying gold, and fixed the dollar's official gold content at 59 percent of its former level, these critics had every reason to feel vindicated, if not to gloat: the wholesale price index was only three percent higher than it had been at the start of the gold buying program in October 1933.[3]

Whether he gloated or not, Keynes was among Warren's most unsparing critics. In his December 1933 open letter, it was Warren's theory that he considered "crack brained," observing that it rested on a "set of fallacies." Instead of supposing that gold's appreciation would cause higher prices, Keynes told FDR, he ought to have gotten both gold's price and those of other commodities up by other means, and then devalued the dollar accordingly. Because the gold purchase program put the gold depreciation cart before the price-raising horses of expansionary monetary and fiscal policy, its main result consisted, not of higher equilibrium prices, but of those disturbing "gyrations of the dollar" that seemed to Keynes "more like a gold standard on the booze than the ideal managed currency of my dreams."

In view of Keynes's harsh remarks, it seems a real stretch to suggest, as Eric Rauchway (2014, p. 58) does, that "[i]n the general outline of his beliefs, Warren had support from John Maynard Keynes." In truth, it was Warren's opinions rather than Keynes's that Roosevelt heeded. But as Roy Harrod understood, once one discerns that, in the mind of the general public, "you have to have One Man," a little truth-stretching is hard to resist.

(To be continued.)

Continue Reading The New Deal and Recovery:

---

[1] Keynes's rejection of much of the thinking behind the NRA and AAA predated the New Deal. In "The Raising of Prices," one of several letters he published in the London Times and The New Statesman in March 1933 (republished in the U.S. as The Means to Prosperity), Keynes called "the idea of raising prices of commodities by restricting their supply," with which Neville Chamberlain, then England's Chancellor of the Exchequer, had then been flirting, "worse than useless." Instead of serving to diminish employment, he said, "it is, rather, a method of distributing more evenly what employment there is, at the cost of somewhat increasing it." According to Elliot Rosen (2005, p. 80), FDR's longtime friend Viscount Astor sent advance copies of Keynes's letters to the White House. Of FDR's reaction to these, assuming he read them, there's no record. In any event, one doubts that Keynes would have been impressed by ***Raymond Moley***'s claim that in criticizing the NRA he "missed" the fact that it was not primarily concerned with increasing production, but with spreading work."

[2] In his discussion of the failure of the London conference in Stable Money: A History of the Movement (1934, pp. 351-2), Fisher attributes it to the irreconcilable difference between the desire of delegates from several countries, including France and England, to see their currencies' exchange rates with the U.S. dollar stabilized before taking steps to raise their national price levels, and Roosevelt's desire to reflate the U.S. price level before entering into any agreements to stabilize the exchanges. Roosevelt's preference was, of course, the position Fisher had himself urged him to take prior to the conference.

[3] Despite its apparent failure in the 30s, and the many economists who disparaged it then and since, Warren's theory still has its adherents, including Scott Sumner, who (besides defending Warren) offers a nice summary of the difference between his and Fisher's thinking. Sumner himself draws on Sebastian Edward's fine account of FDR's gold policy, and the economists who influenced it, in American Default.

Classification

Language: ENGLISH

Publication-Type: Newswire

Subject: ECONOMIC DEPRESSION (90%); GREAT DEPRESSION (90%); ECONOMICS (89%); ECONOMY & ECONOMIC INDICATORS (89%); BUSINESS EDUCATION (72%); SOCIAL SCIENCE EDUCATION (72%); LAWYERS (60%)

Organization: CATO INSTITUTE (84%)

Industry: LAWYERS (60%)

Geographic: UNITED STATES (92%)

Load-Date: March 18, 2022

THE BUREAUCRACY; EXERTS ON TRADE RELIVE THE 1930's

The New York Times

June 23, 1984, Saturday, Late City Final Edition

Section: Section 1; Page 7, Column 3; National Desk

Length: 755 words

Byline: By CLYDE H. FARNSWORTH

Dateline: WASHINGTON, June 22

Body

They had worked together for years in remote areas of the bureaucracy, sorting out the esoterica of American trade policy.

When they saw each other again last week, drawn by the commemorations of the 50th anniversary of the signing of the Reciprocal Trade Act of 1934, they couldn't stop talking about the old days.

They were the assistant secretaries and ranking officials of the State, Commerce and Agriculture departments who, as a group, conceived and formulated American trade policy in the 1930's and 1940's.

They met at a black-tie dinner sponsored by Consumers for World Trade, a lobbying organization; at a luncheon at the Arts Club given by Walter Hollis, formerly of the State Department and one of its top legal minds on trade; and in the Dirksen Senate Office Building at hearings called by Senator William F. Roth Jr., Republican of Delaware, to discuss world trade half a century after the seminal legislation.

A 'Feisty' Hull, a 'Piqued' Peek

Familiar names fell from the tongue - Cordell Hull, ***Raymond Moley***, Clair Wilcox, George Peek, Henry A. Wallace, Franklin D. Roosevelt.

Out came the anecdotes: "Cordell was a feisty man." "George Peek resigned in pique."

Prof. Richard N. Gardner of Columbia University, who has served in Democratic administrations, recalled the two opposing versions of a speech on trade that Roosevelt was to give in the fall of 1932.

One came from the free-trader Mr. ***Moley***, the other from the protectionist Mr. Peek. Both later became members of the Roosevelt brains trust.

"Weave the two together,'' Roosevelt ordered his advisers, and out came a predictable, oratorical pushmi-pullyu.

But by 1934, thanks to the efforts of Mr. ***Moley*** and Secretary of State Hull, a former Senator from Tennessee, the Administration had embarked on a course of opening up world trade after the disastrous Smoot-Hawley Tariff Act of 1930.

Seeds of Postwar Prosperity

Until 1934, Congress set the tariff schedules. The results were an almost steady rise to the historic high of 60 percent after the 1930 measure.

Many say the Smoot-Hawley act was the major factor in the global depression of those years.

Under the Reciprocal Trade Act, signed by Roosevelt June 12, 1934, Congress delegated negotiating authority to the President to seek reductions with other countries.

That began a long process of trade expansion that was to become the engine of postwar prosperity.

Willis C. Armstrong, who worked for many years in the State Department, recalled an episode at a luncheon at the Arts Club that illustrated much of the trade thinking of the day. President Hoover was campaigning for his second term. The campaign train pulled into Chester, Pa., home of the Scott Paper Company.

As he had at previous stops, Hoover asked an adviser what the principal product of Chester was. The reply: toilet paper.

In his speech from the rear platform of the campaign train, Hoover, with great oratorical flourish, said that what this country needed more than anything else was a big increase in the tariff on - toilet paper.

Time and Party Switches

The United States Trade Representative, Bill Brock, repeated the story at a dinner at the International Club, sponsored by Consumers for World Trade.

He said it was the reason his grandfather, a Senator from Tennessee who strongly opposed Smoot-Hawley, was a Democrat.

But Mr. Brock noted that the positions of the parties had changed dramatically, with Republicans espousing free trade and Democrats espousing protection. Walter F. Mondale has strongly supported protection for the automobile and steel industries.

"That's why I'm a Republican today," said Mr. Brock, who confides that more than anything else, he would like to debate Mr. Mondale on trade policy.

A Truman Era 'Disaster'

J. M. Colton Hand, who used to write letters for Cordell Hull, reminisced about battles in 1947 to try to sell Congress on an International Trade Organization that could enforce fair trade practices.

Major trading nations had already negotiated creation of the institution. Congress opposed American participation. It feared the United States would be giving up too much sovereignty.

Yet, according to Mr. Hand's account, the Administration of Harry S. Truman made a major tactical error.

"We went through the House Foreign Affairs and Senate Foreign Relations Committees instead of Ways and Means and Finance," he said.

"The Foreign Affairs guys didn't have the vaguest notion of what foreign trade was all about. We couldn't educate them to come to a meaningful decision. It was a disaster."

Graphic

drawing

Classification

Language: ENGLISH

Subject: AGRICULTURAL TRADE (90%); LEGISLATIVE BODIES (90%); PUBLIC POLICY (90%); GOVERNMENT DEPARTMENTS & AUTHORITIES (89%); INTERNATIONAL TRADE (89%); TARIFFS & DUTIES (89%); TRADE DEVELOPMENT (89%); US REPUBLICAN PARTY (79%); PROTECTIONISM (78%); PUBLIC OFFICIALS (78%); ANNIVERSARIES (77%); LEGISLATION (77%); CONSUMERS (76%); GOVERNMENT ADVISORS & MINISTERS (76%); LOBBYING (76%); INTERNATIONAL TRADE LAW (75%); TAXES & TAXATION (74%); US TARIFF ACT OF 1930 (73%); US PRESIDENTS (71%); COLLEGE & UNIVERSITY PROFESSORS (65%)

Company: SCOTT PAPER CO (60%); SCOTT PAPER CO (60%); CONSUMERS FOR WORLD TRADE (57%); CONSUMERS FOR WORLD TRADE (57%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%)

Organization: CONSUMERS FOR WORLD TRADE (57%); CONSUMERS FOR WORLD TRADE (57%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%); CONSUMERS FOR WORLD TRADE (57%); CONSUMERS FOR WORLD TRADE (57%); COLUMBIA UNIVERSITY (55%); COLUMBIA UNIVERSITY (55%)

Industry: NAICS322291 SANITARY PAPER PRODUCT MANUFACTURING (60%); SIC2676 SANITARY PAPER PRODUCTS (60%); AGRICULTURAL TRADE (90%); COLLEGE & UNIVERSITY PROFESSORS (65%); PAPER & PACKAGING PRODUCTS (60%); PAPER MFG (60%)

Geographic: DELAWARE, USA (79%); PENNSYLVANIA, USA (79%); UNITED STATES (93%)

LETTERS TO THE EDITOR

Crain's Chicago Business
May 3, 2004, Monday

Section: Pg. 10

Length: 788 words

Body

TOTAL OVERHAUL NEEDED TO FIX ILLINOIS TAX SYSTEM

Crain's April 26 editorial, Tinker with a broken tax system? No, let's fix it'' was right on the mark.

Illinois' tax system has been broken for some time. We just didn't notice. During the past couple of years, the reality of the inadequacy of the Illinois tax system has become painfully evident. Unfortunately, several politicians and editorial pages have proclaimed that the only cure is to cut spending. Others would lead us to believe that we can borrow our way out of the hole. (My Dad used to tell me that when I found myself in a hole, the first thing I should do is stop digging!)

While we can all point to some state spending we believe of dubious value, by and large, Illinois lawmakers have not been spendthrifts.

Are local school districts in financial distress because the Legislature has showered money on them? Is the reason that part of our child welfare system is under court order to reduce caseloads because the Department of Children and Family Services has too much money? Is the reason some nursing home operators have either closed or face bankruptcy because of the state's timely and excessive Medicaid reimbursements? Is Illinois the biggest pension deadbeat'' in the nation because of the extravagant, on-time state payments into the system?

The U.S. Census Bureau reports that in 2001, Illinois had the fewest state employees per total population of any of the 50 states. Reportedly, state payroll has dropped another 10,000 persons in the past two years. Do we just have too many freeloaders on the state payroll?

I think I see a pattern in these facts. Our tax system just isn't up to the task of meeting our real needs. Hopefully, influential editorial pages such as Crain's will help our lawmakers find the courage to stop wrangling over fees'' and caps'' and fix the total system for all of us.

John Terwilliger

Charleston

Power's potential

U.S. Rep. William O. Lipin-ski's proposal to consolidate Metra and Pace, revamp the Regional Transportation Authority (RTA) board and make the RTA chairman a true CEO has received mixed reviews in the local media, including Crain's (Lipinski is right on RTA but wrong on streetcar,'' April 14).

Essentially, the critics fear potential abuse of power by a larger, more centralized transit agency, while endorsing the idea of a simplified agency able to sell a single pass good for trips on all buses and trains.

A simplified fare card should not be seen as the sole reason for agency consolidation. Ticketing is not the real problem. The real problem is that urgently needed projects are not getting built. A single mass transit organization with a single empowered chief executive officer will enable the Chicago region to accomplish with mass transit what the legendary Robert Moses accomplished in New York with highways, parks and bridges: Get things done.''

Anyone who has read Robert Caro's critical 1974 biography of Mr. Moses, The Power Broker,'' will note the potential for abuse in a powerful position.

But Mr. Caro points out that potential abuse of power must be weighed against the civic and economic impoverishment that follows the failure to apply power where it is needed. He quotes FDR brain-truster ***Raymond Moley***'s observation that from the pyramids of Egypt, the rebuilding of Rome after Nero's fire, to the creation of the great medieval cathedrals . . . all great public works have been somehow associated with autocratic power.''

Mr. ***Moley*** went so far to claim that pure democracy has neither the imagination, nor the energy, nor the disciplined mentality to create major improvements.''

I hope Mr. ***Moley*** was wrong about democracy. I hope our system of government will rally itself to resume building large public works while managing the perils of excessive power.

There is no better place to make this attempt than Chicago, where a booming, 21st-century economy is trying to force unprecedented volumes of people and goods through a 1950s highway system, a 1970s airport system and a 19th-century railroad network and transit infrastructure. If a transportation czar'' gets us to a solution faster than the current fragmented decision-making structure, more power to him.

James E. Coston

Managing partner

Coston Fioretti & Lichtman

Chicago

No relation

There have been multiple stories over the past year or so about Near North National Group and the legal difficulties encountered by Michael Segal.

Since Segal Co. has received some questions about whether we are or have been connected to this individual, we want to assure Crain's readers that Near North's Michael Segal has never had a relationship to Segal Co. and is not related to anyone at Segal Co.

Mary L. Feldman

Senior vice-president

Segal Co.

New York

Classification

Language: ENGLISH

Subject: TAXES & TAXATION (93%); LETTERS & COMMENTS (90%); NEGATIVE NEWS (87%); BUSINESS FINANCIAL TROUBLE (78%); EDUCATION & TRAINING (78%); GOVERNMENT BUDGETS (78%); US STATE GOVERNMENT (78%); FAMILY SERVICES (75%); US FEDERAL GOVERNMENT (75%); CHILDREN, ADOLESCENTS & TEENS (73%); FAMILY (73%); LEGISLATIVE BODIES (73%); MEDICAID (73%); US CONGRESS (73%); CHILD ABUSE & NEGLECT (72%); CHILD PROTECTIVE SERVICES (72%); NEGATIVE MISC NEWS (72%); TRANSPORTATION DEPARTMENTS (72%); ELECTIONS & POLITICS (71%); EDUCATION SYSTEMS & INSTITUTIONS (68%); INSOLVENCY & BANKRUPTCY (68%); ASSOCIATIONS & ORGANIZATIONS (67%); CIVIL SERVICES (65%); GOVERNMENT STATISTICS AGENCIES (64%); TRANSIT AUTHORITIES (64%); EXECUTIVES (60%)

Company: US CENSUS BUREAU (82%); US CENSUS BUREAU (82%)

Organization: US CENSUS BUREAU (82%); US CENSUS BUREAU (82%)

Industry: URBAN TRANSIT SYSTEMS (84%); GOVERNMENT BUDGETS (78%); MEDICAID (73%); TRANSPORTATION DEPARTMENTS (72%); NURSING HOMES (71%); EDUCATION SYSTEMS & INSTITUTIONS (68%); TRANSIT AUTHORITIES (64%); URBAN RAIL SYSTEMS (64%); TRAINS (60%); LONG TERM HEALTH CARE (51%)

Geographic: CHICAGO, IL, USA (92%); ILLINOIS, USA (94%); UNITED STATES (79%)

Load-Date: May 7, 2004

THE NEW DEAL AND RECOVERY, PART 12: FEAR ITSELF

States News Service

April 14, 2021 Wednesday

Length: 3128 words

Byline: States News Service

Dateline: WASHINGTON

Body

The following information was released by the Cato Institute:

By George Selgin

SHARE

"This great Nation will endure as it has endured, will revive and will prosper. ...[T]he only thing we have to fear is fear itself." FDR, in his first inaugural address.

"There is no place for industry; because the fruit thereof is uncertain."Thomas Hobbes, on the state of nature, in Leviathan.

Not the Sum of its Parts

So far, I've tended to look at the New Deal as a set or sequence of distinct government policies and programs, remarking on how each either contributed to or hampered economic recovery. I've also dealt only with those New Deal policies generally understood to have had promoting recovery as their aim.

But the New Deal was more than just a bunch of policies. As its very name indicates, it purported to be, and in important respects it was, a novel policy regime, that is, a different overall approach to combating the depression, and to economic policy more generally.

The advent of a new policy regime, and expectations or apprehensions it inspires, can have economic consequences beyond those of any particular policies that march under its banner. Uncertainty regarding possible regime changes can also have important economic consequences.

In this and the next installment to my New Deal series, I discuss the bearing of regime change, and regime uncertainty, on the course of the recovery. As we'll see, although the arrival of the New Deal regime had some beneficial effects beyond those attributable to any particular policies, the opposite was also true: in its later manifestations especially, the new regime proved unsettling to businessmen in ways that, according to many, prolonged the depression.

Great Expectations

That the New Deal regime change initially had positive consequences has been cogently argued by Peter Temin and Barry Wigmore. According to them, FDR

established a new macroeconomic policy regime shortly after his inauguration in March 1933. The Hoover administration had been financially conservative, adhering to the rules of the gold standard and fiscal orthodoxy. Its policy stance in the troubles of the early 1930s therefore, was decidedly deflationary. Roosevelt broke with this ideology, devaluing the dollar within 6 weeks of his inauguration, promoting fiscal expansion, and championing the virtues of inflationreflation as he termed it.

Roosevelt's actions, Temin and Wigmore go on to say, "marked a change in direction for government policies and for prices in general." Unlike "isolated expansionary actions" that might be understood as "departures from what was perceived as a long-term government policy," this change only had to be recognized by the public for that public to alter its expectations rapidly. In his 2008 elaboration on the Temin and Wigmore thesis, Gauti Eggertsson speaks of "an endogenous shift" in the public's expectations brought about by the new administration's willingness to set aside "policy dogmas."

Whether the original New Deal really marked as complete a rejection of established "policy dogmas" as these authors suggest may well be doubted. For one thing, as I noted previously, FDR campaigned on a commitment to balance the budget, while assailing Hoover for not doing so. He also chose the extremely orthodox Lewis Douglas as his first budget director. Still the point remains: the benefits of the New Deal, taken as a whole, could exceed those of the sum of its parts.

Regime Uncertainty

But the opposite was also true. Even if one fully accepts the "great expectations" hypothesis, it doesn't follow that the game-changing done by the New Deal had no dark side. The new regime's arrival and metamorphosis over the course of the depression could also hinder recovery. In particular, Bob Higgs argues, it bred "pervasive uncertainty among investors about the security of their property rights in their capital and its prospective returns," and this uncertainty, Higgs says, was one reason why the depression dragged on.

Although "regime uncertainty" is Higgs's term for it, he recognizes that his hypothesis isn't new. It had more than a few proponents during the depression years themselves, when people instead spoke of a lack of "business confidence"; and numerous economists and historians have taken it up since.

One of the idea's early proponents was none other than John Maynard Keynes. Upon returning to England after his desultory, May 1934 visit with FDR, Keynes published an "Agenda for the President" in the New York Times and the London Times. He said in it that he saw "no likelihood that business of its own initiative will invest in durable goods of sufficient scale for many months to come." Keynes offered several reasons for this pessimism, chief among which was the fact that "the important but intangible state of mind, which we call business confidence, is signally lacking." And the reason for that, he said,

is to be found in the perplexity and discomfort which the business world feels from being driven so far from its accustomed moorings into unknown and uncharted waters. The business man, who may be adaptable and quick on his feet in his own particular field, is usually conservative and conventional in the larger aspects of social and economic policy. At the start he was carried away, like other people, by the prevailing enthusiasm. [But now] he is sulky and bothered; and...even begins to look back with longing to the good old days of 1932.

Keynes went on to observe that FDR could help to dispel "this atmosphere of disappointment, disillusion, and perplexity" by convincing businessmen that "they know the worst."

As we'll see, FDR didn't follow this advice; and some year later, in Capitalism, Socialism, and Democracy (pp. 64-5), Joseph Schumpeter did not hesitate to blame both "the subnormal recovery" up to 1937 and the slump that followed on the "general change in the attitude of government to private enterprise" that came with the New Deal. "So extensive and rapid a change in the social scene," Schumpeter wrote, "naturally affects productive performance for a time, and so much the most ardent New Dealer must and also can admit.

One ex-New Dealer who admitted it publicly was ***Raymond Moley***. "Confidence," he says in his 1939 memoir, After Seven Years,

is the existence of that mutual faith and good will which encourages enterprises to expand and take risks... And in an age of increased governmental interposition in industrial operations...the maintenance of confidence presupposes both a general understanding of the direction in which legislative and administrative changes tend and a general belief in government's sympathetic desire to encourage the development of those investment opportunities whose successful exploitation is a sine qua non for a rising standard of living.

This, Roosevelt refused to recognize (p. 373).

"Refused to recognize" is probably not giving FDR his due. He more likely understood that a lack of business confidence discouraged investment and recovery, but chose to shake that confidence anyway to achieve reforms he considered essential either for narrowly political reasons, or because he thought they'd yield long-run social benefits exceeding their short-run costs.

Laid Low

Practically everyone agrees that inadequate investment held back the recovery. A glance at the chart below, showing percentage changes in net and gross private investment and consumption spending since the start of 1929, should suffice to drive home just how little investment there was.

The first thing that's obvious from the chart is that, at just shy of ninety percent, the percentage decline in gross investment was much greater than the percentage decline in consumption. As a share of GDP, gross domestic private investment dropped from 16 percent to less than 2 percent.

The decline in net investment was even more severeso much so that it turned negative and stayed that way until 1935. Although it then turned positive again, on the eve of the '37 downturn, which saw it go below zero again, it was still 40 percent below its 1929 level. Not until 1940 would it and the other measures shown in the chart return to their original levels. For the full 1930-1940 period, net private investment added up to minus $3.1 billion. The economy's private job-creating capacity suffered accordingly.

Yet this picture, dire as it is, doesn't tell the full story. That's so because the "investment" shown in it includes unplanned additions to business inventories, which tend to accompany downturns, and other short-term investments that aren't so sensitive to perceived regime changes. For a sense of what happened to planned, longer-term investment during the depression, here's a chart showing the course of gross private investment in all kinds of residential and business structures:

Here the inadequacy of the post-1933 recovery is still more evident than in the previous chart. Investment in structures, like overall gross private investment, first falls to a tenth of its level at the start of 1929. But at the end of the decade, after a period of slow recovery that was interrupted by the '37 crash, it is still less than half its 1929 level.

So long as investment failed to recover, recovery writ large could only go so far, and last so long. "The depletion of capital," Kenneth Roose observes (1954, p. 12), "limited the number of workers that could be profitably employed." That in turn meant that such gains in consumption spending as had been achieved lacked what W. L. Crum, R. A. Gordon, and Dorothy Wescott called "sustaining momentum." "As recovery progressed," they wrote in assessing the 1937 collapse,

the substitution for stimulated revival of a more normally balanced expansion, predicated upon long-run undertakings by business leadership in an environment sufficiently secure from interference to justify assumption of risk, was not facilitated.

If the regime uncertainty hypothesis is right, the trouble wasn't just that the New Deal failed to "facilitate" investment. It was that it actually discouraged it.

Guinea Pigs

The New Deal is said to have given businessmen and investors the willies in at least two ways. First, as its policy innovations multiplied, with no apparent end in sight, and no telling what might come next, they no longer felt able to plan for the future: a long-run investment that seemed worthwhile so far might, for all they knew, cease to be so with the next new reform effort. Second, administration officials became increasingly ill-disposed toward businessmen, and big businessmen especially, to the point where those businessmen feared deliberate attempts to deprive them of their capital or already thin profits.

That the New Deal, instead of consisting of a coordinated set of previously-conceived policies, would involve trial and error, was something Roosevelt foresaw and plumped for during his 1932 presidential campaign. "The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation," he said in his famous Oglethorpe speech that May. "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. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach."

By the fall of 1932, few could have doubted that some experimentation was called for; and that only became more obvious after the banking system collapsed on the eve of FDR's inauguration. Nor could anyone expect every policy that was tried to succeed. But while FDR's willingness to innovate wasn't itself objectionable, instead of following through by assessing his administration's experiments and discarding ones that failed, he tended, like certain WWI generals, to treat each successful offensive as a gain to be preserved at all costs, as if it were indeed part of one grand strategy.

Consequently, as the depression wore on, businessmen found themselves overwhelmed by new legislation, much of which involved considerable, if not sweeping, changes to the rules for doing business, and to their property rights. The following table, reproduced from Higgs (1997), lists only those "substantially attenuating or threatening" those rights.

The year 1935, in particular, saw such a decisive shift of the Roosevelt administration's emphasis from recovery to reform that it amounted to an entirely new regime changethe so-called Second New Deal. By means of the "gorge of indigestible measures" enacted during it, ***Moley*** writes, the original New Deal "was completely transformed." "The impact of these multitudinous measures," Chase National Bank economist Benjamin Anderson wrote a decade later, "upon a bewildered industrial and financial community was extraordinarily heavy."

And Villains

1935 also witnessed a change in the Roosevelt administration's attitude toward businessmen.

During his 1932 campaign, Roosevelt spoke of the need for "cooperation" between the government and business; and his administration's willingness to seek such cooperation was evident in its early conduct and policies. Even the NIRA, before the introduction of the blanket code, reflected the administration's desire to rely upon what ***Moley*** calls "cooperative business-government planning," and to reject the alternative of dealing with "private economic power by smashing it to bits." Roosevelt understood, furthermore, that a lasting recovery depended on the revival of private enterprise. In short, "he had no quarrel with business, as such. Certainly he did not regard it as an enemy."[1]

But by the summer of 1935, FDR's disposition had changed dramatically. Riled by business organizations' increasingly vituperative criticism of him and the New Deal; angered by the Supreme Court's striking down of the NRA; egged-on by his Progressive advisors; and determined to win-over supporters of populist presidential candidate Huey Long by stealing a march on Long's "Share Our Wealth" plan, Roosevelt unveiled his own plan for reining-in plutocratsthe notorious "soak-the-rich" tax proposal.[2]

FDR made the proposal in a June 19th message to Congress, "Our revenue laws," he announced, "have operated in many ways to the unfair advantage of the few, and they have done little to prevent an unjust concentration of wealth and economic power." His first target was inherited wealth. Calling such wealth "inconsistent with the ideals of this generation," he recommended that, besides estate taxes, "an inheritance, succession, and legacy tax" for "all very large amounts," as well as gift taxes to frustrate attempts to evade it.

Next came high incomes. Because "social unrest and a deepening sense of unfairness are dangers to our national life," the Government, he said, had a duty "to restrict such incomes by very high taxes."

The final target was big business. "Vast concentrations of capital," FDR said, "should be ready to carry burdens commensurate with their powers and their advantages." He therefore recommended "a corporation income tax graduated according to the size of corporation income," to be supplemented (again as a check against evasion) by a tax on intercorporate dividends. As if this then-unprecedented proposal might not upset businessmen enough, FDR explained that he saw it as a half measure only. "Ultimately," he saidforeshadowing legislation to comehe looked forward to both "the simplification of our corporate structures through the elimination of unnecessary holding companies" and policies that would "discourage unwieldy and unnecessary corporate surpluses."

Roosevelt's recommendations came as a complete surprise to Congress: in his January 3rd budget message, he'd advised against any new or additional taxes for the coming fiscal year; and deficits since then had been lower than expected. But if his new suggestions surprised Congress, theyand his corporate tax proposals in particularthrew the business community into what Ray ***<u>Moley</u>*** called "paroxysms of fright," unnerving it almost as much as the Supreme Court's striking down of the NRA had cheered it in May. Taxes were, for the first time, being proposed for the avowed purpose of redistributing wealth rather than raising revenue. The graduated corporate tax, in particular, was understood to have no purpose save the dubious one of taxing bigness.

No good purpose, that is: the Philadelphia Enquirer considered it "an effective method of hampering re-employment, preventing wage increases and delaying recovery." Right or wrong, the Enquirer was far from alone. In its report on the Revenue Bill, the Senate Finance Committee recorded the minority opinion that the bill would be better entitled,

A bill to confiscate property; to discourage business and prevent its expansion; to destroy incentive and discriminate against ability, brain, and ambition, and enterprise; to create inequalities and to obstruct recovery; to jeopardize the financial position of the government; and for other improper purposes.

Despite such protests, the revenue bill sailed through Congress that August with unseemly haste, aided by Democratic super-majorities in both houses and congressional leaders' desire to carry out rather than question FDR's wishes. Although higher estate taxes took the place of FDR's proposed inheritance and gift taxes, most of his other suggestions, including the graduated corporate tax, were enacted, if only after some watering-down. "It seems," an article in the staid AER opined, "that such a measure is important enough to justify more deliberate and careful consideration than was given." Instead, "all serious opposition appears to have been bought off with promises or bowled over by the huge Administration majority."

