

A Tale of Two Economies

Government Information from the New Deal and Now

Catherine Jervey

Marianne Ryan



My fellow Americans...



INAUGURAL ADDRESS

MARCH 4, 1933

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country to-day. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

Serial Set 13034-10 H.doc.208, *Inaugural Addresses of Presidents of the U.S., 1789-1973, 1974*

We will rebuild, we will recover...

"I've come here tonight not only to address the distinguished men and women in this great chamber, but to speak frankly and directly to the men and women who sent us here ...

I know that for many Americans watching right now, the state of our economy is a concern that rises above all others. And rightly so. If you haven't been personally affected by this recession, you probably know someone who has – a friend; a neighbor; a member of your family. You don't need to hear another list of statistics to know that our economy is in now hanging by a thread; the college acceptance letter your child had to put back in the envelope. The impact of this recession is real, and it is everywhere.

But while our economy may be weakened and our confidence shaken; though we are living through difficult and uncertain times, tonight I want every American to know this: We will rebuild, we will recover, and the United States of America will emerge stronger than before."



Barack H. Obama
President of the United States

House Document 111-1, *Presidential Address Before a Joint Session of Congress, Message from the President, Feb. 25, 2009*; Image: Committee Print S. Prt. 111-17, *Congressional Pictorial Directory, One Hundred Eleventh Congress, June 2009*

What Was the New Deal?

A series of novel economic and social experiments designed to promote economic recovery and conserve natural and human resources:

Increase farm income and expand farm credit programs... improve wages and working conditions... strengthen financial regulation... expand public enterprise in electrical utilities sector... provide low-housing and slum clearance... old age insurance... unemployment insurance... public assistance... work relief



"During the New Deal, in short, the role of Government in the American economy was vastly enlarged."

Serial Set 12364 H.doc.246, *History of United States House of Representatives 1961*; Image: Serial Set 11849 H.doc.232, *The Capitol in Story and Pictures, 1955*

The New New Deal

President-elect Obama

Planning Response to Economic Crisis

Meets with economic experts;
reminds audience he is not yet president



“President-elect Barack Obama added sweep and meat to his economic agenda on Saturday, pledging the largest new investment in roads and bridges since President Dwight D. Eisenhower built the Interstate system in the late 1950s, and tying his key initiatives – education, energy, health care –back to jobs in a package that has the makings of a smaller and modern version of FDR’s New Deal marriage of job creation with infrastructure upgrades.”

<http://www.america.gov/st/elections08-english/2008/November/20081107170610esnamfuak0.5743219.html>

Transparency and Open Government

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

My Administration is committed to creating an unprecedented level of openness in Government. We will work together to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in Government...

Government should be transparent. Transparency promotes accountability and provides information for citizens about what their Government is doing.

Government should be participatory. Public engagement enhances the Government’s effectiveness and improves the quality of its decisions. Knowledge is widely dispersed in society, and public officials benefit from having access to that dispersed knowledge.

Government should be collaborative. Collaboration actively engages Americans in the work of their Government. Executive departments and agencies should use innovative tools, methods, and systems to cooperate among themselves, across all levels of Government, and with nonprofit organizations, businesses, and individuals in the private sector. Executive departments and agencies should solicit public feedback to assess and improve their level of collaboration and to identify new opportunities for cooperation.

BARACK OBAMA, Wednesday, January 21st, 2009 at 12:00 am

New Deal: Response to Worst Economic Crisis

"The New Deal was a response to the worst economic crisis in American history. As the United States suffered from the ravages of the Great Depression, the administration of Franklin D. Roosevelt, which took office in March 1933, tried a host of different, often contradictory measures in an aggressive effort to provide relief for the unemployed, to prompt the recovery of the faltering economic system, and to propose the kind of structural reform that could protect people in future crises. But the New Deal was never a coherent, interconnected effort to deal with the various dimensions of the Depression in a systematic way. Rather it was a multi-faceted attempt to deal with different elements of the catastrophe in ways that sometimes seemed haphazard and occasionally were contradictory."

Allan M. Winkler, History Professor, Miami University,
statement prepared for congressional hearings, Mar. 31, 2009

Response to Current Economic Crisis

American Recovery and Reinvestment Act

"The economy is in a crisis not seen since the Great Depression. Credit is frozen, consumer purchasing power is in decline, in the last four months the country has lost 2 million jobs..."