"There can be no denying," the AER article continued,

that the President's message was an attack on wealth. ...Nor can it be denied that the diverting of taxation from the primary purpose of raising revenue to other major purposes involves great hazards. That there are tremendous abuses that should be remedied can admit of no question. But how best eliminate the abuses and yet do a minimum of harm; how best promote ingenuity, enterprise, economy, social security and all the other desiderata becomes even more difficult with the growing complexities of modern industrial society.

It also becomes more difficult, the authors might have added, in the middle of a depression.

***

FDR's "war" with business didn't end with the August 20th passage of the Revenue Act. Several days later he signed another law that many businessmen found even more disconcerting. And in 1936 his rhetoric, if not his administration's legislation, would become still more ferocious. I'll take up the rest of the story of New Deal regime uncertainty in the next installment to this series.

Classification

Language: ENGLISH

Publication-Type: Newswire

Subject: ECONOMIC POLICY (89%); GOVERNMENT & PUBLIC ADMINISTRATION (89%); PUBLIC POLICY (89%); ECONOMIC CONDITIONS (78%); ECONOMIC RECOVERY (78%); PRICES (78%); ECONOMY & ECONOMIC INDICATORS (74%); DEFLATION (69%); ECONOMICS (69%); ECONOMIC NEWS (67%); DEVALUATION (60%)

Organization: CATO INSTITUTE (84%)

Industry: DEFLATION (69%); DEVALUATION (60%)

Load-Date: April 14, 2021

'Not My Fault'

The New York Times

June 22, 2008 Sunday

Late Edition - Final

Section: Section BR; Column 0; Book Review Desk; Pg. 23; ESSAY

Length: 1243 words

Byline: By JACOB HEILBRUNN

Jacob Heilbrunn, a regular contributor to the Book Review, is the author of ''They Knew They Were Right: The Rise of the Neocons.''

Body

Although secrecy and loyalty have been bywords of the Bush White House, its officials have been improbably loose-lipped upon leaving office, particularly in the memoirs they have written. So far, there have been exposes from Paul O'Neill (Bush's former Treasury secretary), Richard Clarke (his onetime counterterrorism czar), David Kuo (deputy director of the White House's faith-based initiative), L. Paul Bremer III (the former top civilian in Iraq) and the foreign-policy hands John Bolton and Douglas J. Feith. Each of these books has been a record, to some extent, of disillusionment, and all have excited a good deal of attention. But perhaps none have had the force of ''What Happened,'' the new memoir by Bush's former press secretary, Scott McClellan, which has zoomed to the top of the best-seller lists (including the Book Review's) and brought fresh scrutiny to an administration that had been all but invisible during this election season.

The book's impact is all the more remarkable given how familiar its revelations are, whether it's McClellan's crushingly obvious remarks about the administration's selling of the Iraq war, Bush's contempt for the press or Vice President Dick Cheney's penchant for secrecy. As Joshua Green wrote in The New York Observer, ''For all the hype on cable news shows and blogs, 'What Happened' adds almost nothing of value to the historical record.''

What may, in fact, be most revealing about McClellan's book is not what it discloses about the head of state, but what it says about the continuing devaluation of the political memoir as a literary form. Paradoxical though it may seem, even as these books have become more accusatory, they have also become less illuminating. While they were once useful and sometimes absorbing accounts of the inner workings of government at its highest levels, these books now tend to be exercises in apostasy, and their primary purpose seems to be to confer intellectual and moral independence, if not heroism, on their authors. ''Forty years ago, publishers had a pretty high standard for who should write books,'' the historian Michael Beschloss, who is based in Washington, said in a telephone interview. ''There were fewer books published. You had better possess some literary ability.''

He has a point. The eulogistic memoirs of an earlier time were consequential, partly because their authors drew on their own notes and diaries, which very few officials dare to keep in the scandal- and subpoena-driven Washington of our time. Raw material of this kind enabled officials to wait before telling stories that still arrived with a sense of immediacy. Henry L. Stimson's 1948 doorstop, ''On Active Service in Peace and War,'' published several years after he ended his tenure as secretary of war, drew copiously on Stimson's personal papers. ''A Thousand Days,'' Arthur

Schlesinger Jr.'s retrospective account of the Kennedy White House, relied heavily on Schlesinger's diaries. Dean Acheson's masterly "Present at the Creation" was published in 1969, almost two decades after he left office. And the first volume of Henry Kissinger's invaluable memoirs, "The White House Years," did not appear until 1979, when he was well out of government.

How did we go from these cigar-and-brandy tomes -- often intended to burnish the reputations of their authors and also those of the presidents they served -- to sensationalistic trifles like "What Happened"?

One answer lies in a less well-known but equally important countertradition, the dyslogistic school of memoir written by former officials who present themselves as disillusioned innocents. A classic instance is ***Raymond Moley***'s "After Seven Years," published in 1939. ***Moley*** had been a charter member of Franklin D. Roosevelt's brain trust but grew disenchanted with what he saw as the president's sharp turn to the left. Presaging Scott McClellan, ***Moley*** brooded histrionically about his employer's failings: "To say that I was sick at heart over what was happening would be the epitome of understatement. I was also completely baffled. Was Roosevelt really ignorant of the implications of what he was doing?"

A later memoir of this kind is "The Ordeal of Power," an insider account of the Eisenhower administration written by Emmet John Hughes, a presidential aide and top speechwriter. Hughes depicted his boss as a passive leader who had left the Republican Party in shambles. Like ***Moley***'s memoir, Hughes's was elegiac in tone and dealt solely in high politics, with no hint of personal innuendo. But Eisenhower was incensed, and the specter of the memoirist as turncoat worried his successor. John F. Kennedy "wondered who in his entourage was going to become the Emmet John Hughes," Beschloss said.

The Reagan era brought something new, a flurry of score-settling memoirs published while the president was still in office. Alexander M. Haig Jr., forced out as secretary of state in 1982, led the way with "Caveat," which blamed a clique led by the White House chief of staff, James Baker, for his downfall; labeled the White House as a "ghost ship"; and lamented that Reagan hadn't hewed more closely to -- what else? -- Haig's own advice. A more inflammatory memoir was "For the Record." Its author, Donald Regan, the chief of staff in Reagan's second term, described Nancy Reagan's concern with her husband's image and reported that she was in thrall to a San Francisco astrologer.

Most revealing of all was the budget director David Stockman's book, "The Triumph of Politics," with its complaint that Reagan "had no concrete plan to dislocate and traumatize the here-and-now of American society." Bill Clinton's presidency also yielded memoirs that cataloged their authors' disappointments, most notably George Stephanopoulos's "All Too Human." Like Stockman, Stephanopoulos suggested that his boss was the flawed instrument of grand ideals: "I came to see how Clinton's shamelessness is a key to his political success, how his capacity for denial is tied to the optimism that is his greatest political strength."

With the Bush administration, however, the memoir of aggrievement has emerged as a crowded genre. Why? Perhaps because, as Walter Isaacson, the author of a biography of Kissinger and the president of the Aspen Institute, told me, the Bush team took office "trying to create complete control of the message as opposed to serving the truth. In the end, that message discipline exploded on them. Now everyone's expressing their pent-up desire to go off message."

Enter Scott McClellan, who was a small player, after all. He issued no orders, formulated no policy. He wasn't even in the room when the big shots assembled, though he does report that after winning re-election in 2004, Bush declared at a staff celebration: "I especially want to thank Scott. I want to thank you for saying -- nothing."

In other words, McClellan wasn't supposed to function as a press secretary, but to impersonate one. Still smarting, he has avenged himself by exercising the power of the powerless. He has gained the spotlight, if only for a few days, and at the same time has distanced himself from his former brethren. "What Happened" is the latest product of what Isaacson calls the "it-wasn't-my-fault industry." And that industry is unlikely to halt operations anytime soon: the former defense secretary Donald H. Rumsfeld is currently working on his memoirs.

http://www.nytimes.com

Graphic

Photo: Scott McClellan announced his resignation at President Bush's side in April 2006. (JIM WATSON/AGENCE FRANCE-PRESSE -- GETTY IMAGES)

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: PROFILES & BIOGRAPHIES (90%); BIOGRAPHICAL LITERATURE (89%); LITERATURE (89%); NEGATIVE NEWS (89%); WRITERS (89%); HISTORY (87%); BESTSELLERS (78%); GOVERNMENT ADVISORS & MINISTERS (78%); INTERVIEWS (78%); IRAQ WAR (78%); NEGATIVE PERSONAL NEWS (77%); HEADS OF STATE & GOVERNMENT (76%); BOOK REVIEWS (73%); PUBLIC FINANCE AGENCIES & TREASURIES (72%); SCANDALS (72%); TREASURY DEPARTMENTS (72%); RELIGION (71%); TERRORISM & COUNTERTERRORISM (71%); BLOGS & MESSAGE BOARDS (64%); NEGATIVE MISC NEWS (61%); COUNTERTERRORISM (57%); TERRORISM (57%)

Industry: BOOK PUBLISHING (89%); WRITERS (89%); BESTSELLERS (78%); BIOGRAPHY PUBLISHING (78%); PUBLISHING (78%); BOOK REVIEWS (73%); PUBLIC FINANCE AGENCIES & TREASURIES (72%); TREASURY DEPARTMENTS (72%); BLOGS & MESSAGE BOARDS (64%); TELEVISION NEWS SHOWS (50%)

Person: DICK CHENEY (58%)

Geographic: IRAQ (92%); UNITED STATES (92%)

What Happened (Book)>

Load-Date: June 22, 2008

Ghost Stories

The American Prospect

May, 2010

Section: CULTURE & BOOKS; Media; Pg. 45; VOLUME 21; NUMBER 4

Length: 2020 words

Byline: CRAIG FEHRMAN

Craig Fehrman is working on a book about presidents and their books.
Highlight: How ghostwriting went from scandal-in-waiting to acceptable political reality

Body

In October 2007--the same month that Random House emerged from a four-day auction with a $9 million deal for Tony Blair's memoirs--Robert Harris published his sixth novel, *The Ghost.* It centers on a cynical, self-aware ghostwriter who must finish the memoirs of a former British prime minister. The PM, thanks to war crimes, waterboarding, and other timely plot points, is laying low in America, but Harris spends more time skewering publishers than politicians. He did his homework, interviewing real ghostwriters and pulling epigraphs from a handbook by "Britain's foremost ghostwriter," and his novel makes for some biting (if predictable) satire. No wonder Harris told National Public Radio, on the last day of his rather busy October, that he "just really was interested in this phenomenon of the ghostwriter."

The main thing that interested NPR, and the novel's reviewers, though, was playing connect-the-characters with the Blair administration. *The Ghost* certainly allows for this reading, and Harris handled the attention with the skill of someone who'd been expecting it, smirking and demurring his way through round after round of sales-boosting interviews.

Now it's happening again--this time to the recently released film version of Harris' novel, adapted by Harris and director Roman Polanski and retitled *The Ghost Writer.* Polanski doesn't ease up on the publishing industry--that he casts Jim Belushi as the publisher's CEO should tell you everything you need to know--but, yet again, context has overpowered conceit. Last year, after decades on the lam, Polanski was arrested on charges of having "unlawful sexual intercourse" with a young girl in 1977. He managed to finish *The Ghost Writer* under house arrest, but the contours of its reception were set. (How many reviews start with something like: "A horrible crime, a scandalized public figure, the specter of extradition--no, it's not Roman Polanski's life, it's his latest movie"? I'll take the over.)

In both book and film, it seems, Harris' inquiry into the ontology of ghostwriting never stood a chance. But that's just as well since, on both sides of the Atlantic, people stopped worrying about ghostwriting a long time ago.

GEORGE WASHINGTON'S most famous speech, the Farewell Address (1796), wasn't actually a speech--it appeared, over the course of a few weeks, in almost every American newspaper. The address wasn't Washington's, either. Alexander Hamilton, with assists from Washington and James Madison, did most of the writing.

In the years after Washington's death, readers continued to assume that the first president alone had written the Farewell Address. By 1810, though, Hamilton's authorship was being noted in private letters and public gossip--a legitimate piece of Antebellum undernews. Hamilton's wife, Eliza, desperately wanted to reveal her husband's role in writing the address and, in doing so, to rehabilitate his reputation, but Hamilton's executor refused to give her the draft that proved his authorship. So she sued him, at which point newspapers began speculating about the author of the address. Jefferson, Madison, even the Historical Society of Pennsylvania weighed in, and the debate persisted for decades. The prominent Philadelphia lawyer Horace Binney admitted in 1859 that the public, with its "deep and undivided reverence" for Washington, "was unwilling to learn, that, even on an occasion of ceremony, he had worn any vesture but his own."

Madison worried the Farewell Address would "lose the charm of the name subscribed to it," but he also knew that Washington made "no secret to some that he occasionally availed himself of the friendship of others"--others, that is, who could write. The affair didn't stop American politicians from turning to ghostwriters. Early examples remain fairly infrequent and often anonymous, but this had less to do with the fear of scandal than with the fact that the political world simply produced less prose.

This had all started to change by the election of Warren Harding, the first president to employ a full-time ghostwriter. Judson Welliver wrote Harding's speeches, which H. L. Mencken famously compared to "a string of wet sponges," undetected. (Elsewhere, Mencken called Welliver "a journalist of the highest skill.") Yet within a few years, *Time* magazine could clearly detail Welliver's duties as a ghostwriter to Harding and, later, to Calvin Coolidge. The *Time* article focuses mostly on Welliver's successors, including F. Stuart Crawford, who "went under a cloud when it was found that the Coolidge addresses, when dealing with geography and other indisputable facts, followed with a striking literalness the text of the *International Encyclopaedia.*"

While Coolidge decided to proceed without a full-time ghostwriter, he would be the last president to do so. This is not to say that future presidents were ready to relinquish their shot at projecting a Washington-like image of solitary genius. Franklin D. Roosevelt pioneered the ghostwriting-by-committee approach--historians still argue about which aide coined the "new deal" phrase--but, for his first inaugural, he looked to one man: ***Raymond Moley***. ***Moley*** typed up a draft and, the next night, revised it with Roosevelt, watching as the president-elect copied it onto a legal pad. When they finished, ***Moley*** threw his initial text into the fireplace and said, "This is your speech now." But FDR took him too literally, adding, a month later, this note to his handwritten draft: "The Inaugural Address as written at Hyde Park on Monday, February 27, 1933. I started in about 9.00 P.M. and ended at 1.30 A.M." The note makes no mention of ***Moley***, and historians continued recounting FDR's lonely night until ***Moley*** cleared things up in his own memoir.

Moley wrote several memoirs, in fact--and, among FDR's ghostwriters, he was not alone in this. As books like Charles Michelson's *The Ghost Talks* (1944) became best-sellers, they indicated that ghostwriting had moved solidly into the mainstream. There were a few surly outliers like Walter Lippman, who argued that "no one can write an authentic speech for another man; it is as impossible as writing his love letters for him or saying his prayers for him." But most politicians, media types, and, above all, voters found themselves with more or less modern attitudes toward ghostwriting. In 1952, American University started offering a course in ghostwriting, and it wasn't too long before *The Washington Post* was subjecting the "boyish" James Fallows, Jimmy Carter's chief speechwriter, to the same puff profiles it now does to Obama's top scribe, Jon Favreau.

SPEECHES ARE ONE THING, but audiences tend to hold books--even political books--to higher standards. The division between these categories, however, has never been precise. Before today's clearly defined campaign biographies and manifestos, the most popular way to kick off a campaign was with a collection of speeches, previously ghostwritten, now compiled by anonymous aides. The rise of ghostwritten books also parallels the rise of ghostwritten speeches. James Buchanan, a terrible president but a titan in the untold history of presidential autobiography, had an assistant write his memoirs from dictation in 1867. (Buchanan died before they could finish.) By 1927, when the Authors' League held a meeting on ghostwritten celebrity books, the consensus was that "the public was at one time completely credulous on the point. Now it seems unlikely that it believes in any of the noted athletes, singers or politicians who break out in print."

For readers, in other words, a political book's impact matters more than its authorship--and nowhere was this clearer than during the postwar period, which saw a series of popular political books, all bestsellers, all instrumental in shaping their authors' careers. Dwight Eisenhower's *Crusade in Europe* (1948), Barry Goldwater's *Conscience of a Conservative* (1960), and Richard Nixon's *Six Crises* (1962) relied on ghostwriters to varying degrees; no one cared. Jimmy Carter wrote *Why Not the Best?* (1975) without any help; no one cared about that, either.

In the midst of all this, of course, came John F. Kennedy's *Profiles in Courage* (1956). And while Kennedy's authorship--or, more accurately, Ted Sorensen's authorship--became controversial, it was the book's Pulitzer Prize that catalyzed the backlash. The problem wasn't ghostwriting; it was award-winning ghostwriting. *Profiles in Courage* was, from the beginning, both a political boon and a popular success, with a serialization in *The New York Times Magazine* and, a mere two weeks after its release, a television-adaptation deal. But the sniping at Kennedy's authorship didn't start, in print, at least, until after--a mere *eight days* after--he won the Pulitzer on May 7, 1957. Even Drew Pearson, the political columnist who dragged the issue onto the national stage, framed his accusation in terms of the award: "Jack Kennedy," Pearson said on ABC's *The Mike Wallace Interview,* "is the only man in history that I know who won a Pulitzer Prize on a book which was ghostwritten for him."

While Pearson couldn't recall his name on air, Sorensen used ghostwriting to acquire his own degree of celebrity. (Sorensen also used it to get revenge: He wrote the retraction Pearson had to read on the next week's show.) It makes sense that many successful writers have ghostwritten political books and speeches--and that even more have used ghostwriting as a step toward broader success. Let's put an end to the absurdly resilient rumor that Mark Twain ghostwrote Ulysses S. Grant's *Memoirs,* then note that the ghostwriting ranks have included George Bancroft (he wrote speeches for James Polk and Andrew Johnson), Archibald MacLeish and Robert Sherwood (FDR), Doris Kearns Goodwin and John Steinbeck (Lyndon Johnson), William Safire and Pat Buchanan (Nixon), Hendrik Hertzberg and Chris Matthews (Carter), Thomas Mallon (Dan Quayle)--and Walter Lippmann, who prayed and loved on behalf of both Woodrow Wilson and JFK.

IN OUR OWN AGE, ghostwriting has matured into a decorous, rule-bound discipline--lawyers and polite society both recognize the difference between a book's "writer" and its "author," and one can draw similar (though less precise) distinctions between byline language choices like "and," "as told to," or "with." If specific ghostwriters get noticed, it is only as an extension of their client. Indeed, most recent attempts to scandalize ghostwriting reflect partisan motives or divisive personalities more than any underlying anxieties about ghostwriting. When Hillary Clinton opted not to thank her ghostwriter in the acknowledgments of *It Takes a Village* (1996), it became a mini crisis; when Howard Dean repeated her mistake in *Winning Back America* (2003), only *Newsweek* noticed.

This selective outrage helps to explain the bizarrely detailed accusations, launched by right-wing bloggers late in the 2008 election, that Barack Obama's *Dreams from My Father* (1995) was ghostwritten by Bill Ayers. In fact, the Obama-Ayers example perfectly illustrates the state of ghostwriting today: Only the most partisan readers can muster (or manufacture) any anger about it. If the bloggers were truly concerned about the demise of political discourse, they might have compared *Dreams* to the muzzled style of *The Audacity of Hope* (2006)--and to the latter's acknowledgments page, which nods to a whole focus group's worth of political allies, including Favreau.

The bloggers were never concerned about this--nobody is. It's too late to save Harris and Polanski from the collective shrug that greets ghostwriting. But what about Blair? His autobiography, *The Journey,* arrives this September, and he and Random House insist he's writing it without any help. Someone should get him a subscription to *The London Review of Books,* in which a recent review laid into the new historical book written by Blair's successor, Gordon Brown, for making mistakes "a competent ghostwriter might have avoided." At least, the reviewer snarked, "our new prime minister should be able to fend off any doubts about authorship."

Graphic

Illustration, no caption, JOHN CUNEO

Picture, A former British prime minister (Pierce Brosnan) confronts his ghostwriter (Ewan McGregor) in Roman Polanski's latest film. RP FILMS / THE KOBAL COLLECTION

Classification

Language: ENGLISH

Publication-Type: Magazine

Subject: NEGATIVE PERSONAL NEWS (90%); NOVELS & SHORT STORIES (90%); ARRESTS (89%); CRIME, LAW ENFORCEMENT & CORRECTIONS (89%); NEGATIVE MISC NEWS (89%); NEGATIVE NEWS (89%); SCANDALS (89%); WRITERS (89%); BRITISH PRIME MINISTERS (78%); ELECTIONS & POLITICS (78%); HEADS OF STATE & GOVERNMENT (78%); INVESTIGATIONS (78%); PRIME MINISTERS (78%); PUBLISHING SECTOR PERFORMANCE (78%); INTERVIEWS (77%); EXTRADITION (76%); HOUSE ARREST (71%); SEXUAL ASSAULT (71%); WAR CRIMES (71%); EXECUTIVES (70%); CRIMINAL OFFENSES (68%)

Organization: NATIONAL PUBLIC RADIO (56%)

Industry: BOOK PUBLISHING (90%); PUBLISHING (90%); WRITERS (89%); PUBLISHING SECTOR PERFORMANCE (78%); PUBLIC BROADCASTING (74%); PUBLIC RADIO (69%)

Person: TONY BLAIR (72%)

Geographic: UNITED STATES (95%); UNITED KINGDOM (90%)

Load-Date: April 7, 2010

ON LANGUAGE; SHOO-IN

The New York Times

October 7, 1984, Sunday, Late City Final Edition

Section: Section 6; Page 18, Column 3; Magazine Desk

Length: 1222 words

Byline: By William Safire

Body

Citing the lowering of the ''misery index'' - that addition of the unemployment rate to the inflation rate - Leonard Silk, economics columnist of The New York Times, wrote: ''Mr. Reagan could have some reason to regard himself as a shoe-in.''

Judy Westerman of New York assumes that *shoe-in* is a typographical error for *shoo-in*, and wonders if writers will not turn to other up-to-date phrases of finality like *carved in stone* or *made in the shade*. But when queried, Mr. Silk does not take refuge in the old typo excuse (which has grown difficult since word-processing terminals have made us our own typesetters).

''I used *shoo-in* to mean 'a walkaway, an easy win,' '' says my colleague, who is known to lexicographers as the coiner of *double digit*. ''I don't know why I spelled it *shoe-in*. I just bought some shoes.'' It could be that this misspelling, a frequent one, is influenced by *shoehorn*, a verb meaning ''to insert into a difficult space'' or ''to fit in with difficulty.''
William Safire article on use of slang metaphors, mispronounciation of Halloween and misuse of word schism; drawing (M)

Slang metaphors change their meanings as they are applied in different fields. Mr. Silk's political meaning, ''easy win,'' is accurate; in racing, however, where the term originated, the term retains a more sinister meaning. *To shoo* is a centuries-old colloquialism for ''to urge a person or animal to move in a desired direction.'' Back in the bad old days, corrupt jockeys would form a ''ring'' and bet on a single horse, holding back their own mounts while they ''shooed in'' the winner. In a horseracing *shoo-in*, the winner is the only horse trying to win; that corrupt connotation does not apply in politics.

In a related development from the world of in-and-out, this letter from Judge Theodore Trautwein of the Superior Court of New Jersey: ''The other day my law clerk told me that she had really *lucked out* on the purchase of her new car. I asked her if she was happy with the deal. She was indeed!''

The appellate jurist poses the slanguistic issue: ''When things go bad, one is 'out of luck' and vice versa. Hence, I would have employed the expression *lucked in* under her circumstance.'' He requests my ruling.

The judge is going by the book: in the Dictionary of American Slang, *lucked out* is defined as ''to have met with ill fortune.'' But that was back in the 1940's, and lots of things have been turned on their heads since then. In 1954, American Speech magazine was citing campus usages of *to luck out*, meaning ''to achieve success by good luck,'' with the example of not being assigned Saturday classes. Today, *ba-a-ad* means ''good,'' reports of economic growth can prompt stock-market downturns, and *to luck out* is *to luck in*.

I'm speculating because the lack of research on this point has been unfortunate, but I think this has to do with the way *out* is used to form new verbs. In standard English, we have such compounds as *break out, sit out* and *fall out*, so the device is not new; but in slang, we have witnessed an Out Explosion, as coinages have ranged from *drop out, cop out* and *sack out* to the more recent *veg out, pig out* and *spazz out*.

Out is in and *in* is out. Along the way, *luck* ran out - that is, *to luck in*, or fall into luck, became *to luck out*. The other form still exists, but the *in* is almost always *into*: one may *luck into* something, but the usage is not nearly as common as *to luck out*.

That's the breaks, judge. Appeal denied. Listen to your clerk, get with it, and you will have it made in the shade.

Hallow

Rings Hollow

Here is this month's red- flag pronunciation alert: ''I am waiting for Oct. 31 to roll around,'' writes Eleanor Blau of New York, ''wondering whether that holiday will be mispronounced again this year. Is it sloppiness or ignorance which (sic) accounts for the mispronunciation of *Halloween* as *Holloween*?''

Neither; it's a newer way to pronounce it. *Halloween*, or *Hallowe'en*, is All Hallows Evening, with *hallow* meaning ''sacred,'' or as a noun, a synonym for ''saint.'' The first syllable is pronounced *hol* by some, but *hal* is still preferred in the United States. Although we pronounce *swallow* as if the first syllable had an *o*, we prefer not to do that with *hallow*, as everyone familiar with ''hallow'd be Thy name'' will attest.

In Merriam-Webster's Ninth Collegiate, this nice distinction is made: *Halloween* is pronounced hal-uh- ween, and a second pronunciation is listed with the *a* in the first syllable having two dots over it. That means the *a* is pronounced like the *o* in ''cottage.''

I suspect that the pronunciation in this country is shifting, and the *hallow* is ringing *hollow*. When the kids come trick-or-treating at the end of the month, I'll ask them which holiday it is. Those that say *Halloween* will get an extra handful of candy corn, because I like to encourage traditionalism.

Respectfully Disagree

When you disagree with your superior, or your friend, or someone you respect, how do you put him in his place? Answer: by putting him in a figurative place or state.

The Rev. Paul A. Wickens, a priest in the Archdiocese of Newark, is in a feud with his Archbishop, at least in part because of the prelate's support for a nuclear freeze. After Father Wickens suggested that churchgoers withhold their Sunday contributions, the Archbishop decided to suspend him and to evict him from the rectory.

The rambunctious priest announced coolly: ''I believe my Archbishop is in schism.''

Where is *schism*, anyway? That word - originally pronounced ''sizzem'' but now more often pronounced ''skizem'' - is a noun meaning ''split.'' In theological circles, however, Splitsville is a most specific state of being. I consulted Father William Hill of the Catholic University's School of Theology for a definition.

''*In schism* refers to a division in canonical terms,'' he replied. ''That division may be disciplinary as opposed to doctrinal. Doctrinal issues would involve ideas like the belief in the divinity of Jesus, while disciplinary matters have to do with the exercise of authority - for example, one bishop intruding upon another bishop's area. It is possible to be *in schism* in disciplinary issues without being divided in doctrinal areas.''

I ran across a similar state a generation ago, researching the origin of Franklin Delano Roosevelt's use of ''new deal.'' Judge Samuel I. Rosenman told me that he had drafted the peroration to Mr. Roosevelt's acceptance speech to the 1932 Democratic National Convention: ''I pledge you, I pledge myself, to a new deal for the American people.''

Raymond Moley, another Brain Truster and later a columnist for Newsweek, took sharp exception to this when I called about it. He pointed to evidence in a book of his, ''After Seven Years,'' that showed the phrase was suggested by him. How did Professor ***Moley*** react when it was pointed out that his old colleague remembered history somewhat differently?

He did not direct his ire at the man personally; Raymond the Mole did not say that Sammy the Rose had a lousy memory or was mistaken or wrong. Instead, he chose a delicate but unbudging usage: ''When Rosenman says that he wrote it,'' ***Moley*** said, ''he is in error.''

Disputants who use civil phrases like that are in a graceful state. Where do you hear an argument these days that goes ''You're in schism'' or ''You're in error''? I'm in awe.

Classification

Language: ENGLISH

Subject: INFLATION (90%); POPULATION CHARACTERISTICS (90%); WRITERS (90%); DICTIONARIES & THESAURI (89%); NEGATIVE EMPLOYMENT NEWS (89%); NEGATIVE PERSONAL NEWS (89%); UNEMPLOYMENT RATES (89%); LINGUISTICS (78%); HORSE RACING (69%); APPEALS (64%); LAW COURTS & TRIBUNALS (60%)

Industry: WRITERS (90%)

Geographic: UNITED STATES (79%)

---

100 YEARS OF EXPERTS ARMED WITH MONEY ...SURE DIDN'T DO MUCH FOR CLEVELAND

States News Service

April 15, 2014 Tuesday

Length: 2637 words

Byline: States News Service

Dateline: WASHINGTON

Body

The following information was released by the Philanthropy Roundtable:

By William Schambra

Frederick Gofffather of the first community foundation, the Cleveland Foundation, whose centenary we observe in 2014railed so fervently and frequently against the evils of the dead hand that his daughter came to fear the dark staircase in her home, certain that the dead hand would reach out and grab her, reports historian Nathaniel Howard.

Goff's fear was that, left to their own devices, wealthy individuals tended to bind their accumulated fortunes in unbreakable trusts to institutions or causes that were self-serving, narrow, transitory, and peripheral to the public interest. Better to bequeath their fortunes to a publicly governed trust broadly committed to the interests of the entire community, he concluded. Its trustees would construe shortsighted donors' intentions as generously as possible, and would even disregard the originally expressed preference regarding the purposes to which income might be devoted, if in the course of years those purposes become obsolete or harmful.

Although community foundations now offer donor-advised funds that adhere to their creators' wishes, it's clear that their original purpose was to substitute for donor intent a flexible, forward-looking view of the community interest, which could be discerned only by enlightened civic elites. Goff was the first to expound the idea that the wealth of a community belonged to all of its people, not just to a chosen few, former Cleveland Foundation staffer Bruce Newman once observed. Frederick Goff might have seemed an unlikely champion of this rather collectivist view of wealth. He was, after all, an attorney at the Cleveland firm that handled the interests of John Rockefeller (whose career as oil magnate also began in Cleveland), and later a banker.

Saving the world

At the turn of the twentieth century, Goff's hometown was booming with steel manufacturing, oil refining, shipping, and other heavy industries. It faced all the challenges of the era's industrial citiesinadequate housing, a swollen population, pollution, and a corrupt political system. But Cleveland was a hotbed of progressive ideas for facing these challenges.

Theodore Roosevelt was then promoting a new nationalism that envisioned a blend of public-private problem-solving. Roosevelt believed that concentrated corporate interests, properly harnessed by a powerful central government, could transcend narrow profit motives and pursue a broader public interest. Historian Peter Dobkin Hall suggests that businessmen in the Midwest at that time tended to be willing to work with or through private-sector entities such as the Chamber of Commerce to define the public interest, and through municipal government to implement their goals.

Goff's community foundation idea constituted a nearly perfect expression of this ethos, Hall says. The Cleveland Foundation was created to receive charitable trusts, either designated by donors for a particular purpose or left to the discretion of the foundation. The funds would be left in private banks. Disbursement would be managed by a distribution committee with both private and public representatives.

Goff was the first to expound the idea that the wealth of a community belonged to all of its people, not just to a chosen few.

Goff shared with the larger progressive movement the desire to stop merely treating the symptoms of public problems and get to their root causes. This could be accomplished by professional experts systematically applying the newly developing social sciences to festering urban problems. Well before his foundation had even begun to produce income, Goff proposed a great social and economic survey of Cleveland, to uncover the causes of poverty and crime and point out the cure, modeled on the social surveys the Russell Sage Foundation had sponsored in Pittsburgh.

Although that grand survey was never undertaken, Goff's foundation tackled major issues during its first decade, including reforms of Cleveland's justice system, systems of charity, public education, recreation, local universities, and use of the Lake Erie waterfront. With what Hall describes as the curious tendency of [the] Cleveland elite to look beyond itself for expertise to advise its social experiments, a parade of prominent national progressive scholars and activists were brought in to study these problems.

Raymond Moley, later a key New Deal adviser, was recruited to be the first full-time director of the Cleveland Foundation; Leonard Ayres from Russell Sage worked on the education survey; and progressive legal giants Roscoe Pound and Felix Frankfurter conducted the work on the criminal justice system, along with future Rockefeller Foundation president Raymond Fosdick.

The surveys invariably condemned the confusion, redundancy, corruption, waste, and inefficiency of existing systems, which could only be remedied by centralization, rationalization, professionalization, and the replacement of self-interested partisan administration by experts. While some of these reports were well received, others provoked a hostile reaction from the allegedly mistaken, wasteful, and corrupt. The survey of the courts notably led a local judge to condemn it as a criminal waste of money, and to threaten to jail the foundation's distribution committee for contempt. But Goff, according to ***Moley***, was so flushed by the results of the crime survey that he wanted to commit the Foundation to a completely crusading future.

Nonetheless, the foundation's zeal began to wane after the legal survey, notes journalist Diana Tittle. When Frederick Goff died in 1923, the foundation entered a period of relative invisibility and reticence. Only in the 1960s would it resume the practice of critically examining the performance of civic institutions.

Unwilling to preside over a trust that would simply dole out money to worthy and qualified charities, ***Moley*** left the foundation en route to bigger powers inside the New Deal. Imbued with the progressive's preference for large abstractions over smaller human interests, ***Moley*** could not bear the thought that my days would be occupied with interviews with hopeful donees, hour after hour, day after day, interminably. This surely was not the way I intended to spend the prime years of my life.

The '60s: politics and remedial reading

When the '60s arrived, the Cleveland Foundation returned to pot-stirring with a vengeance. As part of its national plan to stimulate low-income community action against poverty, the Ford Foundation provided $1.25 million for a new, quasi-independent account, the Greater Cleveland Associated Foundation (GCAF). Ford's legendary poverty fighter Paul Ylvisaker saw to it that his former Harvard classmate, James Adolphus Norton, would be its director.

Ford hoped such substantial block grants would galvanize quiescent foundations like Cleveland's into working for social change, as Ylvisaker put it.

With generous funding from other Cleveland foundations in addition to this Ford money, along with the first gush of dollars from the federal anti-poverty programs, GCAF was designed to be a massive, comprehensive attack on the city's problems, thereby returning to Goff's original vision of the community foundation as a city's pre-eminent civic innovator.

GCAF's education component produced efforts like Community Action for Youth, which would expand social services around a middle school in Cleveland's troubled Hough neighborhood. Fannie Lewis, later a member of the city council, was deeply involved in the effort, and ultimately deeply disappointed. When my son entered college, I had to spend $5,000 on remedial reading courses. This mobilization disintegrated into a squabble over turf and a scramble for federal dollars, according to Tittle. As anyone familiar with Cleveland knows, it did not succeed at making our schools second to none in the country by 1970, as promised.

Although community foundations now offer donor-advised funds, it's clear their original purpose was to substitute a flexible, forward-looking view of the community interest.

By the time GCAF merged with the Cleveland Foundation in 1967, the program had largely fizzled. But Norton assumed the presidency of the larger foundation, and continued to work with Ford to gin up progressive philanthropy in the city. At Norton's suggestion, Ford provided funding for a major voter registration effort in several Cleveland neighborhoods that helped elect Carl Stokes as the first African-American mayor of a major American city.

Convinced that we cannot afford to have this mayor fail, the Cleveland Foundation quietly funded a private media adviser for Stokes. He helped the new mayor design the program Cleveland: NOW! This $1.5 billion spending initiative was yet another comprehensive program to end poverty.

Echoing Chicago's problem with poverty funding going to inner-city gangs like the East Side Disciples and the Blackstone Rangers, some of Stokes's dollars found their way to an astrological cult, the Black Nationalists of New Libya, which used them to purchase guns. A police shoot-out with the group in 1968 resulted in seven deaths (including three officers) and five days of riots. Tittle writes that this event also fatally wounded Cleveland: NOW! and tainted the work of the community foundation.

The Ford Foundation was ultimately summoned before the House Committee on Ways and Means by Representative Wright Patman (DTX) to explain, among other controversial acts, its involvement in Cleveland mayoral politics. Patman also took a look at the Cleveland Foundation's political activities, prompting Norton and representatives of ten other community foundations to hire attorneys.

Although community foundations emerged from the Tax Reform Act of 1969 without the strictures applied to private foundations, and although Norton refused to fall back into an old-fashioned kind of philanthropy in which we aren't able to explore the causes of urban problems, Tittle notes that Patman's investigations clearly slowed the activist inclinations of the foundation's board.

Looking back and looking forward

As the Cleveland Foundation celebrates its centenary, it can be proud of many things. Throughout a century it distributed $1.7 billion of donated money across the

community. It helped create the city's system of parks known as the Emerald Necklaces; prompted the merger that produced Case Western Reserve University; launched Cuyahoga Community College; preserved one of the largest performing arts centers in the country; sustained the Cleveland Orchestra, the Cleveland Museum of Art, the Rock and Roll Hall of Fame, and other arts and cultural institutions; supported the city's growing network of charter schools; and developed the idea of Cleveland as a center for medical technology.

And yet, Cleveland was named America's most miserable city by Forbes in 2010. Visiting in 2012, education expert Diane Ravitch observed that what struck me was that it is a sad, sad city. Except for sports stadiums, it feels abandoned. The downtown is small and has many empty commercial buildings. Neighborhoods have boarded up buildings and empty lots where buildings used to be. I was struck by how impoverished the city is, how disheartened the teachers are, and how inadequate is the response of state and city leaders to the collapse of this once-proud city.

Perhaps there is no grand, monolithic, systemic, root-cause solution to the city's problems, but rather a countless number of smaller, partial answers.

Ravitch had come to town to critique mayor Frank Jackson's Plan for Transforming Schoolsthe latest in a century-long string of sweeping reform efforts driven by public-private alliances. The Cleveland Foundation is fully behind this effort, with current president Ronald Richard proclaiming it had made $22.3 million in grants for the reinvention of our public schools, which must allow for a total culture change in our anachronistic school system. Tittle's book Rebuilding Cleveland, written more than 20 years ago, opens with an eerily similar episode: the Cleveland Foundation announcing at its 1987 annual meeting the most intensive, comprehensive campaign ever undertaken by a major American city to improve the quality of public education. It included, among other things, a scholarship-in-escrow program, filling bank accounts for inner-city kids earning good grades.

By the 1990s, the foundation had quietly abandoned the scholarship program. It had demonstrated minimal effects on grades, even as its downstream costs accumulated. In pursuit of education and poverty revolutions, the Cleveland Foundation has designed, coordinated, and funded wave after wave of intensive, comprehensive campaigns throughout many decades. And yet the city seems only to lose ground.

Is there an alternative to the foundation's faltering collectivism? In 2010, comedian and proud Clevelander Drew Carey asked the libertarian Reason Foundation to help him come up with fresh ideas to regenerate his hometown. A six-part video production, Reason Saves Cleveland, urged thoroughgoing decentralization and deregulationthe reverse of the Cleveland Foundation's century-long approach. Open up education with full school choice, sell off municipal assets like the public market and two golf courses, remove red tape from permitting and zoning, lower taxes to attract small businesses, forget about big-ticket silver bullets like stadiums and convention centers, permit bottom-up economic development to revive the neighborhoods.

In other words, no more cumbersome, expensive, intrusive plansjust get out of the way of ambitious individuals and neighborhoods eager to create their own solutions to community needs. Urban expert Joel Kotkin agreed this decentralized approach was preferable to the bureaucratic concentrated decision-making process that has characterized Cleveland in the past. The results would be uneven, disorderly, unplanned, and idiosyncratic, but they would have an energy and vibrancy and economic sustainability missing from the planned city.

This alternative approach to thinking about Cleveland's challenges fundamentally questions Frederick Goff's premise that there is an enlightened elite that knows better than everyday citizens what's best for a city. In modern urban America, Goff's dead hand is far more likely to be attached to a long bureaucratic arm than a businessperson or donor with personal passions. The Cleveland Foundation's donor-advised funds, with their uncoordinated purposes and many small disbursements, may be more likely to incubate tomorrow's social and economic solutions than the foundation's staff-directed funding.

The inspiration for this fresh vision is much likelier to come from community groups, small businesses, and neighborhood interests than from a self-appointed convener, coordinator, and consolidator at the center of civic action. In the Internet era of dispersed authority and organic growth, civic renewal is best characterized by the precept to let a thousand flowers bloom.

The notion that the community foundation's days might be occupied with interviews with hopeful donees, hour after hour, day after day ought not appall. That might actually be the best way to glean the full array of thoughtful ideas embedded in the everyday citizens and civic groups of Cleveland. Perhaps there is no grand, monolithic, systemic, root-cause solution to the city's problems, but rather a countless number of smaller, partial answers.

These are today's new insights on urban progress, and they deserve the attention and support of all concerned with reviving our struggling communities.

William Schambra, a contributing editor to Philanthropy, is the director of the Hudson Institute's Bradley Center for Philanthropy and Civic Renewal.

Classification

Language: ENGLISH

Publication-Type: Newswire

Subject: CHARITIES (90%); FOUNDATIONS (90%); PHILANTHROPY (90%); TRUST ARRANGEMENTS (89%); GOVERNMENT & PUBLIC ADMINISTRATION (88%); REGIONAL & LOCAL GOVERNMENTS (79%); TRADE DEVELOPMENT (78%); NEGATIVE PERSONAL NEWS (77%); HISTORY (76%); UPPER INCOME PERSONS (76%); CHAMBERS OF COMMERCE (73%); WEALTHY PEOPLE (72%); CORRUPTION (70%); POLITICAL & SOCIAL IDEOLOGIES (70%); BUSINESS & PROFESSIONAL ASSOCIATIONS (61%); NEGATIVE POLITICAL NEWS (60%); POLITICAL CORRUPTION (60%); POLITICS (60%); CITIES (50%); CITY GOVERNMENT (50%); POLLUTION & ENVIRONMENTAL IMPACTS (50%)

Industry: TRANSPORTATION & WAREHOUSING (77%); PRIVATE BANKING (76%); AFFLUENT MARKET (71%); MANUFACTURING (68%); IRON & STEEL MILLS (50%)

Geographic: MIDWEST USA (79%); UNITED STATES (79%)

Load-Date: April 22, 2014

TEAM OF RIVALS REDUX

The American Prospect
April, 2009

Section: CULTURE & BOOKS; Books; Pg. 37; VOLUME 20; NUMBER 3

Length: 1795 words

Byline: LIZABETH COHEN

Lizabeth Cohen, chair of the history department at Harvard University, is the author of Making a New Deal: Industrial Workers in Chicago, 1919-1939 and A Consumers' Republic: The Politics of Mass Consumption in Postwar America.

Body

NOTHING TO FEAR: FDR'S INNER CIRCLE AND THE HUNDRED DAYS THAT CREATED MODERN AMERICA BY ADAM COHEN, Penguin Press, 372 pages, $29.95

THE WOMAN BEHIND THE NEW DEAL: THE LIFE OF FRANCES PERKINS, FDR'S SECRETARY OF LABOR AND HIS MORAL CONSCIENCE BY KIRSTIN DOWNEY

Doubleday, 458 pages, $35.00

OBAMA-WATCHING HAS BE-come a new national--even international--sport. First, all eyes were glued to his miraculous triumph over seven opponents in the primaries, followed by a remarkable victory over John McCain. Next came "picking a Cabinet" as Americans witnessed a selection process touted for careful vetting descend into allegations of financial misconduct, tax evasion, and conflicts of interest. Now attention has turned to Obama's behind-the-scenes work with his inner circle as he tackles the biggest challenge of all--a deepening depression.

For months, commentators have likened Obama's situation to Franklin Delano Roosevelt's when he took office in 1933. Both inherited a failing economy from a Republican predecessor who clung to free-market nostrums when greater federal intervention was needed. Then each new president acted boldly upon inauguration and harnessed a new technology--radio in 1933, the Internet today--to bolster confidence as troubles mounted. In both eras, liberals pinned hopes for fundamental reform on a man of centrist tendencies.

As David Axelrod, Rahm Emanuel, Timothy Geithner, Christina Romer, Eric Holder, and the rest of the gang are becoming household names--Hillary Clinton and Larry Summers already were before they signed up--interest is growing in how they are jockeying for turf and adapting to the pressures the administration now faces. Roosevelt watchers no doubt wondered the same about the people he brought together at the top of his administration.

Two recent books that take as their subject five key figures in FDR's inner circle during his first hundred days as president provide fascinating answers to that question. The press--and possibly President Obama himself--has fixed on comparing his Cabinet to Abraham Lincoln's "team of rivals" as recently conceptualized in Doris Kearns Goodwin's bestseller by that name. But, as Adam Cohen demonstrates in his new book, the parallel to FDR may be more compelling. What Cohen (no relation) calls "the most diverse Cabinet in history" consisted of three

Republicans as well as the expected Democrats, representatives from the South and West as well as the Northeast and Midwest, two Catholics, the first woman ever, and by 1934 a Jew. Roosevelt deliberately surrounded himself with advisers expressing conflicting points of view in order to weigh the alternatives before him. Cohen shows us a president, much like Obama, who valued wide-ranging advice but then trusted his own judgment.

Five members of Roosevelt's "team of rivals" emerge from these two books. The most developed figure is Secretary of Labor Frances Perkins, the first woman to serve in any Cabinet, who is one of Cohen's protagonists and the subject of a fine biography by Kirstin Downey. Like Secretary of the Interior Harold Ickes, Perkins served the full 12 years of FDR's presidency. She set, and mostly accomplished, the New Deal's progressive agenda of unemployment relief, large-scale public works, minimum-wage and maximum-hour laws, a ban on child labor, and a permanent system of social security. Only health insurance eluded her. With special access to FDR's ear--having had it already in New York state when he was governor and she served as his industrial commissioner--Perkins managed to overcome his conservative fiscal tendencies and instinctive wariness of "the dole." "He wanted his conscience kept for him by somebody," she later explained, and she prided herself on being the one to keep it.

The other two liberals in FDR's early Cabinet were Harry Hopkins and Henry Wallace. Hopkins had also known Roosevelt in New York state, where he was a prominent social worker and headed the governor's relief agency. In Washington, he invented and directed the $500 million joint federal-state relief program and went on to pioneer extensive public-works projects through the Civil Works Administration and the Works Progress Administration. Wallace, FDR's long-serving secretary of agriculture and a third-generation champion of the struggling American farmer, drafted the Agricultural Adjustment Act, best known for its plan to rescue the farm belt by paying farmers to grow less and thereby propping up farm prices.

The centrist adviser in the hundred days was ***Raymond Moley***. A Columbia University government professor who founded the Brain Trust during FDR's presidential campaign, ***Moley*** masterminded the rescue of the banks and the revival of public confidence in the financial system through the declaration of a bank holiday and passage of the Emergency Banking Act. Cohen also introduces us to the most conservative member of FDR's inner circle, budget director Lewis Douglas. So close to Roosevelt that he and ***Moley*** made up the "bedside Cabinet" that met with the president every morning to brief him on his day, Douglas appealed to FDR's fiscally cautious side. For a time, his budget slashing and opposition to public works held sway, but as Roosevelt himself became more convinced of the need for government spending, Douglas lost clout and eventually resigned.

As we watch Roosevelt's team maneuver for power, criticize one another to their boss, and fight it out in Cabinet meetings as well as behind the scenes, we come to realize something to be alert to in the Obama administration. An effective captain of a team of rivals, like FDR, prods his fiercely competitive players to argue with one another to strengthen his own ability to make well-informed decisions. Current Cabinet members beware!

Perkins' experience demonstrates how complex the relationship between a loyal adviser and the president can be. She had a close connection with Roosevelt, often irking her Cabinet colleagues by managing to get a private word with FDR right after Cabinet meetings recessed. But that access did not always enable her to prevail. She sometimes lost control over programs she felt rightfully belonged to the Labor Department, most notably over immigration, naturalization, and deportation as Nazism spread in Europe and later as fears of communist infiltration raged at home. She was personally hurt that the president failed to come to her defense in 1939 when a committee in the House of Representatives red-baited her for refusing to deport the radical longshoreman Harry Bridges.

Perkins' life, too, reveals the personal cost people in public life may pay for their service, which often takes them physically and emotionally away from needy family members and friends. Downey and Cohen both explore with sensitivity the personal pain Perkins bore silently while she devoted herself to government service. Although she deeply loved her husband, progressive economist Paul Wilson, when they married in 1913, she struggled with how to preserve her own public identity and even harder, how to cope with his lifelong battle with bipolar disease and the frequent hospitalizations it required. Tragically, their one child suffered from the same crippling illness and dealt with it by lashing out at her mother, intensifying Perkins' sorrow and guilt. Both authors reveal the sacrifices that Perkins made to spend her life in the public eye but also convey that for some public figures, service to the nation gives solace and purpose to an otherwise demoralizing private life.

Perkins' career as secretary of labor also offers useful lessons in advancing the interests of labor despite the enormous economic pressures of a depression. When Perkins arrived in her new post, the labor movement was in crisis, as union rivalries sapped labor's ability to organize and membership fell. By the time she left her office at Roosevelt's death in April 1945, she had overseen the passage and implementation of landmark laws to institutionalize collective bargaining and to establish minimum wages and maximum hours for millions of workers. Obama's secretary of labor, Hilda Solis, might take note of Perkins' strategy, as Solis takes over with a similar crisis facing the union movement that threatens to eviscerate what remains of labor's achievements during the nation's post-World War II prosperity. Perkins understood the importance of federal legislation that protects workers and establishes mechanisms for leveling the playing field between workers and employers. She likely would have thrown her weight behind the Employee Free Choice Act currently under discussion, which would enable unions to gain recognition when a majority of workers sign cards rather than requiring a vote that gives employers ample opportunity to intimidate union supporters.

Strikingly, both of these books were written by accomplished journalists, not academic historians. Downey spent 20 years as a staff writer reporting on business and economics for *The Washington Post.* Cohen is currently an assistant editorial page editor of *The New York Times.* Their talents as writers make these readable books strong on narrative and character development. Not surprisingly, they engage little in scholarly debates about how to interpret the era. Nor do they submit their sources--often memoirs and oral histories--to vigorous interrogation for bias and distortions of memory. Likewise, their dependence on first-person accounts sometimes makes it hard for readers to see their historical subjects as others saw them. When such insights occasionally emerge--such as when Downey quotes a friend of Perkins' as saying the labor secretary "was particularly easy to pick on, being easily agitated and not too tactful" or reveals that Perkins' fellow Cabinet members were put off by her long-windedness at meetings--they come as a surprise.

Yet Downey's and Cohen's impressive ability to bring these five New Deal figures to life reminds us that administrations are made by more than the great man--someday it will be a great woman--elected by the voters. Lately, reading popular American history has often meant reading about the founding fathers. More than a taste for hagiography is involved here. In the story of the nation's birth, history enthusiasts have readily found compelling personalities animating American political history. In contrast, histories of the more recent past often focus on broad social movements and impersonal constructs such as the Cold War or deindustrialization. Cohen and Downey have made an important contribution by introducing readers to four men and one woman who, with dedication and rivalry, brilliance and pettiness, made a New Deal that continues to set the standard for overcoming a national economic crisis.

Graphic

Picture, Labor's Lady: Perkins set and accomplished the New Deal's progressive agenda at some cost to her personal life. AP IMAGES

Classification

Language: ENGLISH

Publication-Type: Magazine

Subject: NEGATIVE PERSONAL NEWS (90%); US REPUBLICAN PARTY (89%); LIBERALISM (79%); WOMEN (79%); BOOK REVIEWS (78%); US DEMOCRATIC PARTY (78%); US PRESIDENTS (78%); CABINET OFFICES (77%); NEGATIVE MISC NEWS (74%); NEGATIVE NEWS (74%); LABOR DEPARTMENTS (72%); CAMPAIGNS

& ELECTIONS (70%); TAX FRAUD (69%); CENTRISM (67%); RELIGION (60%); MISCONDUCT (56%); CATHOLICS & CATHOLICISM (50%)

Industry: BOOK REVIEWS (78%)

Person: BARACK OBAMA (79%); HILLARY RODHAM CLINTON (79%); RAHM EMANUEL (79%); DAVID AXELROD (58%); LAWRENCE SUMMERS (58%); TIMOTHY GEITHNER (57%); CHRISTINA ROMER (56%); ERIC HOLDER (56%); JOHN MCCAIN (55%)

Geographic: MIDWEST USA (79%); UNITED STATES (94%)

Load-Date: April 17, 2009

G-20: GHOSTS OF CONFERENCES PAST

States News Service

March 23, 2009 Monday

Length: 1928 words

Byline: States News Service

Dateline: NEW YORK, N.Y.

Body

The following information was released by the Council on Foreign Relations:

The upcoming G-20 meeting is not the first conference held in London several months into a new U.S. administration in the midst of an international economic crisis. International powers also met there in the summer of 1933, not long after Franklin Roosevelt's inauguration. To review that London meeting reminds us just how badly an international conference can flop.

But to the story: The planning for that London conference was in motion well before Roosevelt was inaugurated, just as the current London Conference antedates the Obama presidency. In those days, presidents took office in March, and even in January interregnum days, diplomats were already laying out agendas.

Then as now, repairing a broken world was the overall goal. There was a sense that the economic troubles of industrial nations could only be resolved by building new architecture--and that, too, only by delicate, self-sacrificing cooperation. In Britain, after all, the depression had started earlier; Ramsay MacDonald was presiding over a national government of the two big parties. The German central banker, Hjalmar Schacht, was to come to London representing another new leader--Adolf Hitler--who had seized power at the end of January.

The proximate American goal was for intelligent, subtle, precise minds to reestablish a new monetary arrangement between Britain, France and the U.S. Britain's decision to go off the gold standard had deepened the recession at home: Depositors figured the U.S. would be the next to do so and pulled gold out of American banks. Trade was also on the agenda. In those days, Democrats were the free traders, and the new administration wanted to end a cycle of retaliation that had taken over since Hoover had signed the punitive Smoot-Hawley Tariff. The urgency dominated: "Get fast action and cut the speeches short," the president told his team on the eve of their departure.

The trouble started with the very makeup of that team: Each representative seemed to have a slightly different mission. For Secretary of State Cordell Hull, the delegation head, this was a trade pilgrimage. Smoot-Hawley was taking an especial toll on the U.K.-U.S. relationship. Hull believed that the best chance of avoiding a repeat of the carnage of World War I was to win back Britain and to soothe allies and potential allies with international agreements that would cut tariffs and yield comity. With freer trade, he believed, "one country would not be deadly jealous of another, and the living standards of all countries might rise, thereby eliminating the economic dissatisfaction that breeds war." Hull boarded his ocean liner safe in the conviction that the president was shepherding free-trade legislation through Congress even as he sailed.

James Couzens, a Republican senator from Michigan, often disagreed with Hull. Nevada Senator Key Pittman was traveling to London on behalf of silver, in the hope that a new international silver agreement would push up the price of the metal mined in his state.

In addition, there was ***Raymond Moley***, an expert in criminal justice from Roosevelt's New York crowd--he was, or believed himself to be, the new president's point man. James Warburg, the son of Wall Street's Paul Warburg, was there to work on the financial side of things and get the U.S. back on something like the gold standard, which the U.S. had left in spring. The representatives were all a bit perplexed at their own variety--Warburg wondered why Rep. Sam McReynolds of Tennessee was there, and wrote that the latter "took no interest in the conference and rarely attended meetings of the delegation. His chief concern was to get his daughter presented at court." The Anglophiles in the group betrayed their narrowness by mocking Pittman as a hick. Warburg noted that it rained on the day of a garden party with King George and Queen Mary, but an equerry advised the Americans that it was etiquette to greet royalty without raincoats. Pittman refused, saying, "I ain't going to get soaked for no king and queen."

Still, as another official, Herbert Feis of the State Department, noted, it could have been worse. Upon pressure from lawmakers, Roosevelt had considered sending Father Coughlin, the bigoted radio show host, as well. This would have been something like inviting Ann Coulter or Mike Moore to join Secretary Geithner in his London work.

What ensued was a comedy of errors so outstanding as to be chronicled by various authors from Feis to The New Yorker's John Brooks to, most recently, Liaquat Ahamed in Lords of Finance. The best of them is Feis' tell-all, 1933: Characters in Crisis. The short version is that the emissaries began to recognize their challenges were serious while they were still aboard the S.S. Roosevelt. Hull received news that Roosevelt had not pushed his free-trade legislation through Congress, and knew, therefore, that he now lacked the means to convince Britain to agree to strong free-trade provisions. "I left for London with the highest hopes but arrived with empty hands." Once in London, Warburg labored assiduously for an agreement on finance only to find himself sabotaged by other delegates. The leader of the French delegation, Georges Bonnet, was, as Feis put it, "as cooperative as a rattlesnake."

The Europeans, overall, seemed driven by vanity to an appalling extent--"I cannot offend Havas [the French news agency]," Bonnet said, "because if I do they will not print my speeches." Schacht of Germany seemed the most addled of all, for he was nursing the illusion that he could steer Hitler, and not the other way around. The United States sensed, perhaps accurately, that the Europeans might not accept any compromise.

It all led to deep quarrels within the U.S. delegation. Hull showed the parvenu ***Moley*** his place by squelching his efforts to take the lead on policy. Roosevelt kept his distance, yachting about the Atlantic and firing off, from time to time, contradictory messages. ***Moley*** frantically wired the president: "Success or even continuance of the conference depends on U.S. agreement." But Roosevelt responded instead with what became known as his "bombshell," a message that seemed to contradict what Hull had been saying and doing, as well as the old original plan for order. The Roosevelt message dissed what it called the "old fetishes of international bankers"--read, the crowd in London--with the argument that it was time for individual nations to "plan national currencies." The U.S. was going to manage its money alone, hour by hour--at least for the moment--to suit its own economy.