One Hundred Eleventh Congress of the United States of America

AT THE FIRST SESSION

*Began and held at the City of Washington on Tuesday,
the sixth day of January, two thousand and nine*

An Act

Making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Recovery and Reinvestment Act of 2009".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

DIVISION A—APPROPRIATIONS PROVISIONS

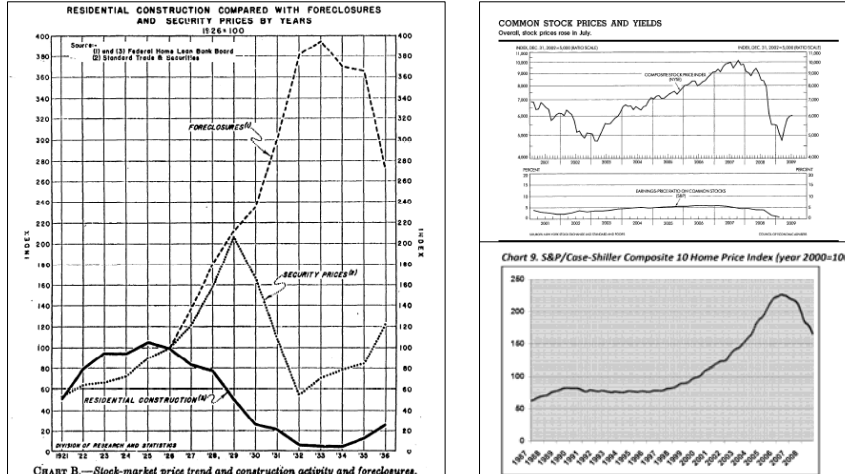
TITLE I—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

House report, H. rpt. 111-4, Jan 26, 2009

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Securities, Housing, and Foreclosures: Then and Now



Serial Set 10276 H.doc.515, 5th Annual Report of Federal Home Loan Bank Board, 1937 Feb. 1936; Committee Prints: *Economic Indicators: July 2009* and *Foreclosure Crisis: Working Towards a Solution*, March 2009

Unemployment Then



EXTENT OF UNEMPLOYMENT AS DISCLOSED BY SURVEYS IN VARIOUS LOCALITIES

Locality covered by survey	Date of survey	Sample covered by survey		Percent of workers	
		Class	Number	Em- ployed	Unem- ployed
State surveys:					
Massachusetts.....	January 2, 1934.....	All employables.....	1,808,640	155.5	14.9
Pennsylvania.....	February 1934.....	do.....	3,455,160	55.6	28.1
Local surveys:					
Bridgeport, Conn.....	First quarter, 1934.....	do.....	61,456	77.9	26.1
Buffalo, N. Y.....	November 1933.....	Selected areas.....	15,729	113.9	28.7
Cincinnati, Ohio.....	May 1934.....	Total gainful workers.....	203,030	152.6	21.8
Lancaster, Pa.....	First quarter, 1934.....	do.....	25,613	76.8	24.2
Lincoln, Nebr.....	November 1933.....	10 representative areas.....	3,694	156.6	22.8
Louisville, Ky.....	March-May 1933.....	All employables.....	107,978	65.9	34.1
Philadelphia ⁴	February 1934.....	Employables.....	576,236	54.3	32.6
Pittsburgh ⁴	do.....	do.....	283,689	46.5	36.5
Springfield, Ohio.....	First quarter, 1934.....	do.....	27,416	114.0	31.8
Syracuse, N. Y.....	November 1933.....	7 representative areas.....	7,302	118.8	19.4

¹ Employed full time. ² Employed part time. ³ Includes those on relief work. ⁴ Preliminary results.

Serial Set 9962 H.doc.255, Labor Statistics Bureau Bulletin 616, *Handbook of Labor Statistics*, May 1936; Image: Serial Set 12498 H.doc.279, *After a Hundred Years, Yearbook of Agriculture*, 1962