As the appalled editors of Le Temps wrote: "One has the feeling that the threat of distress has caused the people of the United States to lose self-control." What the bombshell can have meant to German citizens, who that spring had watched their new government burn books and construct a camp at Dachau, is hard to know. Warburg, whose philosophic compass was the gold standard, handed in his resignation to Hull, writing, "We are entering upon waters for which I have no charts and in which I therefore feel myself an utterly incompetent pilot." In any case, Roosevelt's bombshell meant that, in terms of content at least, the conference was over.

As has sometimes been the case with certain Doha sessions, the actual death took much longer. The humiliation was total. At a garden party, the king told one diplomat that "Ramsay MacDonald had been made a fool of." Though it wasn't the end of MacDonald's national government, he warned that it was. Before they headed home at the end of July, the once lofty participants were driven by the sheer pressure of it all to alcohol, bad jokes and scatology.

The representative of the Argentine Republic told Warburg: "Ze conference is a failure, but I have learned English. I now know ze difference between a piss of paper and a shit of paper." (This is in Warburg's book.) Yet worse, however, at least in terms of literary product, was a quatrain about the gold standard produced by the Times of London.

The dollar swan has sat upon her gold

When death approached unlocked her hoard and gold

Raising her price to meet her need full sore

But sank the exchange 'til it could sink no more.

Even at the time, there were some international observers who saw some method in Roosevelt's madness. The Keynesian of the day was John Maynard Keynes himself, who deemed FDR's work "Magnificently Right." The equivalent to today's housing lobby was farming. Today, the sight of Americans losing their homes shifts the plans of presidents; then, it was the reality of citizens losing both homes and farms. Confronted with the choice of angering marching farmers or angering histrionic diplomats, Roosevelt was opting for the latter. With his traditional advisers out of sight--Hull in London and William Woodin, the Treasury secretary, deeply ill--the president had begun paying more attention in any case to inflationists, especially George Warren, a Cornell professor who Roosevelt's friend Henry Morgenthau Jr. had come to know through his work on farm prices.

Warren had a plan for reflating that suited the political moment: The U.S. might drive up the prices of agricultural commodities by buying gold. This was right in theory, but only in theory--something like saying you can raise the sea level by pouring liquid into the ocean by the thimble. Roosevelt's own entourage recognized the challenges of FDR's plan. "How different life would have been had Franklin and Henry not met those arboreal experts," Mrs. Morgenthau would later comment.

There are those who argue that Roosevelt's bombshell did little destruction at all--the Princeton scholar Harold James has posited that London 1933 was a series of catch-22s, rigged to fail from the beginning. By 1934 Roosevelt was in any case abandoning Warren and discretionary gold purchases, going back on the gold standard and even signing Hull's historic trade agreement into law. I would argue that the real loss of the conference didn't come, in the end, in the monetary or trade areas. The damage was in the area of diplomacy and democracy. "The only beneficiaries were Germany and Japan," wrote Feis, later, of London 1933. Today, Latin America watches as the U.S. turns inward and draws the consequences. That is what happened in Europe after London. The message for dictators on the continent was that the U.S. would, in the future, be absent from the scene and was leaving them alone to pursue their agendas. The next time Schacht stood before so many international cameras would be at Nuremberg during his trial as a war criminal.

Our own G-20 conference, with its agenda of banking, stimuli and monetary policy, is not the same. But there is a parallel tension between budgetary responsibility--Angela Merkel's mutterings about a "solid, sustainable fiscal policy"--and the perceived need to dump out yet further trillions in stimuli into the U.S. economy. And, more importantly, there is the same problem of war lurking on the horizon of what currently looks to be an all economic landscape. The Germany of 2009 is Russia. What 1933 says about 2009 is that diplomacy may actually matter more than any specific monetary or banking agreement. Counterintuitive, but that's the London takeaway.

Amity Shlaes, a Forbes columnist, is a senior fellow in economic history at the Council on Foreign Relations and the author of The Forgotten Man.

Classification

Language: ENGLISH

Publication-Type: Newswire

Subject: CONFERENCES & CONVENTIONS (90%); FOREIGN RELATIONS (90%); INTERNATIONAL RELATIONS (90%); INTERNATIONAL RELATIONS & NATIONAL SECURITY (90%); FOREIGN POLICY (89%); INTERNATIONAL TRADE (89%); LEGISLATIVE BODIES (89%); US DEMOCRATIC PARTY (79%); US REPUBLICAN PARTY (79%); AGREEMENTS (78%); INTERNATIONAL LAW (78%); ECONOMIC CRISIS (77%); ECONOMIC NEWS (77%); ECONOMY & ECONOMIC INDICATORS (77%); GOVERNMENT & PUBLIC ADMINISTRATION (77%); NEGATIVE ECONOMIC NEWS (77%); NEGATIVE NEWS (77%); LIVING STANDARDS (72%); POLITICAL PARTIES (72%); CENTRAL BANKS (71%); GOVERNMENT ADVISORS & MINISTERS (70%); TAXES & TAXATION (70%); TARIFFS & DUTIES (67%); WORLD WAR I (60%)

Organization: COUNCIL ON FOREIGN RELATIONS (84%); GROUP OF TWENTY (G20) (84%)

Industry: BANKING & FINANCE (78%); CENTRAL BANKS (71%)

Person: BARACK OBAMA (77%)

Geographic: LONDON, ENGLAND (91%); NEW YORK, NY, USA (79%); MICHIGAN, USA (79%); NEW YORK, USA (79%); UNITED STATES (94%); UNITED KINGDOM (91%); FRANCE (73%)

Load-Date: March 26, 2009

WEDDINGS; Janis H. Moley And Jed McCarthy

The New York Times

June 11, 1995, Sunday, Late Edition - Final

Distribution: Society Desk

Section: Section 1;; Section 1; Page 56; Column 2; Society Desk; Column 2;

Length: 156 words

Body

Janis Helen ***Moley***, the daughter of Dr. and Mrs. Malcolm ***Moley*** of New York, was married yesterday to Richard Jed McCarthy, the son of Mr. and Mrs. Richard McCarthy of Larchmont, N.Y. The Rev. Thomas Birmingham performed the Roman Catholic ceremony at the Church of St. Thomas More in New York.

Mrs. McCarthy is a nurse at Empire Mental Health Choice, a managed health care company in New York. She graduated from the Columbia University School of Nursing. Her father is a surgeon at St. Luke's-Roosevelt Hospital Center in New York. The bride is the granddaughter of the late ***Raymond Moley***, an adviser to and speechwriter for President Franklin D. Roosevelt who later became a columnist for Newsweek magazine.

Mr. McCarthy, who is known as Jed, is a partner in Prager, McCarthy & Sealy, an investment banking firm in New York. He graduated from Brown University. His father retired as a vice president at People's Bank in Bridgeport, Conn.

Classification

Language: ENGLISH

Subject: WEDDINGS & ENGAGEMENTS (90%); GRANDCHILDREN (78%); NURSES & NURSING (76%); CATHOLICS & CATHOLICISM (72%); RELIGION (72%); MEDICAL EDUCATION (71%); WRITERS (68%)

Company: PEOPLE'S BANK OF ELKTON INC (56%); NEWSWEEK INC (56%); PEOPLE'S BANK & TRUST CO (56%); PEOPLE'S BANK OF ZANZIBAR (56%); PEOPLE'S BANK OF VIRGINIA BEACH (56%); PEOPLE'S BANK OF ELKTON INC (56%); NEWSWEEK INC (56%); PEOPLE'S BANK & TRUST CO (56%); PEOPLE'S BANK OF ZANZIBAR (56%); PEOPLE'S BANK OF VIRGINIA BEACH (56%); COLUMBIA UNIVERSITY (57%); COLUMBIA UNIVERSITY (57%); BROWN UNIVERSITY (56%); BROWN UNIVERSITY (56%)

Organization: COLUMBIA UNIVERSITY (57%); COLUMBIA UNIVERSITY (57%); BROWN UNIVERSITY (56%); BROWN UNIVERSITY (56%); COLUMBIA UNIVERSITY (57%); COLUMBIA UNIVERSITY (57%); BROWN UNIVERSITY (56%); BROWN UNIVERSITY (56%)

Ticker: PBCT (NASDAQ) (56%)

Industry: SIC2721 PERIODICALS: PUBLISHING, OR PUBLISHING & PRINTING (56%); SIC6021 NATIONAL COMMERCIAL BANKS (56%); SIC6022 STATE COMMERCIAL BANKS (56%); NURSES & NURSING (76%); HEALTH CARE (71%); MANAGED CARE ORGANIZATIONS (71%); WRITERS (68%); BANKING & FINANCE (67%); INVESTMENT BANKING (67%)

Geographic: BRIDGEPORT, CT, USA (52%); NEW YORK, USA (94%); CONNECTICUT, USA (52%)

Load-Date: June 12, 1995

The 5 Best Inaugural Addresses

USNEWS.com

January 18, 2013 Friday

Section: OPINION; Vol.; No.

Length: 2662 words

Byline: Robert Schlesinger
Highlight: Most inaugurals are forgotten, but Jefferson, Lincoln, FDR, and JFK gave speeches for the ages

Body

Prepare to be underwhelmed. If history is any guide, when President Barack Obama delivers his second inaugural address at midday on Monday his words won't long linger in the public's memory.

Inaugural addresses as a group are largely forgettable. When he was helping John F. Kennedy prepare his address, aide Ted Sorensen read all the past such speeches and concluded, he later wrote, that they were "a largely undistinguished lot, with some of the best eloquence emanating from some of the worst presidents." The dozen which have been delivered since Kennedy's 1961 address have done little to alter that judgment.

This is due in part to the men delivering the speeches. "So many of these presidents are so forgettable," says historian Robert Dallek. "They don't make much of a mark on the country's memory. So I think their inaugurals reflect the quality of the men, and the historical reputation they leave us."

[*Check out editorial cartoons about President Obama.*]

And Obama faces the challenge which dogs any second inaugural address: how to bring drama or freshness to a continuity event. "There's no novelty to it," explains Jeff Shesol, who was a speechwriter for President Clinton. "A first inaugural address is America at a pivot point. ... A second inaugural is a presidency at midstream."

For the most part the speeches generally recalled as ranking among the greats were delivered at critical moments in the nation's history. But they also managed to balance the moment with posterity. "They manage to speak very directly to their moment but they also say something to our own," Shesol says. "They manage to be timeless without being lost in the ether somewhere and unmoored from events."

Presidents have delivered 56 inaugural addresses. Here are the five best.

Thomas Jefferson's 1st, 1801: The presidential contest of 1800 was negative in a way that makes modern campaigns seem gentle. John Adams, the Federalist incumbent, favored monarchy and had schemed to marry his son to one of King George III's daughters, his enemies charged. Thomas Jefferson, the Democratic-Republican nominee, was an atheist vivisectionist whose election would ignite a French Revolution-style reign of terror, according to his rivals. Matters were not helped when, after the Democratic-Republicans seemed to win handily, the Electoral College deadlocked with both Jefferson and his running mate, Aaron Burr, getting the same number of votes (electors did not yet cast separate votes for president and vice president). This threw the matter to the Federalist-dominated, lame duck House of Representatives which, after 36 ballots, elected Jefferson.

[*Check out U.S. News Weekly, an insider's guide to politics and policy.*]

He would become the third president, but his swearing in marked the first time the presidency had shifted from one political party to the other. His political enemies still feared his radicalism, and there was even some talk of civil war. "He was trying to emphasize that there should be a constitutional transfer of power, and it shouldn't be seen as a reason for rebellion and bloodshed," says Dallek.

On the morning of Wednesday, March 4 (the date set for the transfer of power until the 20th Amendment moved it to January 20), Jefferson emerged from the Conrad and McMunn boarding house, a short distance from the Capitol, and walked to the Senate chamber for his swearing in. More than 1,000 people crammed into the chamber--"not another creature could enter," one witness reported--to listen to the new president deliver his address.

"Friends and fellow-citizens," he began in an almost inaudible tone, declaring his "sincere consciousness that the task is above my talents." He quickly turned to the main job at hand, reassuring his audience that the peaceful transfer of power was not a prelude to revolution. While affirming the "sacred principle" of majority rule, he cautioned that the will of the majority "must be reasonable; that the minority possess their equal rights, which equal law must protect, and to violate would be oppression."

In a passage with which some contemporary politicians might want to reacquaint themselves, he said that, "every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all Republicans, we are all Federalists."

Abraham Lincoln's 2nd, 1865: When Lincoln had taken office four years earlier, he had used his brilliant first inaugural to make a lawyerly but eloquent case for preserving the union. In a closing suggested by one-time rival William Seward and polished by the president-elect, he had appealed to the "mystic chords of memory" which would "yet swell the chorus of the Union, when again touched, as surely they will be, by the better angels of our nature."

[*See a collection of political cartoons on the Republican Party.*]

Four years later, with the end of the nation's bloodiest war in sight, Lincoln could easily be expected to mark his second term with triumphalism and a celebration of his side's righteousness. Even providence seemed to favor him: As he emerged onto the inaugural platform, the sun made its first appearance after spending the morning hidden by clouds and being obscured earlier in the week by rain. Light flooded down and bathed the Capitol dome, which had not been completed when Lincoln first took the oath of office.

But the president knew that he and the country still faced huge challenges. "There was bound to be bitterness and animosity, and how were you going to make this nation whole again," says Dallek. "It was one of the great challenges of American history." So instead of a victory speech, Lincoln delivered a brief--fewer than 700 words--address with a different tone. "In keeping with this lifelong tendency to consider all sides of a troubled situation, Lincoln urged a more sympathetic understanding of the nation's alienated citizens in the South," Doris Kearns Goodwin wrote in her landmark Lincoln history, *Team of Rivals*.

While each side had "read the same bible and pray[ed] to the same God, and each invokes his aid against the other," Lincoln said, "the prayers of both could not be answered. That of neither has been answered fully. The Almighty has his own purposes." God had given "to both the North and South this terrible war as the woe" that was their due for the country's original sin, slavery. And, he said, "if God wills that it continue until all the wealth piled up by the bondsmen's 250 years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn with the sword ... 'the judgments of the Lord are true and righteous altogether.'"

His peroration is carved into history: "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

[*See Photos: Presidential Inaugurations Throughout History.*]

"It's such a tragedy to think about the kind of course that he was charting on reconstruction, and it didn't come to pass," says speech expert Michael Cohen, author of *Live From the Campaign Trail*, about great presidential campaign speeches.

Days after the address, Lincoln wrote a political ally saying that he thought the speech would "wear as well--perhaps better than--any thing I have produced." He was right: Most historians see Lincoln's second as the greatest inaugural address ever.

Franklin Roosevelt's 1st, 1933: The weather welcoming Franklin Roosevelt to the presidency reflected the state of the union he was taking charge of. One later account recalled "the great mass before the Capitol, huddling in the mist and wind under the sullen March sky." One-fourth of the nation's workers were jobless; nearly half of the nation's banks--more than 11,000 of 24,000 in the country--had failed; the stock market had lost 75 percent of its value since 1929.

Supported by his son James, Roosevelt approached the rostrum to take the oath of office for the first time. While tradition dictated that Chief Justice Charles Evans Hughes would read the presidential oath, and Roosevelt should affirm it with a simple, "I do," FDR set a new tradition by repeating each phrase of the oath.

Wearing nothing more than his formal morning coat against the biting wind, Roosevelt told his fellow countrymen that, "This is a day of national consecration." This was a last minute addition to the speech, which he had jotted onto his reading text shortly before delivering the speech.

[*See Photos Behind the Scenes: Preparing for Obama's Second Inauguration*.]

Roosevelt had first started discussing an inaugural address with aide ***Raymond Moley*** the previous September. But while ***Moley*** would collaborate with Roosevelt to write the bulk of the speech, the most famous line was proffered by another aide, Louis Howe. Editing a near final draft, Howe had inserted the assertion that "the only thing we have to fear is fear itself." ***Moley*** later suggested that Howe had gotten the phrase from a department store ad, but if true the advertisement has been lost to history.

The portions of the speech that drew the most crowd reaction were FDR's calls for "action, and action now." (The single biggest applause of the day, disturbingly, came when Roosevelt promised that if Congress would not act, he would request wartime executive powers to deal with the crisis on his own.)

The address was aimed at reviving a nation which was not only reeling, but had been reeling for years. He "sought to be honest and optimistic at the same time, a challenging combination he had developed when counseling polio patients at Warm Springs," Jonathan Alter wrote in *The Defining Moment*, his book on Roosevelt's first 100 days.

In a moment of Lincoln-like symbolism, the sun finally poked through the gray clouds just after Roosevelt ended his address. The national reaction to the speech was instantaneous. Nearly half a million people wrote to the new president. "This fellow talked as if he were 300 percent sure," Tommy Corcoran, a lawyer who would go on to become a close Roosevelt aide, recalled. "That blast of the horn was worth 1,000 men."

Franklin Roosevelt's 2nd, 1937: The state of the country had improved during FDR's first four years, but the weather for his second inaugural had not. The first January inauguration was greeted by rain and sleet, driven through the city by high winds. The crowd of thousands that gathered to watch the president renew his oath of office found themselves in mud to their ankles. "If they can take it, I can take it," Roosevelt said. Twice he would have to pause to wipe the rain from his eyes as he read.

[*Read the U.S. NewsDebate: Does Barack Obama Have a Mandate?*]

He had marked up the speech more than any other in his time in the White House, aide Samuel Rosenman later recalled. Rosenman and Tom Corcoran--who four years earlier had been struck by the "blast" of Roosevelt's "horn"--were FDR's principle collaborators on the address.

Four years into the great experiment of the New Deal, Roosevelt's second inaugural was both a spur to further progress and a bold philosophical statement of activist government.

"Old truths have been relearned; untruths have been unlearned," he said. "We have always known that heedless self-interest was bad morals; we know now that it is bad economics." The nation had "come far from the days of stagnation and despair," FDR told his audience, but warned that "our present gains were won under the pressure of more than ordinary circumstance." But the hard-won advances could lead to complacence, he warned: "Prosperity already tests the persistence of our progressive purpose."

And there was still work to be done. He described a country still struggling to recover from economic disaster. "I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day." He, repeated the "I see" formulation three more times before uttering his famous encapsulation: "I see one-third of a nation ill-housed, ill-clad, ill-nourished." Roosevelt had penciled that summation himself. He continued: "It is not in despair that I paint you that picture," he said. "I paint it for you in hope--because the nation, seeing and understanding the injustice in it, proposes to paint it out. ... The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

[*See 2012: The Year in Cartoons*.]

It was a "uniquely radical speech," says Cohen. "It's an amazingly self-confident speech, but also one that represents a real shift in governing philosophy."

The speech, adds Shesol, whose book *Supreme Power*recounts Roosevelt's second-term, court-packing fight, is "in many ways the equal of the first [inaugural] in the clarity of the argument and the beauty of the language. ... It's not just a series of lines, but it says so much about who he was and what he did."

John F. Kennedy's, 1961: Shortly after his hair's-breadth victory over Vice President Richard Nixon, President-elect Kennedy huddled with Sorensen, his top aide and chief speechwriter, to discuss the inaugural address. "Make it shortest since T.R. (except for FDR's abbreviated wartime ceremony in 1945)," Sorensen jotted in a note to himself.

Brevity (it was less than 1,400 words) was one of the virtues of Kennedy's ringing inaugural. It was also what the historian David Greenberg has called "the last expression of a now-eclipsed strain of Churchillian oratory"--recall, for example, "Now the trumpet summons us again..." Kennedy ordinarily shunned such flourishes. Simplicity and clarity were the goals in his speeches, though he valued pungency of expression as well. "The inaugural was a special occasion, and there was a special tone in that speech," Sorensen later recalled.

[*See Photos: Obama Behind the Scenes.*]

That tone and that language--"ask not what your country can do for you--ask what you can do for your country"--have made it the benchmark against which subsequent addresses have been measured. Uniquely on this list, Kennedy's speech did not occur at a time the country was facing imminent crisis (despite his declaration that he spoke during the "hour of maximum danger" for freedom), though the circumstances of the speech have helped it endure: He was the youngest elected president, speaking of "the torch [having] been passed to a new generation of Americans--born in this century, tempered by war, disciplined by a hard and bitter peace...." And the speech came at a cultural tipping moment. "I don't think you would have felt in a Nixon inaugural in January, 1961 some kind of momentous shift of the generations," says Shesol. And, adds Dallek, author of the JFK biography *An Unfinished Life*, the speech gave the country "some new, fresh hope and optimism."

Like FDR's second inaugural, Kennedy's speech was also an eloquent expression of political philosophy, this one focused on foreign affairs. The declaration that "we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe" takes on a grim tone after the tragedy of the Vietnam War. But that rhetoric is also balanced by the language of internationalism, a desire for peace, and a hope for a "new endeavor, not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved." The economist John Kenneth Galbraith contributed a notion which would become one of the speech's best known passages: "Let us never negotiate out of fear. But let us never fear to negotiate."

--*Read Mort Zuckerman: America Isn't Working*

--*See a collection of political cartoons on Afghanistan.*

--*See a collection of political cartoons on the economy.*

Graphic

Picture, AP Photo

Classification

Language: ENGLISH

Publication-Type: Web Publication

Subject: REPORTS, REVIEWS & SECTIONS (90%); ELECTIONS & POLITICS (89%); GOVERNMENT & PUBLIC ADMINISTRATION (89%); US FEDERAL GOVERNMENT (89%); US REPUBLICAN PARTY (89%); POLITICAL PARTIES (84%); HEADS OF GOVERNMENT ELECTIONS (78%); HISTORY (78%); LEGISLATIVE BODIES (78%); POLITICS (78%); TYPES OF GOVERNMENT (78%); US PRESIDENTIAL CANDIDATES 2008 (78%); US PRESIDENTIAL CANDIDATES 2012 (78%); POLITICAL ORGANIZATIONS (77%); POLITICAL CANDIDATES (66%); MONARCHIES (65%); EDITORIALS & OPINIONS (59%); CARTOONS & COMICS (52%); RELIGION (50%)

Industry: CARTOONS & COMICS (52%)

Person: JOHN F KENNEDY (92%); BARACK OBAMA (88%); BILL CLINTON (78%)

Geographic: UNITED STATES (79%)

Load-Date: January 22, 2013

FIGHTING WORDS; The White House memoir grows claws.

The New Yorker
July 14, 2003

Section: THE CRITICS; Books; Pg. 94
Length: 3781 words

Byline: WALTER ISAACSON

Body

There are two abiding mysteries about Bill Clinton: Why do some people hate him so passionately? And why do some people adore him so loyally? The recent memoirs by his wife, Hillary Rodham Clinton, and by his intense outrider Sidney Blumenthal focus on the former issue while providing textbook studies of the latter.

Both authors were famous for propounding the theory that the Clinton scandals were the result of what Hillary Clinton called "a vast right-wing conspiracy," dedicated to destroying the progressive agenda. In "Living History" (Simon & Schuster; $28), she repeats the charge, conceding only that the coordinated crusade was so brazen that it might not have qualified as a conspiracy. In "The Clinton Wars" (Farrar, Straus & Giroux; $30), Blumenthal, whose ornate conspiracy theories earned him the nickname Grassy Knoll, launches into a game of Trivial Pursuit that is filled with half-forgotten bit players (remember David Bossie and George Conway III?) linked to a web of rabid Clinton-haters stretching back to Arkansas's hardscrabble racists. Together, the authors amply prove the old maxim that even paranoids have enemies.

Although the books are scored in different keys-Clinton's generally attempts to be gauzy and warm, Blumenthal's is edgy and cold-their underlying refrain is the same. Both repeatedly delve into what Hillary Clinton calls "the mechanics of what was essentially a sting operation to entrap the President" and what Blumenthal declares was the work of "fiercely partisan Republicans who had embarked on a sexual fishing expedition." Like any fishing expedition, which indeed it was, it could be sustained only if there were a lot of fishy things below the surface, which indeed there were. But where most memoirists adopt an air of mellowed self-examination, these authors are not in the mood to make concessions. Instead, they go on the attack. Their aggressiveness marks an evolution, befitting our times, in the tone and style of memoirs by people who have worked in the White House.

The venerable tradition of the White House memoir goes back to President James Madison's extraordinary young slave Paul Jennings. Jennings's memoir, which he wrote after Daniel Webster bought his freedom, contained most of what we have come to expect from such books, including thumbnail sketches of important players: "Mr. Robert Smith was then Secretary of State, but as he and Mr. Madison could not agree, he was removed, and Colonel Monroe appointed to his place. Dr. Eustis was Secretary of War-rather a rough, blustering man; Mr. Gallatin, a tiptop man, was Secretary of the Treasury; and Mr. Hamilton of South Carolina, a pleasant gentleman, who thought Mr. Madison could do nothing wrong, and who always concurred in every thing he said, was Secretary of the Navy."

Jennings also provided accounts of the policy battles over the War of 1812 ("Colonel Monroe was always fierce for it") and tried to debunk a few myths. "It has often been stated in print that when Mrs. Madison escaped from the White House, she cut out from the frame the large portrait of Washington . . . and carried it off," Jennings wrote. "This is totally false. She had no time for doing it. It would have required a ladder to get it down." (The Gilbert Stuart painting was actually saved by a doorkeeper and a gardener, he said.) Most important, Jennings's memoir set the genre's standard for Presidential praise. "Mr. Madison, I think, was one of the best men that ever lived," he wrote. "I never saw him in a passion, and never knew him to strike a slave."

The modern era of such memoirs began with a gusher from the Administration of Franklin Delano Roosevelt, whose insistence that his aides display a "passion for anonymity" had only a temporary restraining effect. The first of the Roosevelt books, "After Seven Years," by the brain-truster ***Raymond Moley***, established the tone: praise for the patron that subtly shades into self-praise, inside accounts of policy struggles in which the author turns out to have been right, a dollop of historical commentary, some gossip that gently settles old scores, and a good index for colleagues who may not want to read the whole thing. ***Moley*** was sometimes deft enough to work many of these themes into a single sentence: "I was able to achieve almost the impossible-the maintenance of friendly relations with both Louis Howe and Sam Rosenman-and the rivalry of these two men was the single factor that might have disrupted the logical course of events."

Although most such memoirs ended up in the ash bin, a few helped elevate the genre. Roosevelt's best speechwriter, Robert E. Sherwood, who had won three Pulitzer Prizes as a playwright, won another for a memoir cast as a character study, "Roosevelt and Hopkins." In 1965, two of John Kennedy's speechwriters produced similarly stately tomes. Theodore Sorensen's "Kennedy" is notable for being unflinching, at least in parts. Its assessment of the failed Bay of Pigs invasion, for instance, begins by saying of Kennedy, "His own mistakes were many and serious," and then proceeds to catalogue them. The eminent historian Arthur Schlesinger, Jr., has sometimes been labelled a hagiographer for the Camelot chords he struck, but "A Thousand Days" is an intricate and serious narrative biography with sweeping historical themes and incisive drypoint character sketches. His depiction of Secretary of State Dean Rusk is typical: "As he would talk on and on in his even, low voice, a Georgia drawl sounding distantly under the professional tones of a foundation executive, the world itself seemed to lose reality and dissolve into a montage of platitudes."

The Watergate scandal posed a new challenge to White House memoirists: how to deal with the character flaws that unravelled a Presidency. William Safire, a Nixon speechwriter, set out to produce a book that would be "sympathetic but not sycophantic," and the result, "Before the Fall," succeeds by peeling back the multiple layers of Nixon's tortured personality and offering up candid (and amusing) portraits of Henry Kissinger and other members of the court. Safire defended much of Nixon's record, but recognized that Nixon might be "the only genuinely tragic hero in our history, his ruination caused by the flaws in his own character." In "White House Years," Kissinger, too, was willing to explore the loneliness, paranoia, insecurity, and lack of generosity that infected Nixon and unsettled his tenure. He notices the little things about Nixon-"his pant legs as always a trifle short," his look of defiance mixed with uncertainty-and concludes by ruminating about "what extraordinary vehicles destiny selects to accomplish its design."

It subsequently became part of the tradition for aides to try to establish their credibility and integrity, and make some headlines, by including a few denigrating revelations about their former patrons. James Fallows, a Carter speechwriter, wrote a magazine memoir before Carter even had a chance to run for reelection, in which he described Carter as "passionless" and revealed that the President micromanaged the sign-up schedule for the White House tennis court. Even more damaging was Donald T. Regan's revelation about "the most closely guarded domestic secret" of Ronald and Nancy Reagan: "Virtually every major move and decision the Reagans made during my time as White House Chief of Staff was cleared in advance with a woman in San Francisco who drew up horoscopes to make certain that the planets were in a favorable alignment." The current Administration has already produced such a memoir, by a former speechwriter, David Frum, in "The Right Man," which is generally as flattering as the title implies but contains a few discomforting little revelations about the tenor of the White House-Frum, who is Jewish, opens the book with the line "Missed you at Bible study" spoken by one aide to another-and about Bush's own shortcomings: "He is impatient and quick to anger; sometimes glib, even dogmatic; often uncurious and as a result ill-informed; more conventional in his thinking than a leader probably should be."

Minor score-settling aside, though, previous White House memoirs tried to appear reflective, above the fray, and candid about mistakes that were made. This was true, certainly, of the only other best-selling memoir so far from a Clinton aide, George Stephanopoulos's "All Too Human." Stephanopoulos dealt with the scandals in an admirably honest manner, and revealed his own conflicting emotions in an anguished portrayal of the period. "I didn't think I was a hypocrite, because my defense of Clinton against past bimbo eruptions had been predicated on my belief that he wouldn't create new ones, but maybe I *was* complicit because when I worked for Clinton I had been willing to suspend my disbelief about some of his more suspect denials," he writes. "For several years, I had served as his character witness. Now I felt like a dupe."

Sidney Blumenthal-who spent years covering Washington politics for *The New Republic* and then for *The New Yorker,* before becoming an assistant to President Clinton-has no time for such self-examination. He unabashedly rises to the President's defense in each and every (and every and every) particular, embedding a controlled, seemingly dispassionate, and at times persuasive pro-Clinton polemic within the pages of a high-minded history. In doing so, he has helped to create something like a new genre-the attack memoir.

The result reads like two very different books shuffled together, jostling one another uncomfortably as they alternate turns over nearly eight hundred pages. The first book consists of Blumenthal aspiring to emulate Schlesinger. From the opening scene, in which the new President visits the Franklin D. Roosevelt Library, in Hyde Park, the author unblushingly places himself at the center of momentous historical forces. "I could hear my own footsteps as I walked past black-and-white photographs of FDR grandly gesturing to roaring crowds," he writes. When Bill Clinton arrives, "the dust started to be shaken; the pinned exhibits almost seemed to want to move; the past was no longer at rest." And then, in a metaphorical gesture, the President beckons Blumenthal over: "He wanted me to accompany him as he toured FDR's library."

Blumenthal's assessment of Clinton occasionally transcends hagiography and approaches deification. His black students in Arkansas, we are informed, "called him Wonder Boy for his utter absence of racial distinction," and a member of the National Symphony "told me he was the only guest conductor they'd ever had who knew what he was doing." By the end of the book, Clinton has been carved into the progressive pantheon with both Roosevelts. "Just as the presidents of the late twentieth century operated in the shadow of FDR," Blumenthal declares, "those of the first part of the twenty-first century will stand in the shadow of Clinton."

But it would be unfair, albeit easy, to make fun of Blumenthal as a human incarnation of Buddy the dog, tirelessly chasing errant balls and panting with pure affection. When stripped of some of the excesses, his character sketches and his digressions into the roots of great historical themes can be fascinating. He is especially enlightening about the Third Way movement, through which Clinton and British Prime Minister Tony Blair shed the paralyzing dogmas of the old left in order to take up policies of forceful engagement abroad along with fiscal responsibility at home. By this approach, Blumenthal argues, Clinton showed how strong executive leadership could be brought to the cause of progressive social policies. The result was "the greatest prosperity" in America's history, "the greatest reduction in poverty" since Lyndon Johnson's Great Society, "the greatest public health insurance coverage of children, and the greatest budget surplus ever." Despite Blumenthal's efforts, few will be convinced that the Clinton Administration's haphazard policymaking was responsible for all these successes, but he does make the best possible case that it deserves a lot of the credit.

Time and again, unfortunately, Blumenthal's revealing anecdotes and sweeping policy analysis get elbowed aside by his parallel book, the one in which he dives into the murky depth of each successive scandal. Suddenly the tone turns conspiratorial. A legion of enemies small and large, from Arkansas lowlifes to the independent counsel Kenneth Starr, are woven into a tangled web of buffoons who share the same sinister motives and tactics. And many in the press are portrayed either as willing dupes or as craven co-conspirators. (At one point, Blumenthal accuses *Time* of purposefully positioning a photograph of Hillary Clinton on the cover so that the "M" in the logo would look like devil horns. As the managing editor of the magazine then, I can attest that the "M" was in the same place it had been for eighty years, ever since Henry Luce decided against calling his magazine *The Synthetic Review*, and that we had no diabolical designs.) Blumenthal's valid points about the tactics of the probers are thus lost to his lack of subtlety and his unwillingness to reflect on the Clintonian behavior that created the morass in the first place. Once again, it's necessary to strip away Blumenthal's excesses in order to uncover his insights.

The most compelling of these insights flow from his recounting of how he secretly befriended David Brock, an apostate conservative journalist who first published the sex allegations made against Clinton by Arkansas state troopers. On the day that the Monica Lewinsky story broke, Blumenthal called Brock, who had already been expiating his guilt by leaking to Blumenthal the maneuvers of the most ardent Clinton-haters. Brock proceeded to detail the collusion among Kenneth Starr's office, journalists at *Newsweek*, Lewinsky's turncoat confessor Linda Tripp, the merry mischief-maker Lucianne Goldberg, the Internet gossip Matt Drudge, and a motley if not vast right-wing conspiracy that included a collection of freelance investigators and legal "elves" funded by the conservative millionaire Richard Mellon Scaife.

The machinations of members of this anti-Clinton cabal are interesting enough and, indeed (as many of them will proudly admit), true enough, but Blumenthal and Hillary Clinton were notably unsuccessful at focussing press attention on them rather than on the President's own misdeeds. One reason is that there was an even more interesting personal question, both then and now: could these two aggressive defenders truly have believed the President's slippery denials? Blumenthal's answer is that, on the day the story appeared, he discussed the situation with the President and reached a tacit willingness to suspend disbelief. Both the President and his wife "wanted me to believe the story as he told it," Blumenthal writes, "because he wanted her to believe it and she wanted to believe him."

In Hillary's version, she did believe her husband, right up to the day, seven months later, when he was forced to confess in his deposition. Their lawyer, Bob Barnett, tried to warn her the night before that maybe "there's more to this than you know," but even then, she writes, she stuck with her credulity. " 'Look, Bob,' I said. 'My husband may have his faults, but he has never lied to me.' " When she learns the following morning that he had indeed lied, she writes, "I was dumbfounded, heartbroken and outraged that I'd believed him at all."

Like Blumenthal's, Clinton's book melds together disparate forms. One is a traditionally treacly First Lady memoir, similar to the ghosted efforts that were produced for most of her predecessors, which dutifully describes the pleasures of meeting so many fascinating people in so many far-flung places, all with touching tales and meaningful lessons. In other sections, she has produced a typical campaign biography, the sort designed to lay the ground for a future candidacy, which chronicles the formative events in her life, her evolving philosophy, and the ideals that motivate her.

Not all of it is formulaic. There are passages that read as if she grabbed the keyboard away from her ghostwriters in order to shake free from the perception of phoniness that dogs her. She is particularly affecting when she describes her protective feelings toward her daughter, Chelsea, and even somewhat wry about the empty-nest syndrome that descended when Chelsea left for Stanford. "Sometimes I'd catch Bill just sitting in Chelsea's bedroom, looking around wistfully," she writes. "I had to admit that my husband and I were caught up in a generational cliche, a milestone in life that only members of our self-conscious age group would define as a syndrome."

On policy issues as well, she is often revealing. She provides, for example, a detailed description of her role in the debates over the President's welfare-reform proposals, and says, "I told him and his top staff that I would speak out against any bill" if it did not contain certain liberal safeguards. Unlike previous First Ladies, she is not shy about crediting herself as a full policy partner: "By the time Bill and I left the White House, welfare rolls had dropped 60 percent." She tells how she pushed her husband to barrel ahead with her doomed plan for national health-care coverage, and in a small deviation from the account by Blumenthal, who is not even mentioned until page 422 of her book, she takes a good deal of the credit for organizing the Third Way discussions with Prime Minister Blair.

What's most striking, however, is the way she has interspersed her campaign biography and First Lady memoir with sections in which, like Blumenthal, she wages a Manichaean struggle against the Vast Conspiracy. Despite the drama of the four pages describing her fury at her husband's betrayal, most of her anger in the five hundred and thirty other pages is directed at the enemies she claims sought to destroy his Presidency. This is what motivated her, she says, to reconcile with her husband. "If men like Starr and his allies could ignore the Constitution and abuse power for ideological and malicious ends to topple a President, I feared for my country," she explains. "Bill's Presidency, the institutional Presidency and the integrity of the Constitution hung in the balance. I knew what I did and said in the next days and weeks would influence not just Bill's future and mine, but also America's."

She is no less assertive than Blumenthal in her depiction of the enemies they were battling:

I do believe there was, and still is, an interlocking network of groups and individuals who want to turn the clock back on many of the advances our country has made, from civil rights and women's rights to consumer and environmental regulation, and they use all the tools at their disposal-money, power, influence, media and politics-to achieve their ends. In recent years, they have also mastered the politics of personal destruction. Fueled by extremists who have been fighting progressive politicians and ideas for decades, they are funded by corporations, foundations and individuals like Richard Mellon Scaife.

Although she does not descend to the "politics of personal destruction"- there are no dark intimations of murder or sex scandals-she is not averse to firing a bit of buckshot. When Newt Gingrich's mother let slip that her son, the new House Speaker, often referred to Hillary as a "bitch," she invited them both, along with his "then wife," to the White House. What ensues is a scene in which Gingrich's wife belittles him for babbling about things he does not understand, and his mother retorts, "Newty *always* knows what he's talking about." Similarly, she ridicules Chief Justice William Rehnquist for presiding over her husband's Senate trial wearing a robe he had designed with chevrons of gold braid. "He said he got the idea from the costumes in a production of Gilbert & Sullivan's comic opera *Iolanthe*," she writes. "How fitting that he should wear a theatrical costume to preside over a political farce."

Both Blumenthal and Clinton, with their wrenching lurches from policy discourses to scandal dissections, are able to re-create the vertigo of the era, during which missile attacks on Al Qaeda came in the wake of squirmy testimony about inappropriate behavior, and stories about Moscow summits vied with those about distinguishing genital characteristics. They also present a largely persuasive case that prosecutors and the press (though not the American public) became overly, even weirdly, obsessed with the Whitewater story. Combined with their excesses of loyalty and their unwillingness to reflect on the President's pathological indiscipline, the result is yet another type of vertigo: that which comes from rolling your eyes and nodding your head at the same time.

These books, of course, will not for a moment sway any of the Clintons' ardent adversaries, nor does that seem to be their intention. Like much of the discourse from the period, they appear to be meant to stoke old partisan arguments rather than to quell them. In this they exemplify the very trend-the shrilling of political discourse-that they decry.

Raucous, partisan debate can be healthy, up to a point, and liberals will point out that conservatives have heretofore dominated the best-seller lists, as well as cable television, and have been notably more aggressive in tearing down their opponents. Partly that is because liberals are less cohesive and angry, more timid and easily cowed. Even when liberals have strong beliefs, they act as if they were not quite sure they actually agree with them. They are congenitally more comfortable humming the theme of "All Things Considered" than the theme of "Crossfire."

Until now, the most successful authors on the provocative left have been those who cloaked their jabs with humor, such as Michael Moore, Molly Ivins and Al Franken. This may be changing. All three will be publishing more pugnacious books this year, and so will the liberal columnists Paul Krugman and Joe Conason. Eventually, they may even be joined by Bill Clinton, if he decides to emulate his wife and his old Knight Templar by producing a memoir that ravages as well as ruminates.

All this best-selling bellicosity is likely to continue the trend away from the old recollected-in-tranquillity manner of White House memoirs. At the very least, it will make for more interesting reading. And we are unlikely to miss, at least for a while, the quaint platitudes of a ***Raymond Moley***, who concluded his memoir by calling for a future politics based on "fine thinking and generous impulse."

Classification

Language: ENGLISH

Subject: CONSPIRACY (90%); GOVERNMENT ADVISORS & MINISTERS (89%); WRITERS (89%); BOOK REVIEWS (78%); NEGATIVE NEWS (78%); US REPUBLICAN PARTY (78%); HISTORY (77%); CONSPIRACY THEORY (76%); ENTRAPMENT (75%); TRIVIA (75%); LITERARY CRITICISM (73%); NAVIES (73%); PARTISANSHIP (73%); RACISM & XENOPHOBIA (73%); NEGATIVE MISC NEWS (71%); TREASURY DEPARTMENTS (60%)

Company: SIMON & SCHUSTER INC (57%); FARRAR STRAUS & GIROUX INC (56%)

Industry: NAICS511130 BOOK PUBLISHERS (57%); SIC2731 BOOKS: PUBLISHING, OR PUBLISHING & PRINTING (57%); WRITERS (89%); BOOK REVIEWS (78%); LITERARY CRITICISM (73%); NAVIES (73%); TREASURY DEPARTMENTS (60%)

Person: HILLARY RODHAM CLINTON (92%); BILL CLINTON (79%)

Geographic: ARKANSAS, USA (79%)

Load-Date: July 21, 2003

End of Document

Squandering Prosperity; George W. Bush has the worst economic record of any president since Herbert Hoover. But can the Democrats exploit that at all?

The American Prospect

June, 2003

Section: FEATURES; Pg. 26

Length: 2628 words

Byline: BY HAROLD MEYERSON; HAROLD MEYERSON is the Prospect's editor at large.

Body

ECONOMISTS ARE ADMITTING TO CONFUSION, ALWAYS A bad sign. The American economy has entered "a baffling twilight zone," writes Robert J. Samuelson. "People yearn for clarity and confidence, while the new stagnation provides mainly uncertainty and contradiction."

The Federal Reserve seems particularly vexed. Profits and productivity are up, but growth is negligible and employment is down. The Fed's governors have been cutting interest rates since January 2001 -- 12 separate cuts, taking interest rates on overnight bank loans from 6.5 percent down to 1.25 percent, the lowest level in 40 years -- yet the layoffs keep coming. Fed Chairman Alan Greenspan has been predicting recovery, but recovery hasn't appeared. Testifying before Congress in late April, Greenspan prophesied a better second half of 2003. "I think it includes jobs," he said.

Companies, the Fed complains, aren't expanding as they should. "An undercurrent of pessimism has persisted among business leaders for some time now," Fed governor Ben Bernanke recently grumped, "more so than can be accounted for by what seem to be the generally good fundamentals of the U.S. economy."

Official unemployment now stands at 6 percent; 8.8 million Americans are unemployed, an increase of 3 million since October 2000. The specter stalking the Fed is that of deflation, something that our central bank has not concerned itself with since the Great Depression. The Fed's most recent report warns, in ever-cloudy Fedspeak, of an "unwelcome substantial fall in inflation." No one is anticipating a 1930s-style collapse of prices, wages and employment, but the threat of prolonged stagnation, with all its quiet human disasters, is very real.

Several decades ago, French social commentator Alain Minc wrote evocatively of a "slow 1929," in which the economy, bolstered by the safety nets put in place in response to the real 1929, does not crash; it sags. We seem to be in a slow 1929 right now: Wages decline slightly (by 1.5 percent over the past year for workers at the median income level), work-weeks grow shorter (to 34 hours, the lowest level since the government started measuring workweeks in 1964), health-insurance premiums and co-payments grow more costly, and factories don't run at full speed. (In fact, they're running at the lowest level of capacity since 1983.) Growth creeps along (rising at a 1.6 percent annual rate in the first three months of 2003) but productivity grows faster (at nearly 2.5 percent). America can increase its output by 2.5 percent, therefore, without hiring more workers. To hire more workers, growth has to outpace productivity. It's not.

Disasters occur, but discretely and discreetly: Medicaid is cut, and seniors can no longer afford their medication; college tuitions are raised, and students have to leave school.

And jobs are lost: The private sector has shrunk by more than 2.6 million jobs since George W. Bush became president. That is, by any standard, quite a record: No American president has presided over a net loss of jobs during his term in office since Herbert Hoover grappled so disastrously with the real 1929. When Bill Clinton was in the White House, America gained an average of 239,000 jobs per month. Since Bush took office, the number of jobs has declined at a monthly clip of 69,000.

On the basis of no credible evidence whatsoever, the White House boasts that Bush's proposed tax cut would create 1.4 million jobs by the end of 2004. Even if it did, Bush would still have presided over a net loss of 1.3 million jobs during the 2001 -- 2005 presidential term.

PRESIDENTS DO NOT REALLY PAY A PENALTY FOR HOLDING office when the economy first implodes. Americans did not turn against Hoover because the market crashed; they turned against him because his recovery program, such as it was, failed to produce a recovery, because the economy cascaded downward for three and a half years while he rejected one plausible remedy after another. Likewise, no one holds Bush accountable for the dot-com bust or the shock of September 11. His problems are that he's enacted and proposed nothing that would arrest the current slide, and that his policies have actually worsened it.

More precisely, his *policy* has actually worsened it. For it is the distinctive feature of the Bush presidency that there is but one economic policy come boom or bust, fire or flood. That, of course, is tax cuts, preponderantly for the rich. As a candidate in 2000, Bush argued for tax cuts because the government was actually running a surplus, and it was a more productive use of funds to return that money to taxpayers. Then the bubble burst, the surplus turned to deficit and those same tax cuts were repackaged as an economic stimulus. The $ 1.6 trillion tax cut of 2001 was so advertised, though it didn't really kick in for the better part of the decade, and most of it was targeted to the wealthy -- the class of Americans least likely to spend it. Since it was enacted, it has stimulated the economy to the tune of 1.7 million jobs lost.

Undeterred, the administration is back at it again with its proposed $ 726 billion tax cut, more than half of which takes the form of eliminating the taxes on dividends -- which, again, will go overwhelmingly to the rich. It's difficult to find anyone not working for the administration who believes this cut will really stimulate the economy. Though virtually no one noticed (there was a war on), in mid-March the Congressional Budget Office (CBO) issued its study of the Bush tax cut. "Taken together," the report concluded, "the proposals would provide a relatively small impetus in an economy the size of the United States." The study had been supervised by Douglas Holtz-Eakin, who came to the CBO after serving as chief economist for Bush's Council of Economic Advisers.

The hallmark of the Bush approach to the economy is its absolute rigidity. On matters economic, Bush is a monomaniac with a bad idea, a doctor who prescribes the same all-purpose snake oil no matter what the ailment. And while Bush is not responsible for the post-boom bust in which America finds itself, his refusal to contemplate any remedy save his own for the economy is directly responsible for the increasing longevity and severity of the bust.

Rigidity should be the last thing you want in a president forced to navigate a treacherous economy. "If we can't get a president with a fluid mind," noted ***Raymond Moley*** in the spring of 1932, "we shall have some bad times ahead." ***Moley*** at that time was just beginning his stint as head of Franklin Roosevelt's brain trust, the academic advisers on whom Roosevelt relied to help formulate fixes for the Depression. ***Moley*** needn't have worried about Roosevelt, who mixed and matched, embraced and abandoned a range of economic strategies during his '32 campaign -- and then his first three years in the White House -- before settling upon the policies we now think of as the core of the New Deal. Surrounding himself with advisers who favored a centralized, planned economy, others who recommended stronger antitrust enforcement and more regulation, and still others who argued for bolstering working-class purchasing power, FDR's credo for a nation in trouble was, "Above all, try *something.*"

"This country is big enough to experiment with several diverse systems and follow several different lines," Roosevelt once told adviser Adolph Berle. "Why must we put our economic policy in a single systemic straitjacket?" A sentiment more alien to Bush is hard to imagine.

WITH THE ECONOMY GOING NOWHERE BUT SOUTH, THE administration has been obliged to come up with an explanation for the downturn that directs responsibility away from the White House. Until 9-11, the recession was Bill Clinton's fault; thereafter, it was Osama bin Laden's and, more recently, Saddam Hussein's. Here, from a recent stump speech, is the president's explanation of the economy: "We've got a deficit because we went through a recession. We've got a recession because we went to war, and I said to our troops, 'If we're going to commit you into harm's way, you deserve the best equipment, the best training, the best possible pay.'"

If the president's account is accurate, we've just gone through the first defense buildup in modern history that depressed rather than boosted the economy. A more plausible calculation, from Larry Mishel of the Economic Policy Institute, is that new defense spending will add 0.4 percent to the gross domestic product this year alone. The somewhat more sophisticated version of Bush's self-exculpatory account is that business refused to invest more due to the uncertainty attending the coming war. But that gainsays almost everything business leaders themselves are telling us.

"There's a wide gap between economists and business executives," Sung Won Sohn, the chief economist (though one who's business executive -- friendly) of Wells Fargo, remarked recently. "Businesses are basically shell-shocked. They want to see demand rising first."

In fact, what the economy is going through is a classic case of excessive productive capacity built up in a boom time in anticipation of a demand that never came. In 1998 productive capacity was increasing at an annual 8 percent rate in manufacturing, with huge investments in telecommunications and high-tech that were helping drive the boom. Not surprisingly, it's here that the bust is concentrated today. Since July of 2000, America has lost 2.2 million jobs in manufacturing; indeed, manufacturing jobs have now declined for 33 consecutive months, which is the longest period of job loss in the post -- World War II era. And because manufacturing jobs pay significantly better than retail and service-sector jobs, the impact on the economy is magnified.

The other engine driving the boom was the market itself, in which investors placed bets on the future value of companies that proved to be largely, if not entirely, illusory. Thanks to the deregulation of financial endeavor -- bringing with it the decline of accounting standards, the systemic overvaluation of stocks by analysts, the fictitious bookkeeping of Enron and the like -- $ 7 trillion invested in U.S. stock markets has been lost since the bubbled burst in 2000. This has not worked wonders for consumer confidence.

Alongside the problems of vanishing capital and manufacturing decline is that of inadequate purchasing power. Median earnings grew consistently during the near-full employment years of 1998 -- 2001, but they've been falling now for the past four quarters. With wages drifting downward, American consumers -- even if they saved some money by refinancing their homes -- are not going to shop their way out of the current downturn.

In sum, the current economy is one in which any number of classical Keynesian remedies to boost purchasing power could be applied, particularly with the Fed warning of deflation, not inflation. The administration not only shuns contact with Keynesians, however, it shuns contact with any economists -- save supply-siders -- who've endorsed its tax cuts, as a number of deficit-conscious business economists have been heard to complain.

By insisting on tax cuts for the rich, moreover, the administration blocks any efforts at real stimulus. In the White House's legislation, no federal funds will flow to the states, which are experiencing the same revenue decline the federal government is. Unlike the federal government, however, they have to balance their budgets. The estimated $ 68 billion in deficits that the states are running this year (a total that is expected to rise to $ 140 billion over three years) is coming out of health-care coverage for children and the poor, out of K-12 classrooms, out of the pockets of students who can't afford the tuition increases at public colleges and universities. It is coming out of the jobs of state, city, public-health and school-district employees. By his obsession with cutting taxes on the rich, George W.

Bush is not only failing to provide an urgently needed stimulus, he's actually deepening a downturn he could alleviate.

He could, if he chose, boost purchasing power or halt layoffs by directing his tax cuts to low- and middle-income families, or by providing relief to state governments, or by funding a massive renovation and construction of schools. He could ease the rising burden of costs experienced by nearly every American family by creating a system of universal health coverage. But as Bush sees it, he is in office precisely *not* to do these things. On matters economic, he is there to shrink the role of the public sphere and magnify the market. Recovery is all well and good, but it is not his primary purpose as president.

CAN BUSH GET AWAY WITH IT? CAN HE TURN IN THE MOST dismal economic performance of any president in decades and still win re-election?

Perhaps. The economy will have to loom larger in voters' minds than the amorphous war on terrorism, in which, we can be certain, the administration will find new threats and exploit old ones. The Democrats need a candidate who stands for homeland and defense security, and -- in contrast to Bush -- economic security as well. And their candidate needs an economic agenda that plausibly addresses Americans' anxieties about their health care, their jobs and their children's educations. A program that merely contains economic insecurity rather than attacking it will only guarantee a second term for Bush.

But even if the economy doesn't improve, and even if the Democrats put forth a credible economic program, that's still no guarantee of a Democratic victory. To begin with, the politics of a slow 1929 don't resemble those of the original article. Slow 1929s don't wipe out tens of millions of families. According to some recent polling, the most ubiquitous way in which families are experiencing the downturn right now is having to cope with increased medical expenses. In some households, that will mean more illness; in a relative few, death; in many, increased anxiety and cutting back on other necessities. In aggregate, though, these do not portend a political groundswell to sweep Bush from the White House.

"Six percent unemployment won't turn Bush out of office," says a consultant to one of the Democratic presidential candidates. "It will have to go to 8 or 9 percent, just for starters. Besides, the public has less and less confidence that the government can manage the economy. Their understanding of the economy comes largely from the business and right-wing press; if there's anyone they hold responsible, it's Greenspan. I'm not sure the Democrats have anything programmatic to say that will convince people the economy will perk up."

Whatever short-term fixes the Democrats may offer, then, they also need to find a way to talk about the larger economic health of the nation. Above all, they need to draw a clear line between Bush's preference for tax cuts and their own preference for a major national investment in health care, education and transportation. On this question, in poll after poll, the public unambiguously favors the Democrats' investments over Bush's cuts. Among the presidential candidates, Missouri Congressman Dick Gephardt has already begun this discussion; his fellow candidates would do well to snipe at him less and develop their own alternatives more.

As for Bush, the responsibility for dealing with the economy is now entirely his. With interest rates hovering at 1 percent, Greenspan is running out of tools to fix this mess. With the election year now taking shape, Bush's one-note obsession with tax cuts presents the Democrats with their best opportunity. And the economy with its gravest threat.

Graphic

Picture, Big tax cut. Nothing itty-bitty. Big. TAMI CHAPPELL/REUTERS/LANDOV

Classification

Language: ENGLISH

Subject: ECONOMY & ECONOMIC INDICATORS (92%); ECONOMIC NEWS (90%); ECONOMICS (90%); NEGATIVE ECONOMIC NEWS (90%); NEGATIVE EMPLOYMENT NEWS (90%); US DEMOCRATIC PARTY (90%); US FEDERAL GOVERNMENT (90%); PRODUCTIVITY (89%); WAGES & SALARIES (89%); WORK WEEK (89%); DEFLATION (79%); ECONOMIC CONDITIONS (79%); ECONOMIC DEPRESSION (79%); INFLATION (79%); OUTPUT & DEMAND (79%); NEGATIVE BUSINESS NEWS (78%); NEGATIVE PERSONAL NEWS (78%); CENTRAL BANKS (77%); MANUFACTURING FACILITIES (77%); US PRESIDENTS (77%); COMPENSATION & BENEFITS (76%); GREAT DEPRESSION (76%); INTEREST RATES (76%); LABOR & EMPLOYMENT (76%); LAYOFFS & DISMISSALS (76%); RECRUITMENT & HIRING (76%); LAYOFFS (71%); TUITION FEES (70%); SAFETY (68%); MEDICAID (64%)

Industry: BANKING & FINANCE (90%); DEFLATION (79%); CENTRAL BANKS (77%); MANUFACTURING FACILITIES (77%); INTEREST RATES (76%); MEDICAID (64%)

Person: ALAN GREENSPAN (73%); BEN BERNANKE (58%); GEORGE W BUSH (56%)

Geographic: UNITED STATES (96%)

Load-Date: May 23, 2003

End of Document

FDR against the Bill of Rights

Newstex Blogs

Mises Institute

January 5, 2024 Friday 5:00 PM EST

Length: 1164 words

Byline: David Gordon

Body

Jan 05, 2024(Mises Institute: *https://mises.org* Delivered by Newstex)

In this week's column, I'd like to raise two questions suggested by David Beito's excellent book The New Deal's War on the Bill of Rights, which I reviewed last week. First, how can it be that Franklin Roosevelt has acquired a reputation among leftist historians as a champion of liberty, with his internment of Japanese Americans during World War II regarded as an aberration, in the face of the manifold violations of civil liberties that occurred during his administration? Second, given Roosevelt's authoritarian proclivities, why wasn't he successful in imposing the complete regime of censorship he wanted?

The answer to the first question is that Roosevelt preferred in most cases to work behind the scenes, aiding and abetting others to do his work. We see this in the activities of Hugo Black and Sherman Minton, both senators and later Supreme Court justices, whom Roosevelt assiduously encouraged and promoted.

Black, who from 1935 chaired the US Senate Special Subcommittee to Investigate Lobbying Activities, subpoenaed a vast number of telegrams from opponents of the New Deal, putting their activities under surveillance in an effort to intimidate them. As Beito explains,

The committee monitored private communications on a scale previously unrivaled in US history, at least in peacetime. Working in tandem with the Federal Communications Commission and the Roosevelt administration, it examined literally millions of private telegrams with virtually no supervision or constraint. Those singled out for this surveillance were anti-New Deal critics, including activists, journalists, and lawyers.

In acting in this fashion, Black was doing what Roosevelt wanted.

The committee's most powerful champion was Roosevelt himself, though he carefully avoided tipping his hand in public. ... Roosevelt responded to [***Raymond***] ***Moley*** with 'a long discourse of how Black's invasion of privacy had ample precedent.' The inference drawn by ***Moley*** was that for Roosevelt 'the end justified the means.' The conversation left ***Moley*** 'with the harrowing intimation that Roosevelt was looking forward to nothing more than having the opposition of his 'enemies'-the newspapers, the bankers, the businessmen-reelect him.' ... The Black Committee was first and foremost a creature of Roosevelt's wish to establish a congressional committee to discredit opponents. After the president had made that decision, he sought out Black, a loyal political foot soldier, to take charge.