Unemployment Now

Table 7. Unemployment Rates by Region and State, May 2009

Region by State	Unemployment Rate	Region by State	Unemployment Rate
New England	8.3%	Maryland	7.2
Connecticut	8.0	North Carolina	11.1
Maine	8.3	South Carolina	12.1
Massachusetts	8.2	Virginia	7.1
New Hampshire	6.5	West Virginia	8.6
Rhode Island	12.1	East South Central	10.3
Vermont	7.3	Alabama	9.8
Middle Atlantic	8.3	Kentucky	10.6
New Jersey	8.8	Mississippi	9.6
New York	8.2	Tennessee	10.7
Pennsylvania	8.2	West South Central	7.0
East North Central	11.0	Arkansas	7.0
Illinois	10.1	Louisiana	6.6
Indiana	10.6	Oklahoma	6.3
Michigan	14.1	Texas	7.1
Ohio	10.8	Mountain	7.8
Wisconsin	8.9	Arizona	8.2
West North Central	7.3	Colorado	7.6
Iowa	5.8	Idaho	7.8
Kansas	7.0	Montana	4.3
Minnesota	8.2	Nevada	11.3
Missouri	9.0	New Mexico	6.5
Nebraska	4.4	Utah	5.4
North Dakota	4.4	Wyoming	5.0

"To start, let me point out that though the current recession is unquestionably severe, it pales in comparison with what our parents and grandparents experienced in the 1930s. February's employment report showed that unemployment in the United States has reached 8.1%-a terrible number that signifies a devastating tragedy for millions of American families. But, at its worst, unemployment in the 1930s reached nearly 25%. And, that quarter of American workers had painfully few of the social safety nets that today help families maintain at least the essentials of life during unemployment"

CRS report, *Labor Market During the Great Depression and the Current Recession*, June 19, 2009; Christina Roemer, Council of Economic Advisors Chair, statement prepared for Congressional hearings, Mar. 31, 2009

Bank Failures Then

Mr. Luce. In the last 10 years ten or fifteen thousand banks have failed, and the depositors have lost a great deal of money in those banks where the affairs of the banks have been completely closed and the receivers discharged. What would you do about that? ...

Rep. Robert Luce, *To Provide Loans Through Reconstruction Finance Corporation*, 1934

1928: 498 failures \$142 million in deposits
 1929: 659 failures \$230 million in deposits
 1930: 1350 failures \$837 million in deposits
 1931: 2293 failures \$1690 million in deposits
 1932: 1453 failures \$706 million in deposits
 1933: 4000 failures 3596 million in deposits

Learning from the Past: Lessons from the Banking Crises of the 20th Century, Mar. 2009

Bank Failures Now

Federal Deposit Insurance Corporation (FDIC): Efforts To Support Financial and Housing Markets

The Federal Deposit Insurance Corporation (FDIC) was established as an independent government corporation under the authority of the Banking Act of 1933, also known as the Glass-Steagall Act (P.L. 73-66, 48 Stat. 162, 12 U.S.C.), to insure bank deposits. This report discusses recent actions taken by the FDIC in support of financial and housing markets, which include restoration of the Deposit Insurance Fund, the development of the Temporary Liquidity Guarantee Program, efforts to reduce foreclosures, and establishment of the proposed Public-Private Investment Fund.

The report also addresses the Helping Families Save Their Homes Act of 2009, which was enacted May 20, 2009, as P.L. 111-22. This law extends the FDIC's borrowing authority to \$300 billion until December 31, 2010; sets the borrowing authority at \$100 billion thereafter; and makes the \$250,000 deposit insurance limit effective until December 31, 2013. P.L. 111-22 emerged from S. 896 (introduced by Senator Christopher Dodd, with 2 co-sponsors) and H.R. 1106 (introduced by Representative John Conyers, Jr., with 24 co-sponsors).

CRS report, *Federal Deposit Insurance Corporation (FDIC): Efforts to Support Financial and Housing Markets*, June 11, 2009

FDR First Hundred Days: Banks

Bank Holiday

The President, early on the morning of March 6, issued his proclamation that all banking institutions and branches thereof located in the United States, including the territorial and insular possessions, maintain a bank holiday for the 4-day period from March 6 to March 9, inclusive. On March 9, 1933, the day of the expiration of the temporary banking holiday, existing by virtue of the proclamation by the President, a message was directed to Congress by the President requesting immediate enactment of legislation giving the executive branch of the Government control over banks for the protection of depositors and for further authority necessary to the reorganization and reopening of such banks.

Serial Set 9838 H.doc.125, Report of Comptroller of Currency, January 3, 1934

Banking Act of 1933 (Second Glass-Steagall Act)

- Establishment of FDIC to insure deposits
- Separation of commercial and investment banking (repealed by Gramm-Leach-Bliley Act of 1999)

2009 Federal Actions and Proposals: Banks

January 27, 2009: The U.S. Treasury Department today announced investments of approximately \$386 million in 23 banks across the nation as part of its Capital Purchase Program (CPP), a means to directly infuse capital into healthy, viable banks with the goal of increasing the flow of financing available to small businesses and consumers. With additional capital, banks are better able to meet the lending needs of their customers, and businesses have greater access to the credit that they need to keep operating and growing.