Roosevelt appointed Black to a vacancy on the Supreme Court in 1936, knowing that he could count on that stalwart New Dealer to uphold all his unconstitutional programs. When it became public knowledge the next year that Black had, in the words of Charles Tansill, 'hidden his face beneath the hooded robes of a Klansman,' there was a clamor for Black to resign, but Roosevelt did not join it, even though Black admitted having been a KKK member. Many years later, Black ironically earned a reputation as a 'free speech' absolutist, although he still defended his vote in Korematsu v. United States upholding Roosevelt's order to intern Japanese Americans in concentration camps. According to Beito, 'Black ... was unrepentant. In 1971, he asserted that '[p]eople were rightfully fearful of the Japanese in Los Angeles. ... They all look alike to a person not a Jap. Had [Japan] attacked our shores, you'd have had a large number fighting with the Japanese troops."

After his victory in the election of 1936, Roosevelt was determined to destroy those who had lobbied against his plan to pack the Supreme Court and against other New Deal measures. Probably the most important such group was the National Committee to Uphold Constitutional Government (NCUCG). Much of the day-to-day administration of this committee was conducted by Edward Rumely, who proved able and efficient in his job. Minton's chief tactic in disabling the group was to subpoena the tax records of its principal contributors, hoping that bringing their names before the public would make them reluctant to give more money. When Rumely and others challenged this gross invasion of privacy, Minton responded by releasing some of the tax records of the organization to the public. Roosevelt fully backed Minton and asked J. Edgar Hoover to conduct an FBI investigation of Rumely. Beito describes this sad chain of events:

New Dealers seemed to have found an ideal champion in Sherman Minton. As a biographer put it, his loyalty to the president and his agenda 'uncommon even among fellow true-believers,' included a 'strong streak of populism, and belief that government must be powerful'. ... In December 1937, Roosevelt affirmed his confidence in the Minton Committee by inviting all three Democratic members to an eight-man 'council of war' to plot strategy for 1938 ... Minton articulated the group's consensus by recommending a fighting stance. 'The opposition isn't satisfied with a conciliatory attitude,' he declared. 'The only thing they understand is a swift kick where it hurts.' He urged a 'crack down' on the taxes of the rich. ... Roosevelt was more than receptive, chiming in, 'We have just begun to fight.'

It is clear that Roosevelt wanted the total suppression of his critics, and this leads to our second question: Why did he fail to achieve his goal? He won some victories: for example, the NCUCG suffered a major loss in funding due to Minton's efforts. But Roosevelt did not succeed in imposing totalitarian control. One reason for this, and it is a reason that is instructive for our own troubled times, is that his efforts at suppression met resolute opposition, and not only from those directly targeted. Many among those with impeccably pro-Roosevelt credentials, as well as libertarians such as Albert Jay Nock and H.L. Mencken, who could not be dismissed as lobbyists for big business, avowed their support for civil liberties, and the public pressure forced Roosevelt and his senatorial entourage to back down.

The ever-persistent Norman Thomas [a frequent Socialist Party candidate for president] charged that Roosevelt represented 'the party of Frank Hague [a corrupt and tyrannical New Jersey political boss,]' while Albert Jay Nock, an individualist and civil libertarian, blamed what he regarded as Roosevelt's disdain for the Constitution on New Deal policies of centralization. Roosevelt, according to Nock, 'advises Congressmen not to be too particular about the constitutionality of a measure which interests him. ... Given a Roosevelt who manipulates or disregards the law as he sees fit, and you immediately spawn a tribe of Murphys, Hagues, Ickeses, Wallaces, Blacks, Mintons, who may freely manipulate or disregard the law as they see fit' (emphasis Nock's)

Faced with today's government schemes to deprive us of our liberties, such as 'gun control' and the restriction of 'hate speech,' it is imperative that we fight back.

Notes

Classification

Language: English

Publication-Type: Web Blog

Journal Code: MISE-10010073

Subject: GOVERNMENT BODIES & OFFICES (90%); LEGISLATION (90%); LEGISLATIVE BODIES (88%); SUPREME COURTS (87%); CENSORSHIP (78%); HUMAN RIGHTS & CIVIL LIBERTIES LAW (78%); WORLD WAR II (78%); HISTORY (77%); WAR & CONFLICT (77%); INVASION OF PRIVACY (75%); INVESTIGATIONS (75%); TELECOMMUNICATIONS DEPARTMENTS (75%); US CONGRESS (75%); US FEDERAL GOVERNMENT (75%); APPOINTMENTS (74%); LAW COURTS & TRIBUNALS (72%); LOBBYING (72%); SUBPOENAS (72%); WRITERS (72%); ASIAN AMERICANS (71%); SURVEILLANCE (71%); PRIVACY RIGHTS (70%); JUDGES (68%); ENERGY & UTILITY LAW (65%); RESIGNATIONS (63%); GOVERNMENT DEPARTMENTS & AUTHORITIES (50%)

Organization: FEDERAL COMMUNICATIONS COMMISSION (54%)

Industry: TELECOMMUNICATIONS DEPARTMENTS (75%); WRITERS (72%); ENERGY & UTILITY LAW (65%)

Geographic: UNITED STATES (92%)

Load-Date: January 5, 2024

End of Document

The New Deal and Recovery, Part 2: Inventing the New Deal

Newstex Blogs

Cato@Liberty

June 22, 2020 Monday 1:07 PM EST

Length: 3771 words

Byline: George Selgin

Body

Jun 22, 2020(Cato@Liberty: *http://www.cato* .org/blog Delivered by Newstex) ;; George Selgin[1]"It is difficult to think of an important aspect of the New Deal to which Roosevelt had not plainly pledged himself before taking office. Roosevelt had campaigned on a clear and specific New Deal Program." (Eric Rauchway, Winter War, pp. 15-17.)To understand the New Deal's shortcomings as a grand scheme for achieving economic recovery, it helps to realize that the New Deal wasn't a grand scheme at all, but an assemblage of steps and programs, many of which were decided upon or concocted only after Roosevelt took office.But if I'm to expect you to see the New Deal that way, I must first convince you that Eric Rauchway's opposite claim isn't true.

Hence this post, which (unlike most others to come) is about history, but not so much about economics. If you're only here for the econ., you might skip it without fear of not being able to follow others in this series. Rauchway's RevisionismAccording to Rauchway, most of the New Deal's important components had been planned and pledged to well before FDR took office. Rauchway's view goes hand-in-hand with his portrayal of the New Deal as a well-oiled, supercharged recovery machine. In contrast my own view of the New Deal, as a set of make-shift remedies, makes it seem more likely to have had the U.S. economy bucking and stalling like an ill-tuned jalopy.Of the two views, mine is (for once) the more orthodox. Although journalist Robert Wright took poetic license when he wrote, back in 2001[2], that "FDR threw a bunch of policies against the wall, and the ones that stuck became the New Deal," his opinion isn't all that far removed from what most New Deal historians believe. Roger Daniels, in his 2015 book Road to the New Deal[3], even goes so far as to say that "The notion that when Franklin Roosevelt became president he had a plan in his head called the New Deal is a myth no serious scholar has ever believed."Rauchway is certainly a serious scholar. So, how has he come to his unorthodox view? In brief, he argues (1) that the New Deal must have been a coherent and well-advertised program, as well as a radical one, for otherwise Hoover couldn't have made opposition to it the cornerstone of his own presidential campaign; (2) that the memories and motives of FDR's own colleagues and advisors who insist there was no plan can't be trusted; (3) that other historians haven't examined the right documents; and (4) that the orthodox view can't possibly be right because it implies that Roosevelt misled voters, depriving his program of "democratic legitimacy," whereas it's clear that democratic legitimacy "was the New Deal's ultimate goal."Most of these arguments seem easily answered. Concerning "democratic legitimacy": that Roosevelt didn't tell voters just "what he was going to do" needn't mean that he hoodwinked them. It could (and did in fact) mean that he himself had no precise idea what he would do once in office. Concerning Hoover: although he did say things[4] like "they [i.e., the Democrats] are proposing changes and so-called new deals which would destroy the very foundations of our American system," it is of course common for candidates to accuse their opponents of harboring sinister plans. If Hoover's frightening portrayal of FDR's plans was unusual, it was not because it accurately represented the avowed designs of FDR or his party, but because Hoover appears to have sincerely believed it. Concerning other historians missing key sources: if so, then

Rauchway ought to supply direct proof of his own thesis from these. But he never does.What Rauchway does do is either ignore or dismiss key documents informing the orthodox view, including the testimonies of ***Raymond Moley***[5] and Frances Perkins[6], two of FDR's closest associates. According to ***Moley***, the first member of FDR's "brain trust," believing that New Deal policies were "the result of a unified plan" is like believing "that the accumulation of stuffed snakes, baseball pictures, school flags, old tennis shoes, carpenter's tools, and chemistry sets in a boys bedroom could have been put there by an interior decorator." Although he cites ***Moley*** extensively, Rauchway doesn't mention this statement. Dissing Frances PerkinsMoley eventually parted company with FDR, so perhaps his testimony is jaundiced. The same certainly can't be said of the testimony of Frances Perkins, who first served with FDR in Albany and was secretary of labor for all four of his terms in Washington. In The Roosevelt I knew, her 1946 memoir, Perkins writes:The notion that the New Deal had a preconceived theoretical position is ridiculous. The pattern it was to assume was not clear or specific in Roosevelt's mind, in the mind of the Democratic party, or in the mind of anyone else taking part in the 1932 campaign. "Not clear or specific." Although Rauchway does refer to this passage, he avoids quoting these words flatly contradicting his own. Instead he opines, condescendingly, that while "Perkins may have been a great secretary of labor she was a poor historian: not a word of her remarks is true."Why would Perkins not tell the truth? "In reminiscing," Rauchway says, "she may merely have forgotten how things stood thirteen years before." But thirteen years isn't so long, after all; and "ridiculous" isn't the sort of adjective one uses to describe something one isn't certain about. Nor, for that matter, is it likely that Perkins' foggy memory inspired not only the passage in question, but several others to the very same effect that Rauchway doesn't quote. Passages likeWhen Franklin Roosevelt and his administration began their work in Washington in March 1933, the New Deal was not a plan with form and content. It was a happy phrase he had coined during the campaign, and its value was psychological. It made people feel better, and in that terrible period of depression they needed to feel better, andIt is important to repeat, the New Deal was not a plan, not even an agreement, and it was certainly not a plot, as was later charged. This last statement reads almost as if Perkins wanted to make sure no one would attribute her other statements to mere heedlessness.There are also other passages referring to specific New Deal programs. For example, Perkins observes that as late as April 1933 FDR's "mind was as innocent as a child's of any such program as the NRA." In fact, far from being confined to scattered obiter dicta, Perkins' claim that the New Deal wasn't planned in advance forms one of her memoir's central themes.But Rauchway has an answer to this as well. "In reminiscing," he says, "Perkins may have wanted to minimize Roosevelt's own role in the New Deal so she could maximize her own." To call this charge against Perkins, who has been described[7] as "a modest woman" who "didn't care if other people took credit," and who by all accounts was fiercely loyal to FDR, "far-fetched," is being charitable. "Shabby" is more like it. The New Deal and the FDR's CampaignLet's now consider the facts of the case. They are, in brief, that while a few elements of what the "New Deal" came to mean in practice were spelled-out clearly enough beforehand, many others, including most of the New Deal's "recovery" components, weren't. Nor is it likely they could have been anticipated, or that Roosevelt would have divulged them if they had been.As for what Roosevelt did make explicit, until his nomination his most revealing remarks came during his May 22, 1932 speech at Oglethorpe University[8]. Here he spoke of "the vital necessity of planning for definite objectives." But if Roosevelt already had a plan in mind he revealed nothing of its content. Instead he declared that "the country demands bold, persistent experimentation. 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." This was indeed an accurate indication of what was to come. But what it described was more like a plan to throw policies against a wall to see which ones stuck than a "clear and specific New Deal program." The closest Roosevelt came in his speech to announcing even part of such a program was in declaring it "self-evident that we must restore commodities to a level approximating their dollar value of several years ago or else see more defaults or loan write-downs." Even so, he didn't say how he planned to get "commodities" up again.From the opening of the Democratic National Convention on June 27th, 1932, the Democratic platform[9] became the official statement of FDR's intentions, to which he solemnly agreed to adhere. "We believe," it declared,that a party platform is a covenant with the people to have [sic] faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. If there was ever an opportunity for the Democrats to reveal a "clear and specific" New Deal program, this was surely it. But while the platform listed some measures that would indeed be part of the actual New Deal, as far as the New Deal's recovery initiatives are concerned, it was more misleading than prescient. The platform promised:"an immediate and drastic reduction of governmental expendituresto accomplish a saving of not less than twenty-five per cent in the cost of the Federal Government"; "a federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay"; "a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our government"; "strengthening and impartial enforcement of the anti-trust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor." The platform also "condemn[ed] the extravagance of the [Hoover administration's] Farm Board," including its "unsound policy of restricting agricultural products to the demands of domestic markets."As we'll see, Roosevelt did in fact try to cut spending and balance the federal budget. But he was unsuccessful on both scores; and today it is the growth in spending, and especially in deficit spending, during the New Deal that is said to have contributed to the recovery as an early application of supposedly "Keynesian" thinking. (I'll address Keynes's actual influence on Roosevelt's policies in a later post.) As for "strengthening and impartial enforcement of the anti-trust laws," the National Recovery Administration, one of the actual New Deal's centerpieces, would do just the opposite. A second New Deal centerpiece, the Agricultural Adjustment Association, would, through its "domestic allotment" plan, implement the very "policy of restricting agricultural products to the demands of domestic markets" that the platform expressly condemned.{1][10]Turning to monetary policy, that the "bank holiday" and Emergency Banking Act were adventitious measures rather than ones FDR had been planning all along should go without saying. The promised "international monetary conference" was actually scuttled by Roosevelt. As for the other monetary measures that were to be chiefly responsible for aggregate demand growth during the New Deal era—suspending gold payments, and devaluing the dollar—the platform never so much as hints at them. On the contrary: it assures voters that a "sound currency is to be preserved at all hazards."Some commentators claim that the phrase "sound currency" was vague enough to avoid committing Roosevelt to maintaining the gold standard; and in his 1936 book Half Way with Roosevelt Ernest Lindley explains that the word "gold" wasn't mentioned because "the silverites and other advocates of price-lifting by monetary action were strong enough to keep it out." The fact remains, however, that "sound currency" is just a variant of "sound money," which itself comes from the French "monnaie sonnante et trbuchante." This literally means "money that rings and stumbles"; but it stands for full-weight or standard, as opposed to debased, precious metal coins, which actually sound different than their debased counterparts when tossed onto and allowed to "stumble" on a hard surface. In other words, to practically everyone who heard it in 1932, including banker James Warburg[11], who was to be one of Roosevelt's more savvy financial advisors, and who felt bitterly betrayed by his decision to go off gold, the Democrats' promise to preserve "sound currency" could mean nothing other than that FDR did not plan to toy with the gold standard.Once again: none of this is meant to deny that the platform did point clearly enough to some actual New Deal measures, including its extensive public works program, the Glass-Steagall Act's separation of investment from commercial banking, the TVA, unemployment insurance, and social security. But the anticipated bits almost all had to do with relief and reform, rather than recovery. So far as the voting public was concerned, the New Deal's recovery plan, to the extent that it was a plan at all, was a black box.Nor is it the case that Roosevelt clarified matters by explicitly departing from any part of the platform. Instead, in his nomination acceptance speech[12] FDR said, "I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent. And you can accept my pledge that I will leave no doubt or ambiguity on where I stand on any question of moment in this campaign." While it certainly can't be said that FDR led a campaign free of "doubt and ambiguity," he gave the public no reason to doubt that he meant to keep his word. A Secret New Deal?Nor, to judge from press reports, did the public doubt him. That is, they believed that the New Deal would be just as the Democratic platform described it, and not a far more ambitious program that would radically depart from that platform in many respects. Reporting just after the election, The Economist expressed a common opinion in saying that it didn'tanticipate that any very radical experiments will be made. We doubt whether Mr Roosevelt, in any attempt which he may make to lift America from the depression "by her own boot-jacks," will succeed in evolving measures very different from those formulated and applied during the past two years by Mr Hoover. ("The New President," November 12, 1932). Although it might have been expected to help the public to form a more accurate picture of the coming New Deal, the interregnum—that is, the weeks separating FDR's election from his inauguration—was marked by increasing rather than diminishing doubts as to just what the president-elect had in mind. With just three weeks to go before FDR took the oath of office, The Economist (February 11, 1933) observed that "The market has tacitly suspended action and judgment until the new Roosevelt administration has assumed office and declared its policy on major questions" (my emphasis). It would, of course, have been perfectly unnecessary for the incoming administration to "declare its policy on major questions" had FDR "campaigned on a clear and specific New Deal Program" all along.That he didn't, and that the specifics of the actual New Deal would often run counter to FDR's less-vague campaign pledges, raises two possibilities. One is that there really was no well-worked-out New Deal plan, as ***Raymond Moley*** and Frances Perkins insisted. The other, which we must also consider, is that there was such a plan, blueprinting more-or-less what took place, but that FDR kept it under his hat. This last possibility appears especially plausible with respect to FDR's plans for the dollar. After all, if FDR did in fact intend all along to suspend the gold standard and eventually devalue the dollar, he could hardly have revealed these parts of his plan in advance! During the campaign Hoover repeatedly accused FDR of harboring plans to abandon the gold standard in favor of "fiat money"; and by the closing weeks of Hoover's presidency many had begun to suspect that Hoover might be right. Were they just falling for Hoover's FDR-bogeyman, or had Hoover been onto something after all?The answer is a little of both. FDR wanted to keep his options open. "I do not want to commit to the gold standard," he told Brains Trust member Adolf Berle a few days before the election. "I haven't the faintest idea whether we will be on the gold standard on March 4th or not; nobody can foresee where we shall be.' "This was an astute position; but it spoke not of a definite plan for gold but of the folly of trying to formulate any such plan.And that seems to have been FDR's position all along. Having carefully looked into the matter, Sebastian Edwards concludes[13]that during the primary and presidential campaigns, neither Roosevelt nor his inner circle had a strong view on gold or the dollar. Tinkering with the value of the currency was a possible area for experimentation; but it was an option with a relatively low priority. Until inauguration day FDR's views on the gold standard were ambivalent and noncommittal; he was neither a diehard fan of the system, nor was he a severe critic. Nor, Edwards adds, had the Roosevelt team undertaken or commissioned any "studies that examined in detail what would be the possible consequences of abandoning the gold standard." In short, while FDR may have contemplated abandoning the gold standard, he certainly hadn't planned on it. What's more, nothing changed during the interregnum: "To put it simply," Edwards says, "on March 4th, the day Franklin Delano Roosevelt was to take over as President, there was no concrete or definitive plan for taking the U.S. off gold and devaluing the dollar."What was true of FDR's secret plans for the dollar was almost certainly true of his other secret New Deal plans, namely, that he didn't have any. That is, there is no reason to disbelieve what Francis Perkins, ***Raymond Moley***, and most historians have had to say on the subject. ***To conclude: "New Deal" rhetoric and revisionist histories notwithstanding, FDR didn't come to Washington equipped with any well worked-out plan for ending the Great Depression. Instead, his recovery plan was mostly rushed together during his famous first 100 days in office. That some components of this hastily-assembled program should have failed to contribute to the recovery, and that some may even have hindered it, should not seem all that surprising. But this is merely speaking of probabilities. I still have to prove that certain New Deal programs did in fact impede recovery, and did so enough to justify the claim that, taken as a whole, the New Deal, considered as a program for economic recovery, was a flop.Continue Reading The New Deal and Recovery:Intro[14] Part 1: The Record[15] Part 2: Inventing the New Deal ____________________[1][16] Rauchway (Winter War, p. 97) ignores Roosevelt's pledge when he writes that "he indicated his support for a "domestic allotment or something similar to it" by "ruling out other production-controlling policies." Because the domestic allotment was itself the one agricultural production-control policy expressly ruled-out by the Democratic platform, the fact that Roosevelt may also have ruled out others can hardly be reckoned an instance of his having offered voters a "clear and specific" indication of what he would do once in office. What happened in fact is that Henry Wallace[17], upon becoming Roosevelt's first secretary of agriculture, disregarded the Democratic platform's condemnation of the domestic allotment idea—which had been put in it by then Tennessee Senator (and future secretary of state) Cordell Hull[18]—and instead based the AAA on the Republican platform,[19] which among other things had called for "control of [agricultural] production to such volume as will balance supply with demand," where "demand" was understood to mean domestic demand alone. (See former Iowa Senator Smith Brookhart's May 22, 1938 letter to Cordell Hull, here[20] at pp. 292ff.) The story is complicated by the fact that while many Republican Senators and Congressmen, as well as some Farm Board officials, favored a domestic allotment plan, Hoover himself vehemently opposed it while favoring a voluntary alternative. The Republican platform left room for either option. [Cross-posted from Alt-M.org[21]] [1]: *https://www.cato.org/people/george-selgin* [2]: *https://www.nytimes.com/2001/01/16/opinion/clinton-s-one-big-idea.html* [3]: *https://www.amazon.com/Franklin-D-Roosevelt-Road-1882-1939/dp/0252039513* [4]: *https://www.americanyawp.com/reader/23-the-great-depression/herbert-hoover-on-the-new-deal-1932/* [5]: *https://en.wikipedia.org/wiki/**Raymond_Moley*** [6]: *https://en.wikipedia.org/wiki/Frances_Perkins* [7]: *https://www.dsausa.org/democratic-left/a_woman_to_reckon_with_the_vision_and_legacy_of_frances_perkins/* [8]: *https://publicpolicy.pepperdine.edu/academics/research/faculty-research/new-deal/roosevelt-speeches/fr052232.htm* [9]: *https://www.presidency.ucsb.edu/documents/1932-democratic-party-platform* [

10]: #_ftn1 [11]: https://en.wikipedia.org/wiki/James_Warburg [12]: https://www.presidency.ucsb.edu/documents/address-accepting-the-presidential-nomination-the-democratic-national-convention-chicago-1 [13]: https://read.dukeupress.edu/hope/article-abstract/49/1/1/12688/Gold-the-Brains-Trust-and-Roosevelt [14]: https://www.cato.org/blog/new-deal-recovery-new-series [15]: https://www.cato.org/blog/new-deal-recovery-part-1-record [16]: #_ftnref1 [17]: https://en.wikipedia.org/wiki/Henry_A._Wallace [18]: https://en.wikipedia.org/wiki/Cordell_Hull [19]: https://www.presidency.ucsb.edu/documents/republican-party-platform-1932 [20]: https://books.googleusercontent.com/books/content?req=AKW5QaeDEccQAFo97nqkuVz6oX9wCrFnzQBOg39oLsy25JgVw9Z_yUql0XuAeLpWON5mOHsbHsPxBrTu8237_mQv-q4Bkp_Mx5svsAI9eg1XV2cJ6jzqnT3vmOJ82s4TFHLO2VcLlaTLOA0MsTvHWjX885mPNjisyhdGPhe8pNblRt0wmmzo6Dm8NCDMUMaRKyEE-lzApO9vI1ruG3kVncOP2YuQkIxixf4fVXOGbiLkmbxxL9hhxZ7mywoE_WyDJCx9PgvTc_WcU7uy-GNm5_swH8Sqs2661skgY5Eir7boISpxCKFMKxg [21]: https://www.alt-m.org/2020/06/22/the-new-deal-and-recovery-part-2-inventing-the-new-deal/

Classification

Language: English

Publication-Type: Web Blog

Journal Code: CATO-0001

Subject: BLOGS & MESSAGE BOARDS (90%); ECONOMIC CONDITIONS (89%); HISTORY (89%); HUMANITIES & SOCIAL SCIENCE (88%); CAMPAIGNS & ELECTIONS (77%); ECONOMIC RECOVERY (77%); ECONOMY & ECONOMIC INDICATORS (75%); NEWS BRIEFS (74%); WRITERS (62%)

Industry: BLOGS & MESSAGE BOARDS (90%); WRITERS (62%)

Load-Date: June 22, 2020

The Federal Reserves Magic Money

PA Pundits

November 14, 2010 Sunday 6:02 AM EST

Length: 1105 words

Body

Nov. 14, 2010 (*PA Pundits* delivered by Newstex) --

By Alan Caruba

Historically, the Federal Reserve has had a poor record when it comes to correcting an economic slide into Depression.

In his book, œNew Deal or Raw Deal? historian Burton Folsom, Jr, asked and answered the question œWhat caused the Great Depression? Among the factors he cited was the huge debt left over from World War One. In the United States, the national debt had ballooned from $1.3 billion to $24 billion in three short years, half of which consisted of loans made to the allies.

Today the U.S. is feeling the impact of the aftermath of 9/11 when military action was taken first in 2001 and then in 2003. We are still in Afghanistan and Iraq without much to show for it. As opposed to short, preemptive, lightning strikes, we have become involved in œnation building. Forgotten is the fact that it was the Russian intervention in Afghanistan that ultimately brought down the former Soviet Union.

In the 1930s, in addition to tariffs on imported goods, œThe third cause of the Great Depression was the poor performance of the Federal Reserve, concluded Folsom. œThe Federal Reserve was created in 1913 to control the money system by regulating interest rates and lending money to banks.

In an eerie way, ***Raymond Moley***, a member of Franklin D. Roosevelts œbrain trust of advisors and an initial advocate of the New Deal, reflects the widespread perception of Barack Obama today. In 1933 ***Moley*** broke with FDR and became a conservative. Following a meeting with FDR, ***Moley*** recorded his observations.

œI was impressed as never before by the utter lack of logic of the man, the scantiness of his precise knowledge of things that he was talking about, the gross inaccuracies in his statements, by the almost pathological lack of sequence in his statements, by the complete rectitude that he felt as to his own conduct, by the immense and growing egotism that come from his office, by his willingness to continue the excoriation of the press and business in order to get votes for himself, by his indifference to what effort the long continued pursuit of these ends would have upon the civilization in which he was playing a part.

This description of FDR is, in astonishing ways, a mirror image of Barack Hussein Obama.

The dissatisfaction that ***Moley*** expressed has been manifested in the immergence of the Tea Party movement and the rejection of many in Congress who supported Obamas agenda, including Obamacare, his failed efforts to jump-start the economy with large, temporary stimulus bills, temporary housing rebates and business tax credits, and the one-time cash-for-clunkers program that followed the federal takeover of General Motors (NYSE:GM) and Chrysler.

There are harsh facts being ignored about the present economic crisis. More than 42 million Americans were on food stamps in August, an all-time record and a number that is 17% higher than a year ago. The U.S. is experiencing massive unemployment and the American Bankruptcy Institute predicts there will be an estimated 1.6 million consumer bankruptcies this year.

The U.S. government is completely and totally broke. A Boston University economics professor, Laurence J. Kotlikoff, has concluded that the U.S. government is facing a œfiscal gap of $202 trillion dollars.

John Allison, who for two decades served as chairman and CEO of BB&T (NYSE:BBT) , the nation's 10th largest bank, told CNSNews.com that it is a *œmathematical certainty*the United States government œwill go bankrupt unless it dramatically changes its fiscal direction immediately.

Having tried œquantitative easing once already the Federal Reserve is undertaking a second effort. It consists of printing magical money and using it to purchase U.S. treasury securities. QE-1 cost $1.7 trillion and did not work. QE-2 will fail as well to the tune of $0.9 trillion.

The U.S. dollar has lost 50% of its purchasing power since 1986 and it has dropped 11% in value since June of this year.

Writing in the November 8 edition of The Wall Street Journal, Kevin M. Warsh, a member of the Federal Reserves Board of Governors, went public to warn against QE-2. œFiscal authorities should resist the temptation to increase government expenditures to compensate for shortfalls of private consumption and investment, said Warsh who urged œa strict economic diet of fiscal austerity.

Whether it is Congress or the Federal Reserve, the failures of the present reflect the failures of the past. Major surgery is needed to pare the entitlement programs of Social Security and Medicare. Instead, Obamacare added millions to the Medicare rolls.

The government sponsored entities, Fannie Mae and Freddie Mac, need to be privatized to avoid using billions more in public funds to save them and the too-big-to-fail banks that engaged in œliars loans; mortgage loans that ignored prudent lending practices resulting in the housing market collapse.

TARP did work as an emergency measure, but the government has got to stop being the lender of last resort. Its our money.

The Federal Reserve is contemplating the creation of œmagical money at a time when the U.S. economy is in deep trouble. It is a trouble that can only be cured by retaining the Bush tax cuts and by simplifying the current insane tax code. Why is there such slow growth? American corporations pay the second highest tax rate in the world.

The burden of federal regulation must be reduced. Economists W. Mark and Nicole Crain, noted in a September Wall Street Journal that œThe annual cost of federal regulations increased to more than $1.75 trillion in 2008, a 3% real increase over five years, to about 14% of U.S. national income.

The Presidents original economic advisors have departed. They, like ***Raymond Moley*** in the 1930s, know that he is either clueless and/or resistant to any pragmatic solutions.

The midterm elections gave power to the Republicans in the House, the branch from which all financial bills must originate. Failing to do the same in the Senate, it may take two years to repeal Obamacare, but efforts must be taken to defund it, to render it inoperable. The courts may offer relief with a decision that it is unconstitutional.

When the new Congress meets in January 2011, every pressure possible must be brought to bear on the Federal Reserve to stop short-term failed œsolutions before the U.S. dollar is utterly debased.

 Alan Caruba blogs daily at *Warning Signs* . An author, business and science writer, he is the founder of *National Anxiety Center*.

Newstex ID: PPUN-5395-50725102

Notes

Classification

Language: ENGLISH

Publication-Type: Web Blog

Subject: ECONOMIC DEPRESSION (90%); GREAT DEPRESSION (90%); US FEDERAL GOVERNMENT (90%); ECONOMIC CRISIS (78%); ECONOMIC NEWS (78%); HISTORY (78%); NEGATIVE ECONOMIC NEWS (78%); PUBLIC DEBT (78%); TEA PARTY MOVEMENT (78%); US ECONOMIC STIMULUS PLAN 2008-2009 (78%); NATIONAL DEBT (76%); CASH FOR CLUNKERS PROGRAM (73%); FOOD STAMPS (73%); OBAMA HEALTH

CARE REFORM (73%); WELFARE BENEFITS (73%); IMPORT TRADE (71%); WORLD WAR I (71%); TALKS & MEETINGS (65%); TARIFFS & DUTIES (52%); INTEREST RATES (51%)

Company: GENERAL MOTORS CO (50%); GENERAL MOTORS CO; BB&T CORP

Ticker: GM (NYSE) (50%); GM (NYSE); BBT (NYSE)

Industry: NAICS336112 LIGHT TRUCK & UTILITY VEHICLE MANUFACTURING (50%); NAICS336111 AUTOMOBILE MANUFACTURING (50%); SIC3714 MOTOR VEHICLE PARTS & ACCESSORIES (50%); SIC3711 MOTOR VEHICLES & PASSENGER CAR BODIES (50%); BANKING & FINANCE (90%); CASH FOR CLUNKERS PROGRAM (73%); OBAMA HEALTH CARE REFORM (73%); INTEREST RATES (51%)

Person: BARACK OBAMA (89%); JOHN A ALLISON; Barack Obama

Geographic: UNITED STATES (93%); AFGHANISTAN (90%); IRAQ (79%); RUSSIAN FEDERATION (76%)

Load-Date: November 14, 2010

The New Deal and Recovery, Part 12: Fear Itself

Newstex Blogs

Cato@Liberty

April 14, 2021 Wednesday 3:11 PM EST

Length: 4051 words

Byline: George Selgin

Body

Apr 14, 2021(Cato@Liberty: *http://www.cato* .org/blog Delivered by Newstex) ;; George Selgin[1]"This great Nation will endure as it has endured, will revive and will prosper. [T]he only thing we have to fear is fear itself." —FDR, in his first inaugural address. "There is no place for industry; because the fruit thereof is uncertain."—Thomas Hobbes, on the state of nature, in Leviathan.Not the Sum of its PartsSo far, I've tended to look at the New Deal as a set or sequence of distinct government policies and programs, remarking on how each either contributed to or hampered economic recovery.

I've also dealt only with those New Deal policies generally understood to have had promoting recovery as their aim. But the New Deal was more than just a bunch of policies. As its very name indicates, it purported to be, and in important respects it was, a novel policy regime, that is, a different overall approach to combating the depression, and to economic policy more generally. The advent of a new policy regime, and expectations or apprehensions it inspires, can have economic consequences beyond those of any particular policies that march under its banner. Uncertainty regarding possible regime changes can also have important economic consequences. In this and the next installment to my New Deal series, I discuss the bearing of regime change, and regime uncertainty, on the course of the recovery. As we'll see, although the arrival of the New Deal regime had some beneficial effects beyond those attributable to any particular policies, the opposite was also true: in its later manifestations especially, the new regime proved unsettling to businessmen in ways that, according to many, prolonged the depression.Great ExpectationsThat the New Deal regime change initially had positive consequences has been cogently argued by Peter Temin and Barry Wigmore[2]. According to them, FDR established a new macroeconomic policy regime shortly after his inauguration in March 1933. The Hoover administration had been financially conservative, adhering to the rules of the gold standard and fiscal orthodoxy. Its policy stance in the troubles of the early 1930s therefore, was decidedly deflationary. Roosevelt broke with this ideology, devaluing the dollar within 6 weeks of his inauguration, promoting fiscal expansion, and championing the virtues of inflation—reflation as he termed it.Roosevelt's actions, Temin and Wigmore go on to say, "marked a change in direction for government policies and for prices in general." Unlike "isolated expansionary actions" that might be understood as "departures from what was perceived as a long-term government policy," this change only had to be recognized by the public for that public to alter its expectations rapidly. In his 2008 elaboration on the Temin and Wigmore thesis[3], Gauti Eggertsson speaks of "an endogenous shift" in the public's expectations brought about by the new administration's willingness to set aside "policy dogmas." Whether the original New Deal really marked as complete a rejection of established "policy dogmas" as these authors suggest may well be doubted. For one thing, as I noted previously[4], FDR campaigned on a commitment to balance the budget, while assailing Hoover for not doing so. He also chose the extremely orthodox Lewis Douglas[5] as his first budget director. Still the point remains: the benefits of the New Deal, taken as a whole, could exceed those of the sum of its parts.Regime UncertaintyBut the opposite was also true. Even if one fully accepts the "great expectations" hypothesis, it doesn't follow that the game-changing done by the New Deal had no dark side. The new regime's arrival and metamorphosis over the course of the depression could also hinder recovery. In particular, Bob Higgs argues[6], it bred "pervasive uncertainty among investors about the security of their property rights in their capital and its prospective returns," and this uncertainty, Higgs says, was one reason why the depression dragged on. Although "regime uncertainty" is Higgs's term for it, he recognizes that his hypothesis isn't new. It had more than a few proponents during the depression years themselves, when people instead spoke of a lack of "business confidence"; and numerous economists and historians have taken it up since. One of the idea's early proponents was none other than John Maynard Keynes. Upon returning to England after his desultory, May 1934 visit with FDR[7], Keynes published an "Agenda for the President" in the New York Times and the London Times. He said in it that he saw "no likelihood that business of its own initiative will invest in durable goods of sufficient scale for many months to come." Keynes offered several reasons for this pessimism, chief among which was the fact that "the important but intangible state of mind, which we call business confidence, is signally lacking." And the reason for that, he said, is to be found in the perplexity and discomfort which the business world feels from being driven so far from its accustomed moorings into unknown and uncharted waters. The business man, who may be adaptable and quick on his feet in his own particular field, is usually conservative and conventional in the larger aspects of social and economic policy. At the start he was carried away, like other people, by the prevailing enthusiasm. [But now] he is sulky and bothered; andeven begins to look back with longing to the good old days of 1932.Keynes went on to observe that FDR could help to dispel "this atmosphere of disappointment, disillusion, and perplexity" by convincing businessmen that "they know the worst." As we'll see, FDR didn't follow this advice; and some year later, in Capitalism, Socialism, and Democracy (pp. 64-5), Joseph Schumpeter did not hesitate to blame both "the subnormal recovery" up to 1937 and the slump that followed on the "general change in the attitude of government to private enterprise" that came with the New Deal. "So extensive and rapid a change in the social scene," Schumpeter wrote, "naturally affects productive performance for a time, and so much the most ardent New Dealer must and also can admit. One ex-New Dealer who admitted it publicly was ***Raymond Moley***[8]. "Confidence," he says in his 1939 memoir, After Seven Years[9], is the existence of that mutual faith and good will which encourages enterprises to expand and take risks And in an age of increased governmental interposition in industrial operationsthe maintenance of confidence presupposes both a general understanding of the direction in which legislative and administrative changes tend and a general belief in government's sympathetic desire to encourage the development of those investment opportunities whose successful exploitation is a sine qua non for a rising standard of living. This, Roosevelt refused to recognize (p. 373)."Refused to recognize" is probably not giving FDR his due. He more likely understood that a lack of business confidence discouraged investment and recovery, but chose to shake that confidence anyway to achieve reforms he considered essential either for narrowly political reasons, or because he thought they'd yield long-run social benefits exceeding their short-run costs.Laid LowPractically everyone agrees that inadequate investment held back the recovery. A glance at the chart below, showing percentage changes in net and gross private investment and consumption spending since the start of 1929, should suffice to drive home just how little investment there was. The first thing that's obvious from the chart is that, at just shy of ninety percent, the percentage decline in gross investment was much greater than the percentage decline in consumption. As a share of GDP, gross domestic private investment dropped from 16 percent to less than 2 percent. The decline in net investment was even more severe—so much so that it turned negative and stayed that way until 1935. Although it then turned positive again, on the eve of the '37 downturn, which saw it go below zero again, it was still 40 percent below its 1929 level. Not until 1940 would it and the other measures shown in the chart return to their original levels. For the full 1930-1940 period, net private investment added up to minus $3.1 billion. The economy's private job-creating capacity suffered accordingly. Yet this picture, dire as it is, doesn't tell the full story. That's so because the "investment" shown in it includes unplanned additions to business inventories, which tend to accompany downturns, and other short-term investments that aren't so sensitive to perceived regime changes. For a sense of what happened to planned, longer-term investment during the depression, here's a chart showing the course of gross private investment in all kinds of residential and business structures: Here the inadequacy of the post-1933 recovery is still more evident than in the previous chart. Investment in structures, like overall gross private investment, first falls to a tenth of its level at the start of 1929. But at the end of the decade, after a period of slow recovery that was interrupted by the '37 crash, it is still less than half its 1929 level. So long as investment failed to recover, recovery writ large could only go so far, and last so long. "The depletion of capital," Kenneth Roose observes (1954, p. 12), "limited the number of workers that could be profitably employed." That in turn meant that such gains in consumption spending as had been achieved lacked what W. L. Crum, R. A. Gordon, and Dorothy Wescott called "sustaining momentum." "As recovery progressed," they wrote in assessing the 1937 collapse[10], the substitution for stimulated revival of a more normally balanced expansion, predicated upon long-run undertakings by business leadership in an environment sufficiently secure from interference to justify assumption of risk, was not facilitated.If the regime uncertainty hypothesis is right, the trouble wasn't just that the New Deal failed to "facilitate" investment. It was that it actually discouraged it.Guinea PigsThe New Deal is said to have given businessmen and investors the willies in at least two ways. First, as its policy innovations multiplied, with no apparent end in sight, and no telling what might come next, they no longer felt able to plan for the future: a long-run investment that seemed worthwhile so far might, for all they knew, cease to be so with the next new reform effort. Second, administration officials became increasingly ill-disposed toward businessmen, and big businessmen especially, to the point where those businessmen feared deliberate attempts to deprive them of their capital or already thin profits. That the New Deal, instead of consisting of a coordinated set of previously-conceived policies, would involve trial and error, was something Roosevelt foresaw and plumped for during his 1932 presidential campaign. "The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation," he said in his famous Oglethorpe speech[11] that May. "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. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach." By the fall of 1932, few could have doubted that some experimentation was called for; and that only became more obvious after the banking system collapsed on the eve of FDR's inauguration. Nor could anyone expect every policy that was tried to succeed. But while FDR's willingness to innovate wasn't itself objectionable, instead of following through by assessing his administration's experiments and discarding ones that failed, he tended, like certain WWI generals, to treat each successful offensive as a gain to be preserved at all costs, as if it were indeed part of one grand strategy. Consequently, as the depression wore on, businessmen found themselves overwhelmed by new legislation, much of which involved considerable, if not sweeping, changes to the rules for doing business, and to their property rights. The following table, reproduced from Higgs (1997), lists only those "substantially attenuating or threatening" those rights. The year 1935, in particular, saw such a decisive shift of the Roosevelt administration's emphasis from recovery to reform that it amounted to an entirely new regime change—the so-called Second New Deal[12]. By means of the "gorge of indigestible measures" enacted during it, ***Moley*** writes, the original New Deal "was completely transformed." "The impact of these multitudinous measures," Chase National Bank economist Benjamin Anderson wrote[13] a decade later, "upon a bewildered industrial and financial community was extraordinarily heavy."And Villains1935 also witnessed a change in the Roosevelt administration's attitude toward businessmen. During his 1932 campaign, Roosevelt spoke of the need for "cooperation" between the government and business; and his administration's willingness to seek such cooperation was evident in its early conduct and policies. Even the NIRA, before the introduction of the blanket code, reflected the administration's desire to rely upon what ***Moley*** calls "cooperative business-government planning," and to reject the alternative of dealing with "private economic power by smashing it to bits." Roosevelt understood, furthermore, that a lasting recovery depended on the revival of private enterprise. In short, "he had no quarrel with business, as such. Certainly he did not regard it as an enemy."[1][14] But by the summer of 1935, FDR's disposition had changed dramatically. Riled by business organizations' increasingly vituperative criticism of him and the New Deal; angered by the Supreme Court's striking down of the NRA; egged-on by his Progressive advisors; and determined to win-over supporters of populist presidential candidate Huey Long by stealing a march on Long's "Share Our Wealth" plan[15], Roosevelt unveiled his own plan for reining-in plutocrats—the notorious "soak-the-rich" tax proposal.[2][16] FDR made the proposal in a June 19th message to Congress[17], "Our revenue laws," he announced, "have operated in many ways to the unfair advantage of the few, and they have done little to prevent an unjust concentration of wealth and economic power." His first target was inherited wealth. Calling such wealth "inconsistent with the ideals of this generation," he recommended that, besides estate taxes, "an inheritance, succession, and legacy tax" for "all very large amounts," as well as gift taxes to frustrate attempts to evade it. Next came high incomes. Because "social unrest and a deepening sense of unfairness are dangers to our national life," the Government, he said, had a duty "to restrict such incomes by very high taxes." The final target was big business. "Vast concentrations of capital," FDR said, "should be ready to carry burdens commensurate with their powers and their advantages." He therefore recommended "a corporation income tax graduated according to the size of corporation income," to be supplemented (again as a check against evasion) by a tax on intercorporate dividends. As if this then-unprecedented proposal might not upset businessmen enough, FDR explained that he saw it as a half measure only. "Ultimately," he said—foreshadowing legislation to come—he looked forward to both "the simplification of our corporate structures through the elimination of unnecessary holding companies" and policies that would "discourage unwieldy and unnecessary corporate surpluses." Roosevelt's recommendations came as a complete surprise to Congress: in his January 3rd budget message[18], he'd advised against any new or additional taxes for the coming fiscal year; and deficits since then had been lower than expected. But if his new suggestions surprised Congress, they—and his corporate tax proposals in particular—threw the business community into what Ray ***Moley*** called "paroxysms of fright," unnerving it almost as much as the Supreme Court's striking down of the NRA had cheered it in May. Taxes were, for the first time, being proposed for the avowed purpose of redistributing wealth rather than raising revenue. The graduated corporate tax, in particular, was understood to have no purpose save the dubious one of taxing bigness[19]. No good purpose, that is: the Philadelphia Enquirer considered it "an effective method of hampering re-employment, preventing wage increases and delaying recovery." Right or wrong, the Enquirer was far from alone. In its report on the Revenue Bill[20], the Senate Finance Committee recorded the minority opinion that the bill would be better entitled, A bill to confiscate property; to discourage business and prevent its expansion; to destroy incentive and discriminate against ability, brain, and ambition, and enterprise; to create inequalities and to obstruct recovery; to jeopardize the financial position of the government; and for other improper purposes.Despite such protests, the revenue bill sailed through Congress that August with unseemly haste, aided by Democratic super-majorities in both houses and congressional leaders' desire to carry out rather than question FDR's wishes. Although higher estate taxes took the place of FDR's proposed inheritance and gift taxes, most of his other suggestions, including the graduated corporate tax, were enacted, if only after some watering-down. "It seems," an article in the staid AER opined[21], "that such a measure is important enough to justify more deliberate and careful consideration than was given." Instead, "all serious opposition appears to have been bought off with promises or bowled over by the huge Administration majority." "There can be no denying," the AER article continued, that the President's message was an attack on wealth. Nor can it be denied that the diverting of taxation from the primary purpose of raising revenue to other major purposes involves great hazards. That there are tremendous abuses that should be remedied can admit of no question. But how best eliminate the abuses and yet do a minimum of harm; how best promote ingenuity, enterprise, economy, social security and all the other desiderata becomes even more difficult with the growing complexities of modern industrial society.It also becomes more difficult, the authors might have added, in the middle of a depression. *** FDR's "war" with business didn't end with the August 20th passage of the Revenue Act. Several days later he signed another law that many businessmen found even more disconcerting. And in 1936 his rhetoric, if not his administration's legislation, would become still more ferocious. I'll take up the rest of the story of New Deal regime uncertainty in the next installment to this series. Continue Reading The New Deal and Recovery:Intro[22] Part 1: The Record[23] Part 2: Inventing the New Deal[24] Part 3: The Fiscal Stimulus Myth[25] Part 4: FDR's Fed[26] Part 5: The Banking Crises[27] Part 6: The National Banking Holiday[28] Part 7: FDR and Gold[29] Part 8: The NRA[30] Part 8 (Supplement): The Brookings Report[31] Part 9: The AAA[32] Part 10: The Roosevelt Recession[33] Part 11: The Roosevelt Recession, Continued[34] Part 12: Fear Itself____________________ [1][35] ***Moley***, After Seven Years, pp. 184 and 300. This isn't to say that every Roosevelt administration official showed compassion, whether real or simulated, toward businessmen. Secretary of the Interior Harold Ickes, for example, spoke contemptuously of formerly "great and powerful" businessmen, those "boastful, aggressive supermen" who now "came fearfully to Washington to beg the President to help them save some little from the disaster that by their arrogance and pridethey had themselves precipitated." (Harold Ickes, The New Democracy, 1934, pp. 26-7). [2][36] In his "secret" diary entry for November 4th, 1934, Harold Ickes notes that Roosevelt had already convinced by then, presumably by Felix Frankfurter, that "big business is bent on a deliberate policy of sabotaging the Administration." Frankfurter had urged FDR to "recognize that there was a war on an act on that assumption," though he added that the president needn't "declare war verbally." See Michael Parrish, Felix Frankfurter and His Times (1982, p. 244). Concerning Huey Long: in April 1935, the Democratic National Committee conducted a secret poll (the questionnaire it sent around purported to have come from the National Inquirer of Washington, DC, though there was no such paper). The results suggested that, whether he ran himself or merely endorsed the Republican candidate, Long might divert enough votes from FDR to cost him the presidency, much as Theodore Roosevelt had cost Taft the presidency in 1912. See Robert Snyder, "Huey Long and the Presidential Election of 1936" (1975)[37].[Cross-posted from Alt-M.org[38]] [1]: *https://www.cato.org/people/george-selgin* [2]: *https://reader.elsevier.com/reader/sd/pii/001449839090026U?token=B20F1FB041E74C8B9E1722133BC5EB7B938B8312A947D89076083416A8351A8DCC03BC8AD2018BEB99EED2707F64FFC1&originRegion=us-east-1&originCreation=20210408164647* [3]:

https://www.jstor.org/stable/pdf/29730131.pdf?refreqid=excelsior%3A616b31661e797351854119c0d4141255 [4]: https://www.alt-m.org/2020/06/29/the-new-deal-and-recovery-part-3-the-fiscal-stimulus-myth/ [5]: https://en.wikipedia.org/wiki/Lewis_Williams_Douglas#Director_of_the_Bureau_of_the_Budget [6]: https://www.independent.org/publications/tir/article.asp?id=430 [7]: https://crookedtimber.org/2013/06/17/the-queer-personality-and-floating-mind-what-did-keynes-say-to-and-about-roosevelt-2/ [8]: https://en.wikipedia.org/wiki/**Raymond_Moley** [9]: https://cdn.mises.org/After%20Seven%20Years_2.pdf [10]: https://www.jstor.org/stable/pdf/1927647.pdf?refreqid=excelsior%3Afe9c21dc400958323119de56c46074e9 [11]: http://www.let.rug.nl/usa/presidents/franklin-delano-roosevelt/state-of-the-union-1936.php [12]: https://en.wikipedia.org/wiki/Second_New_Deal [13]: https://mises.org/library/economics-and-public-welfare [14]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/#_ftn1 [15]: https://en.wikipedia.org/wiki/Share_Our_Wealth [16]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/#_ftn2 [17]: https://www.presidency.ucsb.edu/documents/message-congress-tax-revision [18]: https://www.presidency.ucsb.edu/documents/the-annual-budget-message [19]: https://www.cato.org/C:/Users/Selgin/AppData/Local/Temp/ECM_PRO_073856-2.pdf [20]: https://www.finance.senate.gov/download/revenue-bill-of-1935-report-74-1240 [21]: https://www.jstor.org/stable/1807804?seq=1#metadata_info_tab_contents [22]: https://www.alt-m.org/2020/06/12/the-new-deal-and-recovery-a-new-alt-m-series/ [23]: https://www.alt-m.org/2020/06/16/the-record/ [24]: https://www.alt-m.org/2020/06/22/the-new-deal-and-recovery-part-2-inventing-the-new-deal/ [25]: https://www.alt-m.org/2020/06/29/the-new-deal-and-recovery-part-3-the-fiscal-stimulus-myth/ [26]: https://www.alt-m.org/2020/07/06/the-new-deal-and-recovery-part-4-fdrs-fed/ [27]: https://www.alt-m.org/2020/07/18/the-new-deal-and-recovery-part-5-the-banking-crisis/ [28]: https://www.alt-m.org/2020/07/28/the-new-deal-and-recovery-part-6-the-national-bank-holiday/ [29]: https://www.alt-m.org/2020/08/07/the-new-deal-and-recovery-part-7-fdr-and-gold/ [30]: https://www.alt-m.org/2020/08/24/the-nra/ [31]: https://www.alt-m.org/2020/10/14/the-new-deal-and-recovery-part-8-supplement-the-brookings-report/ [32]: https://www.alt-m.org/2021/01/11/the-new-deal-and-recovery-part-9-the-aaa/ [33]: https://www.alt-m.org/2021/02/04/the-new-deal-and-recovery-part-10-the-roosevelt-recession/ [34]: https://www.alt-m.org/2021/03/02/the-new-deal-and-recovery-part-11-the-roosevelt-recession-continued/ [35]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/#_ftnref1 [36]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/#_ftnref2 [37]: https://www.jstor.org/stable/4231456?seq=1#metadata_info_tab_contents [38]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/

Classification

Language: English

Publication-Type: Web Blog

Journal Code: CATO-0001

Subject: ECONOMIC POLICY (89%); GOVERNMENT & PUBLIC ADMINISTRATION (89%); PUBLIC POLICY (89%); ECONOMIC CONDITIONS (78%); ECONOMIC RECOVERY (78%); ECONOMY & ECONOMIC INDICATORS (74%); PRICES (74%); DEFLATION (69%); ECONOMICS (69%); ECONOMIC NEWS (67%); DEVALUATION (60%)

Industry: DEFLATION (69%); DEVALUATION (60%)

Load-Date: April 14, 2021

End of Document

Victory Speeches

The New York Times Blogs

(Opinionator)

November 7, 2012 Wednesday

Section: OPINION

Length: 1212 words

Byline: ROBERT LEHRMAN

Highlight: President Obama's speech should reassure his fans that when he reaches back to throw the high hard ones, he's got plenty left.

Body

Last night the President Obama who'd mocked Mitt Romney for not caring about the 47 percent was the same one who praised his opponent for caring so strongly about the country's future. He thanked not just his own voters but every voter "whether you held an Obama sign or a Romney sign." He also talked about how eager he was to sit down with Mr. Romney to talk about how to move the country forward.

This was exactly right. A great victory speech celebrates the end of a successful campaign. But speechwriters know that it also sets the stage for the beginning of what's next: in this case, the lame duck session and the next Congress. That means it has the outsize duty of trying to bring together an entire electorate, a large portion of whom just voted for the other candidate.

Last night's speech didn't live up to *Obama's stunning 2008 victory speech*, with that long closing story about Ann Nixon Cooper, the 106-year-old woman whose life encapsulated the history of the 20th century ("a man touched down on the moon ... she touched her finger to a screen and cast her vote..."). When I teach that speech, students stop texting and start crying. Part of the effect in '08 was this historical moment, and in part, it was the originality of that closing story.

But the *2012 model*showed all the strengths that Obama and his speechwriters consistently exhibit, producing the best drafts of any president. He used concrete details and repetition ("You'll hear the determination in the voice of a young field organizer who's working his way through college ... You'll hear the pride in the voice of a volunteer who's going door to door..."); antithesis and echoes of John F. Kennedy ("America's never been about what can be done for us; it's about what can be done by us together") and stories that have the ring of truth ("And I saw it just the other day in Mentor, Ohio, where a father told the story of his 8-year-old daughter..."). You also see flashes of wit ("one dog's probably enough"), and the skillful use of pause, emphasis and variety of tone that makes public speaking teachers like me use him as a model for students.

The speech also should help disprove the ridiculous criticism that Obama's speeches fail to provide a narrative. Obama has had a consistent and obvious narrative since 2004. In fact, you can boil it down just like a screenwriter would pitch, say, the movie "Splash" ("A man searching for true love finally finds it when a mermaid finds him!").

In other words, "A country rises from despair by abandoning what hasn't worked for what does: finding common ground!"

Or, even better, as Obama put it for the umpteenth time last night:

... the spirit that has lifted this country from the depths of despair to the great heights of hope, the belief that while each of us will pursue our own individual dreams, we are an American family, and we rise or fall together as one nation and as one people.

Naturally, whether President Obama can bring people together will be determined by more than a speech. Like tennis, it depends on players across the net. For the last four years, Republicans thought they could win with another game. Will Republicans, chastened by defeat, now change? It's possible, and Obama's call to find common ground may just offer moderate Republicans the key to winning the 2016 election.

In the last two years especially, many people have attacked Obama's speeches, wondering why they didn't have the same effect as the ones four years ago when he was campaigning. Was he too cerebral? Did he lose his magic?

There are simpler answers. People get tired of songs they loved after the first 50 times they hear them. And there's a difference between running for president and being one; we hear only the candidates' biggest hits. With YouTube we can see every one of the president's roughly 500 speeches a year, including the strikeouts.

It's the actions - the health care and immigration reform, Supreme Court appointments and the protection of rights - that will determine whether Obama succeeds or fails. But his victory speech should reassure his fans. When Obama reaches back to throw the high hard ones, he's got plenty left.

In my last piece, "*The Political Speechwriter's Life*," several people posted *comments similar to jr*:

I just can't buy into this idea that its ok to write speeches for someone else, so they can take credit for your writing.

To me, letting someone else take credit for your work is participating in a lie. It is facilitating and enabling a fraud on the public. It is inherently deceptive.

I have heard this complaint many times before. *Kate, another commenter,* offers some thoughts.

A good speechwriter is a partner, not a puppet master. The speechwriter listens, carefully and often, and then expands and shapes all the pieces that are, for the most part, already there. The speechwriter is influencing how the ideas are presented and perceived, but cannot be credited with their conception. Don't underestimate the role of the speaker in crafting his own message, whether he puts the pen to paper or not.

I absolutely agree with Kate. There are plenty of ways writers explore their bosses' views beyond face-to-face meetings. Lots of speechwriters write drafts without ever talking to their bosses. That doesn't mean we make things up. We talk to staffers who know the issues best. We have position papers and old speeches, and we remember past conferences. And we know our bosses, and are constantly scribbling notes when we are in meetings.

When I worked in the White House for Al Gore, there were plenty of times I would finish something at midnight, put it in his briefing book and see him looking at it for the first time as he got into the motorcade. However, no one was confused about whose policy was in the draft. It was his.

There was a time, however, when politicians didn't acknowledge their speechwriters. In 1933, Franklin Delano Roosevelt reviewed his first inaugural speech with ***Raymond Moley***, who wrote the draft. When they were done, Roosevelt said that he would just copy the draft by hand so nobody would know Mr. ***Moley*** wrote it.

Moley threw his copy into the fireplace and said, "This is your speech now."

In fairness to Roosevelt, our source for this story is Mr. ***Moley***, who years later saw the handwritten draft in the Roosevelt museum. The display contained a typed note from the president explaining that he had written the speech. Mr. ***Moley*** was so incensed *he spilled the beans* in his memoir.

Politicians today certainly acknowledge their speechwriters; Jon Favreau, Obama's writer, gets a lot of publicity. And Obama values him because he is so good at conveying the president's positions: Obama has even called Mr. Favreau*his mind reader*.

Besides, Obama gives hundreds of speeches each year, and writing them is a full-time job. Do you really want politicians spending all day frantically trying to write?

I'd rather they had some time to think.

Robert Lehrman, who was the chief speechwriter for Vice President Al Gore, is the author of four novels and "The Political Speechwriter's Companion" and teaches speechwriting at American University.