February 17, 2009: Treasury launched the monthly bank lending surveys as part of its commitment to Congress and the public to enhance communication and transparency about its programs to stabilize the financial system. The surveys are designed to provide new, more frequent and more accessible information on banks' lending activities to help taxpayers easily assess the lending and other activities of banks receiving government investments.

June 17, 2009: President Obama proposes a comprehensive overhaul of the U.S. financial regulatory system that is designed to address the structural weaknesses revealed by the recent financial crisis and to limit the potential for similar crises in the future.

FinancialStability.gov

FDR First Hundred Days: Economy

Economy Act: cut government worker salaries and veteran pensions

By the Economy Act of March 1933 all Government employees received a 15-percent cut. Though representations were made to exclude substitutes and others earning less than \$1,000 per year, no exemptions were allowed. So the hourly rate of substitutes was reduced to 53 cents. At the same time, it was enacted that no substitutes should be appointed to regular positions except by Executive order of the President. In practice, all appointments have been abolished.

"Elimination of unemployment can come only by increasing public purchasing power and raising the standard of living. Only as more goods are bought and consumed can this country return to normal production and employment. All talk to the contrary is not only uneconomic but dangerous.

Hearings, Independent Offices Appropriation Bill for 1935, January 1934

2009 Federal Actions and Proposals: Economy

- Across the country, families are tightening their belts in this economic crisis, and so should Washington. That is why in the *Presidential Memorandum Regarding Pay Freeze* the President has announced that he will freeze his White House senior staff pay at current levels to the full extent allowed by law. This will enable the White House to stretch its budget to get more done for the country. The President and his staff recognize that in these austere times, everyone must do more with less, and the White House is no exception. *Presidential Memoranda: January 21, 2009*
- To amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes. *Credit Card Accountability, Responsibility, and Disclosure (CARD) Act, PL 111-24: May 22, 2009*
- Recovery Act: Funds continue to provide fiscal relief to states and localities, while accountability and reporting challenges need to be fully addressed. *GAO-09-1016: September 2009*

FDR First Hundred Days: Revenue

To the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 13, 1933.*

Serial Set 9751 H.doc.3, *Message from the President Recommending Immediate Modification of Volstead Act, March 1933*

2009 Federal Actions and Proposals: Revenue

Health-related excise taxes

“Since the issue of taxes on tobacco products has so recently been debated and is so well known, I will not discuss it further here. This section of my testimony focuses on issues and options related to: 1) taxing soda and other highly sweetened soft drinks; and 2) adjusting the federal excise tax on alcohol, which has eroded very substantially as a result of inflation since it was last adjusted in the bipartisan deficit reduction agreement of 1990.”

Robert Greenstein, Center on Budget and Policy Priorities Executive Director, statement prepared for congressional hearings, May 12, 2009

“A lot of folks have expressed skepticism that spending another trillion dollars is the right way to reduce health care costs... There have been all kinds of ideas proposed, such as a tax on beer, soda, juice, and snack food. Those are really small items, but they hit people right where it counts when they go to the grocery store.”

Sen. John Kyl, *Congressional Record*, Volume 155, No. 103, p. 7339, July 10, 2009

FDR First Hundred Days: Industry

Mr. SMITH. Yes, sir; the gasoline tax. We understand that this committee proposes to extend the gas tax for another year. We suggest that it be dropped and left to the States. I understand that automobile registrations in the United States are dropping off at the rate of 200,000 per month. We feel that is not due to the depression.