- *The Political Speechwriter's Life*
- *Orca, Meet Obama*
- *Why Are States So Red and Blue?*
- *The Many Moods of Mitt Romney*
- *Binders, Keepers*

Classification

Language: ENGLISH

Document-Type: News

Publication-Type: Web Blog

Subject: STUDENTS & STUDENT LIFE (87%); REPORTS, REVIEWS & SECTIONS (74%); DRAMA LITERATURE (73%); WRITERS (73%); TEACHING & TEACHERS (72%); EDITORIALS & OPINIONS (59%); political speech (%); Presidential Election of 2012 (%); United States Politics and Government (%); Writing (%); Obama, Barack (%); Writing and Writers (%); Draft (%)

Industry: WRITERS (73%)

Person: BARACK OBAMA (94%); JOHN F KENNEDY (79%); MITT ROMNEY (79%); Obama, Barack

Geographic: OHIO, USA (79%); UNITED STATES (92%)

Load-Date: November 7, 2012

The New Deal and Recovery, Part 15: The Keynesian Myth

Newstex Blogs

Cato@Liberty

March 16, 2022 Wednesday 2:10 PM EST

Length: 5526 words

Byline: George Selgin

Body

Mar 16, 2022(Cato@Liberty: https://www.cato .org/blog Delivered by Newstex) ;;

George Selgin[1]

(The first of an essay in 3 installments.)

In The Money Makers[2], his 2015 book on the New Deal and its aftermath, Eric Rauchway says that FDR "conducted an active monetary and fiscal program of recoveryworking along lines suggested by Keynes." His book's subtitle in turn declares that between them, "Roosevelt and Keynes ended the Depression." Other popular accounts likewise declare that "[t]he beliefs of Keynes and FDR proved successful at alleviating the Great Depression[3]" and even that[4] "Without John Maynard Keynes, FDR's New Deal may never have happened."

In this series, in contrast, I've argued that, instead of ending the Great Depression, the New Deal did relatively little to counter it, and, in some ways prolonged it. Readers who share the popular understanding of Keynes's influence upon New Deal policies will therefore conclude that I also consider Keynesian economics a failure. But they'd be wrong, for a very simple reason: despite what one reads everywhere, the New Deal was not particularly "Keynesian," and was in some ways quite un-Keynesian.

According to Rexford Tugwell[5] (1957, p. 290), the Columbia economics professor who was a member of FDR's original Brain Trust, "the Keynesian myth" (as he styles it) first became fashionable in the later 1930s, as the General Theory began to sweep the board of macroeconomic thought. It was later reinforced by Roy Harrod's Life of Keynes[6] (1951)—though Harrod admitted, in a 1950 letter to Dennis Robertson, that he'd deliberately exaggerated Keynes's influence on Roosevelt's policies because 'in the mind of the general public you have to have One Man. There isn't room for more.' Rauchway's more recent effort appears to reflect a similar awareness of popular psychology.

Tugwell dismisses the claim that Keynes influenced FDR's thinking, or that Keynes otherwise played an important part in shaping New Deal policies. Another New Dealer, Leon Keyserling[7], who served as an attorney for the AAA, and helped draft some other major New Deal legislation, does as well, though in starker terms: "With all due respect to Keynes," he wrote in 1972[8], "I have been unable to discover much reasonable evidence that the New Deal would have been greatly different if he had never lived, and if a so-called school of economics had not taken on his name."

That Keynes the man played hardly any part shaping those New Deal policies that came retrospectively to be described as "Keynesian" is only part of the truth. It's also true that, had Keynes's advice, or that of many American economists who independently favored those policies, actually been taken, the Great Depression would have taken a far different, and less destructive, course.

Brains and Keynes

Any account of Keynes's role in shaping New Deal policies should begin with an appreciation of two facts. The first is that, despite his stature in Great Britain, Keynes was not well known in the United States until after he published the General Theory in 1936. The second is that, far from feeling any need to seek advice from a British economist, FDR came to office accompanied by a corps of advisors unmatched by any other in the history of the U.S. presidency.

Historians of the New Deal have found it convenient, if perhaps never entirely accurate, to divide FDR's many advisors into various factions. All agree that the most important of these were the "planners," led by Tugwell, and the "trust-busters," led by Harvard law professor Felix Frankfurter[9]. As the name suggests, the trust-busters' ideal was something like economists' notion of "perfect competition," which they hoped to more closely approximate by breaking-up large corporations and banks. The planners, in contrast, had nothing against large-scale enterprises: to their way of thinking, competition was more dangerous than desirable, and the trust-busters were hopelessly out of touch. Rather than try to do away with big business, the planners merely wanted to transfer control of it from businessmen to bureaucrats like themselves, who would manage it rationally, in the public interest, instead of just trying to make a buck.

As diametrically opposed as their ideals were in many respects, these factions had at least one important belief in common: both treated the Great Depression "less as a problem to be solved than as an opportunity to be exploited for radical surgery on U.S. business and finance" (Best 1991, p. 11[10]). Nor was it obvious how either of their programs, which predated the depression, would help end it. The generally-held verdict, that these reforms "never contributed much to economic recovery" (Hawley 1966, p. 15[11]), should therefore not come as a surprise. Nor should it be necessary to add that such reforms bore only an incidental relation to policies aimed at enhancing aggregate spending that later came to be identified with "Keynesian" economics. The simple truth is that, when it came to fiscal and monetary policy, most of FDR's closest advisors, including members of the original Brain Trust, simply weren't "Keynesians," even in a loose sense.

This isn't to say that FDR received no "Keynesian" advice. Besides the trust-busters and planners, a third group of advice-givers—the "inflationists"—also influenced his thinking. This group's most influential members, neither of whom was a genuine New Dealer, were Irving Fisher[12] and Cornell agricultural economist George Warren[13], the latter of whom gained an important ally in Henry Morgenthau, FDR's second Treasury Secretary. Though they were fiscal conservatives, Fisher, Warren and Morgenthau favored suspending the gold standard and otherwise trying to raise prices by means of what may loosely be called "monetary" policy. Expansionary fiscal policy, and particularly large-scale spending on public works, had their own New Deal proponents in Frances Perkins, Harold Ickes, Harry Hopkins, and Marriner Eccles. But calling the policies these New Dealers favored "Keynesian" is one thing; claiming that their advocates were actually influenced by Keynes is quite another. In fact, there's no evidence that any of them came to think as they did because of Keynes.

Until The General Theory made its big splash in 1936, Keynes's own arguments appear to have impressed only one of FDR's close advisors: trust-buster Felix Kaufman. In the fall of 1933, Kaufmann went on sabbatical to England where, in early December, after visiting Keynes at Cambridge, he encouraged him to write the open letter published in the New York Times later that year. Keynes gave Kaufmann an advance copy, which Kaufman sent to Roosevelt on the 12th (Edwards 2018, pp. 1-2[14]). If Tugwell[15] (1957, p. 404) is right in saying that FDR "neverread anything Keynes wrote, except perhaps some newspaper pieces commenting on his [Roosevelt's] own actions," that letter would have been one of Roosevelt's first helpings of Keynes's own advice. But the letter didn't impress him. "You can tell the Professor," Roosevelt told Frankfurter in reply, "that in regard to public works we shall spend in the next fiscal year nearly twice the amount we are spending in this fiscal year, but there is a practical limit to what the Government can borrow." From that terse reply and other evidence, William Barber (1996, p. 83)[16] concludes that Keynes's pleas "had little impact on Roosevelt's thinking."

Nor were the two men's minds ever to really meet. Their disharmony was especially evident when, in May 1934, the men themselves met for the first and only time. To judge by the impressions each shared with Frances Perkins after their one-hour meeting, that event, which Kaufman hoped would establish a rapport between them, was unsuccessful. 'I saw your friend Keynes,' Roosevelt said. 'He left a whole rigmarole of figures. He must be a mathematician rather than a political economist.' Keynes, for his part, told Perkins that, though he admired the President very much, he expected him to be 'more literate, economically speaking.' According to Arthur Schlesinger[17] (1960, p. 406), Keynes later told Alvin Johnson, the New School's director who was himself an economist, "I don't think your President Roosevelt knows anything about economics." However much the men may have respected one another, so far as economic policy was concerned, each might have spoken a foreign language that the other couldn't understand.

The Wrong R's

As Tugwell (1970, p. 103[18]) points out, FDR's "less than enthusiastic" response to Keynes's advice was due, not to his being unpersuaded by it, but to his belief that Keynes was merely telling him "to do what he had already been doing for some time.' But was he?

Keynes himself certainly didn't think so. One purpose of his open letter[19] was to encourage FDR to spend more—much more—on public works, and to finance that spending by borrowing more instead of raising taxes. As we'll see, Keynes was quite right to think that FDR needed such encouragement. But that wasn't all: Keynes also disapproved of much that FDR had "already been doing." Among other things, Keynes questioned FDR's priorities, wondered whether he was quite sure what he was doing, and called some of the advice he was taking "crack-brained and queer."

Regarding priorities, Keynes believed that of Roosevelt's had two of his "three R's"—Reform, Relief, and Recovery—out of order. Instead of making Recovery his administration's first priority, Keynes told the president, he was "engaged on a double task, Recovery and Reform," whereas he ought to defer reform until recovery was achieved. Keynes was especially critical of the National Recovery Administration (NRA), a brainchild of the "planners," describing it, accurately[20], as a reform that masqueraded as part of a plan for recovery while actually impeding it. He called some of the advice FDR was taking "foolish," while comparing the gyrations in gold's price that those policies were abetting to 'a gold standard on the booze.' In short, while Keynes applauded FDR's willingness to reject orthodox policies in favor of "bold experimentation," he believed he'd chosen the wrong experiments, while clinging to some of the most obstructive orthodoxies.[1][21]

Nor was Keynes less critical when, not long after meeting FDR in 1934, he once again shared his thoughts with The New York Times, this time in the shape of some brief "notes" on the New Deal[22]. Here Keynes again took aim at the NRA, objecting to its "excessive complexity and regimentation," and especially to its "impractical and unnecessary" attempts to regulate prices. He noted as well the lack of business confidence, "for some of which the administration may be to blame." (And how![23]) And he complained that, despite a temporary boost, the government was still not spending, or not deficit-spending, enough. Keynes repeated many of these complaints, more trenchantly, in a February 1, 1938 letter to the President[24].

Even such a cursory review of Keynes's public and private remarks on the New Deal should suffice to call into question Eric Rauchway's claim[25] that he 'staunchly defended the New Deal through 1933, and continued to do so into 1934.' Keynes admired Roosevelt's boldness. He particularly applauded his decision to abandon the gold standard. He also approved of some of the reforms his administration was pursuing as long-term reforms. But in 1933 and 1934, Keynes's verdict on the New Deal as a program for recovery was, on the whole, negative. And he made no bones about it.

Anchors Aweigh

Of all the steps Roosevelt took during his first year in office, none pleased Keynes more than his decision to abandon the gold standard. But much as Keynes, who had famously condemned the gold standard as a "barbarous relic" in his 1923 Tract on Monetary Reform[26], welcomed that decision, he had nothing to do with it.

That the gold standard might eventually have to go was a possibility FDR recognized as early as October 1932, when he wisely chose not to mention the topic in his campaign speeches. "I do not want to be committed to the gold standard," he privately explained to his aides at the time. "I haven't the faintest idea whether we will be on the gold standard on March 4th or not; nobody can foresee where we shall be."

On the eve of the inauguration, FDR and his advisors still hadn't given up on the gold standard. According to Sebastian Edwards (2017, p. 3)[27], although they considered "tinkering with the currency," they viewed doing so as "an option with a rather low priority." Events, more than economic doctrine, were to ultimately seal the gold standard's fate: the banking crisis[28], which had been triggered by a run on the dollar[29], compelled Roosevelt to restrict both gold exports and domestic ownership of gold, while gold's subsequent appreciation, which FDR would eventually encourage through his gold purchase program, put paid to any prospect of a restoration of the dollar's former gold value.

Had FDR wished to permanently devalue the dollar all along, he didn't need to turn to any British economist to gain an expert's approval of that decision. Days before the inauguration, Irving Fisher, who was then, according to Joseph Schumpeter, the United States' "greatest scientific economist," urged FDR to begin his presidency by announcing that the United States was abandoning the gold standard in favor of a "managed currency." That step, Fisher maintained, "would reverse the present deflation overnight and would set us on a path toward new peaks of prosperity" (Barber[30] 1996, p. 25). But FDR wasn't yet prepared to go that far. Instead, he settled for his March 6th Bank Holiday proclamation[31] suspending both gold exports and internal gold payments—steps that could hardly be avoided since gold withdrawals were about to exhaust the New York Fed's reserves. Subsequent Executive Orders extended and reinforced these prohibitions[32] until, on April 20th, FDR issued a proclamation formally suspending the gold standard.

FDR's next, major step away from the gold standard consisted of his "bombshell" cable of July 3rd, 1933, effectively withdrawing his support for the currency stabilization goals of the World Economic Conference[33] then being held in London. The other participating nations hoped the United States would cooperate with them to restore the international gold standard, with the system of fixed exchange rates that went hand-in-hand with it, by agreeing to stabilize the then free-floating gold value of the dollar. Though it was understood by then that the dollar would be devalued, the thought was that, by working together, the assembled delegates could avoid "competitive" devaluations that might delay the gold standard's revival, if not prevent it altogether. The United States' withdrawal left FDR free to devalue the dollar as much as he liked, or to let it keep floating forever.

Keynes's role in FDR's decision to not support the conference's currency stabilization agenda has been exaggerated. He approved of the bold steps Roosevelt took during the Bank Holiday, and his decision to officially let the dollar float that April. He also understood that Roosevelt was prepared to permanently devalue the dollar if that would help to raise the U.S. price level. Keynes believed that FDR's willingness to devalue the dollar made his cooperation crucial to any successful, international stabilization plan. '[T]here is one man in the world," Keynes wrote in the Daily Mail that June, who seems to take seriously the business in hand to which others do not more than pay lip service, namely, President Roosevelt, [yet] we are all talking as though that man is defeating the alleged objects of the conference" (Rauchway[34] 2015, p. 70). But it doesn't follow that it was Keynes who convinced FDR to torpedo the conference.

As far as I'm aware, the only evidence for that claim consists of ***Raymond Moley***'s[35] (1939, p. 236) statement that FDR's thinking had been "greatly influenced" by Keynes's 1930 Treatise on Money. But that statement, which Rauchway (2015, p. 51) takes at face value, simply isn't credible. For one thing, ***Moley*** contradicts himself, saying elsewhere (1939, p. 225n20; my emphasis) that FDR's views "seemed to approximate those" found in the Treatise, which means something altogether different. It's also highly unlikely that FDR, who had little patience for abstract thought, and who Tugwell says hardly read anything by Keynes, either had or took the time to read Keynes's longest and most abstruse work!

But the most important reason for doubting ***Moley***'s claim is simply that there's nothing in the Treatise that could possibly have inspired FDR's July 1933 decision. Although it's true that, in his Tract on Monetary Reform, Keynes's disparaged attempts to restore the then dismantled gold standard, by 1930 "the facts had changed,"[36] and so had Keynes's thinking. "Today," Keynes wrote in the Treatise"s second volume[37] (1930, p. 338),

the reasons seem strongerto accept, substantially, the fait accompli of an international standard . For to seek the ultimate good via an autonomous national system would mean not only a frontal attack on the forces of conservatism, but it would [sic] divide the forces of intelligence and goodwill and separate the interests of nations.

Such words could hardly have inspired FDR to "torpedo" the London conference! Nor are there any other passages in the Treatise that might have done so.

Instead, the experts whose views almost certainly informed FDR's decisions were Fisher and, above all, Warren. Although Fisher, like Keynes, was never one of FDR's official advisors, unlike Keynes he corresponded with FDR often[38], and met with him on numerous occasions, throughout the New Deal. Between late February and early June 1933 alone Fisher sent Roosevelt no fewer than seven letters, all addressing the currency question. In a March 2 letter, he wrote that 'The present situation in currency cries to heaven for reflation (up to a reasonable price level about half way back) and, after such reflation, for stabilization' (my emphasis).[2][39] According to Barber (1996, p. 33), just before the London conference began, Fisher wrote again, advising FDR that the U.S. "should not wait for action by other countries, nor make our action dependent on theirs, nor tie up our standard to theirs irrevocably." The cable's endorsement of "efforts to plan national currencies with the objective of giving those currencies a continuing purchasing power which does not vary in terms of commodities" might have been written by Fisher himself, who long favored the idea.

Warren also urged Roosevelt not to commit to any definite plan to stabilize the dollar. Ever since Roosevelt took office, Warren had been trying to win him over his theory that, as the price of gold rose, so would other commodity prices. After Roosevelt let the dollar float, commodity prices started to rise rapidly, while gold depreciated, in apparent confirmation of the theory. Then, when it seemed that the United States was going to please Britain by stabilizing the dollar, gold depreciated, and prices fell. Between them, these events and Warren's advice played an important role in convincing FDR to resist getting "trapped" (Warren's term) by any proposal to stabilize the dollar's gold value while commodity prices were still well below their pre-depression levels. The Committee for the Nation, a lobbying group (a sympathetic source[40], on which this paragraph draws, describes it as a group of bankrupt farmers, businessmen, bankers, and cooperative leaders) to which both Fisher and Warren belonged, joined them in advising Roosevelt against tying the United State's hands.

In short, U.S. experts appear to have done all the persuading necessary to get Roosevelt to fire off his July 3rd cable. Keynes's welcome but minor contribution consisted solely of the support he gave to FDR after the fact, by publishing an article in the Daily Mail declaring him, by its title, "Magnificently Right."

Sober Advice

While Roosevelt's withdrawal from the London conference left little doubt that the old gold dollar was history, it offered no clue as to where its gold value would settle, or even whether it would settle anywhere, rather than continuing to float. Nor does Roosevelt himself seem to have known yet. Instead, he sought further advice. But once again he turned for it to U.S. experts, not to Keynes. Some advice came from Fisher and from one of Fisher's many students, Yale economist James Harvey Rogers[41]. But it was George Warren's thinking that ultimately prevailed—and Warren was certainly the least Keynesian of the bunch.

Warren's theory, which he and Frank Pearson[42] developed on the basis of mere extrapolation from the past, posited a more-or-less mechanical link connecting the dollar price of gold to the price of agricultural and other commodities. According to it, a sufficient devaluation of the dollar, however achieved, was sure to deliver on FDR's promise to restore the prices of farm products to their 1926 level. Warren's theory thus inspired FDR's ill-fated gold buying spree.

But apart from convincing FDR himself, Warren's theory won few converts either in or outside of the Roosevelt administration. Henry Morgenthau bought it. "Foolish" and "nonsense" were the brusque opinions of James Warburg and Rex Tugwell, respectively; and their view seems to have been closer to the general consensus among economists. (Even Fisher, whose views superficially resembled Warren's, insisted that raising gold's price alone wouldn't raise other prices: monetary expansion was needed to get people to spend more.) By February 1934, when FDR and Morgenthau quit buying gold, and fixed the dollar's official gold content at 59 percent of its former level, these critics had every reason to feel vindicated, if not to gloat: the wholesale price index was only three percent higher than it had been at the start of the gold buying program in October 1933.[3][43]

Whether he gloated or not, Keynes was among Warren's most unsparing critics. In his December 1933 open letter, it was Warren's theory that he considered 'crack brained," observing that it rested on a "set of fallacies." Instead of supposing that gold's appreciation would cause higher prices, Keynes told FDR, he ought to have gotten both gold's price and those of other commodities up by other means, and then devalued the dollar accordingly. Because the gold purchase program put the gold depreciation cart before the price-raising horses of expansionary monetary and fiscal policy, its main result consisted, not of higher equilibrium prices, but of those disturbing "gyrations of the dollar" that seemed to Keynes "more like a gold standard on the booze than the ideal managed currency of my dreams."

In view of Keynes's harsh remarks, it seems a real stretch to suggest, as Eric Rauchway (2014, p. 58[44]) does, that "[i]n the general outline of his beliefs, Warren had support from John Maynard Keynes." In truth, it was Warren's opinions rather than Keynes's that Roosevelt heeded. But as Roy Harrod understood, once one discerns that, in the mind of the general public, "you have to have One Man," a little truth-stretching is hard to resist.

(To be continued.)

Continue Reading The New Deal and Recovery:

___________________________ [1][61] Keynes's rejection of much of the thinking behind the NRA and AAA predated the New Deal. In "The Raising of Prices," one of several letters he published in the London Times and The New Statesman in March 1933 (republished in the U.S. as The Means to Prosperity[62]), Keynes called "the idea of raising prices of commodities by restricting their supply," with which Neville Chamberlain, then England's Chancellor of the Exchequer, had then been flirting, "worse than useless." Instead of serving to diminish employment, he said, "it is, rather, a method of distributing more evenly what employment there is, at the cost of somewhat increasing it." According to Elliot Rosen[63] (2005, p. 80), FDR's longtime friend Viscount Astor[64] sent advance copies of Keynes's letters to the White House. Of FDR's reaction to these, assuming he read them, there's no record. In any event, one doubts that Keynes would have been impressed by ***Raymond Moley***'s claim that in criticizing the NRA he "missed" the fact that it was not primarily concerned with increasing production, but with spreading work."

[2][65] In his discussion of the failure of the London conference in Stable Money: A History of the Movement (1934, pp. 351-2)[66], Fisher attributes it to the irreconcilable difference between the desire of delegates from several countries, including France and England, to see their currencies' exchange rates with the U.S. dollar stabilized before taking steps to raise their national price levels, and Roosevelt's desire to reflate the U.S. price level before entering into any agreements to stabilize the exchanges. Roosevelt's preference was, of course, the position Fisher had himself urged him to take prior to the conference.

[3][67] Despite its apparent failure in the 30s, and the many economists who disparaged it then and since, Warren's theory still has its adherents, including Scott Sumner[68], who (besides defending Warren) offers a nice summary of the difference between his and Fisher's thinking. Sumner himself draws on Sebastian Edward's fine account of FDR's gold policy, and the economists who influenced it, in American Default[69].

[Cross-posted from Alt-M.org[70]]

[1]: *https://www.cato.org/people/george-selgin* [2]: *https://www.amazon.com/Money-Makers-Roosevelt-Depression-Prosperous/dp/0465049699* [3]: *https://www.thecollector.com/economic-effects-of-the-great-depression*/ [4]: *https://www.futurehindsight.com/how-keynes-influenced-fdrs-new-deal*/ [5]: *https://archive.org/details/democraticroosev00tugw* [6]: *https://www.amazon.com/Life-John-Maynard-Keynes/dp/0393300242* [7]: *https://www.latimes.com/archives/la-xpm-1987-08-13-mn-1163-story.html* [8]: *https://www.jstor.org/stable/1821533* [9]: *https://en.wikipedia.org/wiki/Felix_Frankfurter* [10]: *https://www.amazon.com/Pride-Prejudice-Politics-Periodicals-Newspapers/dp/0275935248* [11]: *https://www.amazon.com/New-Deal-Problem-Monopoly-Ambivalence/dp/0823216098* [12]: *https://en.wikipedia.org/wiki/Irving_Fisher* [13]: *https://dyson.cornell.edu/about/history/george-f-warren/* [14]: *https://www.tandfonline.com/doi/abs/10.1080/10370196.2018.1446245* [15]: *https://archive.org/details/democraticroosev00tugw* [16]: *https://www.amazon.com/Designs-within-Disorder-Economists-Perspectives/dp/0521034310* [17]: *https://ia800903.us.archive.org/2/items/TheAgeOfRooseveltThePoliticsOfUpheaval/TheAgeOfRooseveltThePoliticsOfUpheaval.pdf* [18]: *https://www.jstor.org/stable/pdf/2147560.pdf?refreqid=excelsior%3Ac348700cd738599134b3056881d6cab3&ab_segments=&origin=* [19]: *https://www.nytimes.com/1933/12/31/archives/from-keynes-to-roosevelt-our-recovery-plan-assayed-the-british.html* [20]: *https://www.alt-m.org/2020/08/24/the-nra/* [21]: *https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftn1* [22]: *https://www.nytimes.com/1934/06/10/archives/sees-need-for-400000-000-monthly-to-speed-recovery-british.html* [23]: *https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/* [24]: *https://www.fdrlibrary.org/documents/356632/390886/smFDR-Keynes_1938.pdf/e6a5bbc6-db07-4d65-8576-e4ea058c5641* [25]: *https://crookedtimber.org/2013/06/17/the-queer-personality-and-floating-mind-what-did-keynes-say-to-and-about-roosevelt-2/* [26]: *https://archive.org/details/dli.ernet.236579/page/n5/mode/2up* [27]: *https://www.anderson.ucla.edu/faculty_pages/sebastian.edwards/Papers%20Files/ddhop_49_1_01Edwards_Fpp.pdf* [28]: *https://www.alt-m.org/2020/07/18/the-new-deal-and-recovery-part-5-the-banking-crisis/* [29]: *https://www.jstor.org/stable/2121338* [30]: *https://www.amazon.com/Designs-within-Disorder-Economists-Perspectives/dp/0521034310* [31]: *https://www.presidency.ucsb.edu/documents/proclamation-2039-bank-holiday-march-6-9-1933-inclusive* [32]: *https://www.alt-m.org/2020/08/07/the-new-deal-and-recovery-part-7-fdr-and-gold/* [33]: *https://en.wikipedia.org/wiki/London_Economic_Conference* [34]: *https://www.amazon.com/Money-Makers-Roosevelt-Depression-Prosperous/dp/0465049699* [35]: *https://cdn.mises.org/After%20Seven%20Years_2.pdf* [36]: *https://www.wsj.com/articles/BL-MB-32547* [37]: *https://archive.org/details/in.ernet.dli.2015.45481* [38]:

https://read.dukeupress.edu/hope/article-abstract/9/4/560/12934/Irving-Fisher-F-D-R-and-the-Great-Depression?redirectedFrom=fulltext [39]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftn2 [40]: https://fraser.stlouisfed.org/files/docs/meltzer/peawar57.pdf [41]: https://en.wikipedia.org/wiki/James_Harvey_Rogers [42]: https://books.google.com/books/about/Gold_and_Prices.html?id=3449DwAAQBAJ [43]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftn3 [44]: https://www.oenb.at/dam/jcr:f41e04c7-1455-4860-9a9c-c25675ba577a/Workshop_No18.pdf [45]: https://www.alt-m.org/2020/06/12/the-new-deal-and-recovery-a-new-alt-m-series/ [46]: https://www.alt-m.org/2020/06/16/the-record/ [47]: https://www.alt-m.org/2020/06/22/the-new-deal-and-recovery-part-2-inventing-the-new-deal/ [48]: https://www.alt-m.org/2020/06/29/the-new-deal-and-recovery-part-3-the-fiscal-stimulus-myth/ [49]: https://www.alt-m.org/2020/07/06/the-new-deal-and-recovery-part-4-fdrs-fed/ [50]: https://www.alt-m.org/2020/07/18/the-new-deal-and-recovery-part-5-the-banking-crisis/ [51]: https://www.alt-m.org/2020/07/28/the-new-deal-and-recovery-part-6-the-national-bank-holiday/ [52]: https://www.alt-m.org/2020/08/07/the-new-deal-and-recovery-part-7-fdr-and-gold/ [53]: https://www.alt-m.org/2020/08/24/the-nra/ [54]: https://www.alt-m.org/2020/10/14/the-new-deal-and-recovery-part-8-supplement-the-brookings-report/ [55]: https://www.alt-m.org/2021/01/11/the-new-deal-and-recovery-part-9-the-aaa/ [56]: https://www.alt-m.org/2021/02/04/the-new-deal-and-recovery-part-10-the-roosevelt-recession/ [57]: https://www.alt-m.org/2021/03/02/the-new-deal-and-recovery-part-11-the-roosevelt-recession-continued/ [58]: https://www.alt-m.org/2021/04/14/the-new-deal-and-recovery-part-12-fear-itself/ [59]: https://www.alt-m.org/2021/04/30/the-new-deal-and-recovery-part-13-fear-itself-continued/ [60]: https://www.alt-m.org/2021/05/05/the-new-deal-and-recovery-part-14-fear-itself-concluded/ [61]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftnref1 [62]: https://gutenberg.ca/ebooks/keynes-means/keynes-means-00-h.html [63]: https://www.amazon.com/Roosevelt-Great-Depression-Economics-Recovery/dp/0813926963 [64]: https://artsandculture.google.com/culturalinstitute/beta/story/vincent-astor-u-s-national-archives/EgVxQyhXXB8A8A?hl=en [65]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftnref2 [66]: https://books.google.com/books/download/Stable_Money.pdf?id=iUQ5AAAAMAAJ&output=pdf [67]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/#_ftnref3 [68]: https://www.themoneyillusion.com/irving-fisher-and-george-warren/ [69]: https://www.amazon.com/American-Default-Untold-Supreme-Battle/dp/0691161887 [70]: https://www.alt-m.org/2022/03/16/the-keynesian-myth/

Classification

Language: English

Publication-Type: Web Blog

Journal Code: CATO-0001

Subject: ECONOMIC DEPRESSION (90%); GREAT DEPRESSION (90%); ECONOMICS (89%); BUSINESS EDUCATION (72%); SOCIAL SCIENCE EDUCATION (72%); LAWYERS (60%)

Industry: LAWYERS (60%)

Load-Date: March 16, 2022