Hearings testimony of Ernest N. Smith, representing American Automobile Association, *National Industrial Recovery*, 1933

National Industrial Recovery Act:

- Workers rights
- Government-sanctioned cartelization
- Public Works Administration

2009 Federal Actions and Proposals: Industry

- On March 30, 2009, President Obama laid out a framework for Chrysler to achieve viability by partnering with the international car company Fiat. After a month of close engagement with the President's Auto Task Force, Chrysler, Fiat and their key stakeholders have made unprecedented sacrifices and executed an agreement that positions Chrysler for a viable future. *U.S. Department of the Treasury Press Room, TG-115: April 30, 2009*
- On June 24, the President signed into law the Consumer Assistance to Recycle and Save Act of 2009. The Act established a temporary program under the National Highway Traffic Safety Administration (NHTSA) called the Car Allowance Rebate System (CARS), referred to commonly as Cash for Clunkers. *DOT 110-09: July 27, 2009*
- New federal rules proposed May 19 would increase national fuel efficiency standards for vehicles sold in the United States. The new rules would require vehicles' average fuel economy standards to be 35.5 miles per gallon (15.09 kilometers per liter) in 2016 — 39 miles per gallon on average for cars (16.58 kilometers per liter) and 30 miles per gallon (12.75 kilometers per liter) on average for trucks. In 2009 vehicle models, the average fuel efficiency is 25 miles per gallon (10.63 kilometers per liter.) *America.gov, May 19, 2009*

FDR First Hundred Days: Agriculture

RELIEVE THE EXISTING NATIONAL ECONOMIC EMERGENCY BY INCREASING AGRICULTURAL PURCHASING POWER

MARCH 20, 1933.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. JONES (by direction of the committee), from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 3835]

The Committee on Agriculture, to whom was referred the bill (H. R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, having considered the same, report thereon with the recommendation that it do pass.

Farmers Were Desperate



Prices fell. Many mortgages on land and machines were foreclosed. Landless, homeless farmers were desperate. They did what they could; sometimes the sheriff had to come.



Action in the thirties by the Federal Government saved many farms from foreclosure. Thousands of farmers were given a start on new homes.

Serial Set 12498 H.doc.279 1962

Farm Security Administration



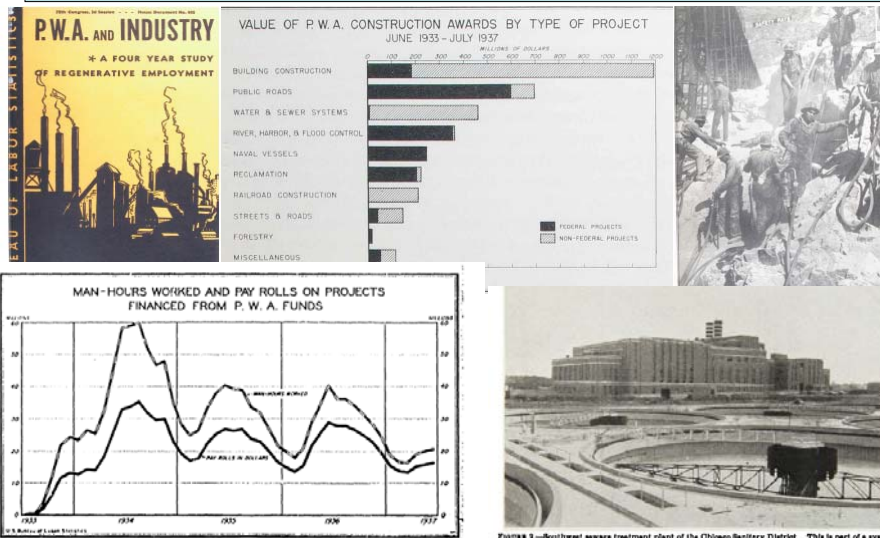
Photographs taken by Farm Security Administration photographers

Serial Set 12498 H.doc.279, 1962

2009 Federal Actions and Proposals: Agriculture

- The Recovery Act provides USDA with a total of \$27.6 billion, most of which will fund increased benefits to low income families through the Supplemental Nutrition Assistance Program (\$20 billion);
- The Act also provides \$6.9 billion in discretionary appropriations for rural development activities such as construction and renovation of rural water and wastewater systems, low income housing loans, broadband infrastructure in rural areas, rural business programs, and construction of Forest Service facilities;
- The Act provides \$800 million for biofuels research and development, loan guarantees for renewable power projects, including biomass facilities, and extends tax credits for biomass-based electricity for three additional years; and,
- The Act provides \$700 million in mandatory farm disaster assistance.

Public Works Administration



Serial Set 10274 H.doc.605, 1938; 10334 H.doc.155, February 16, 1939

Civil Works Administration

MOSQUITO-CONTROL Work Under C. W. A. Project Brings Many Benefits

Upon the establishment of the Civil Works Administration the need of selecting useful lines of employment for those unemployed was at once apparent. The main objective was to put the unemployed to work quickly and to keep them usefully employed dur-

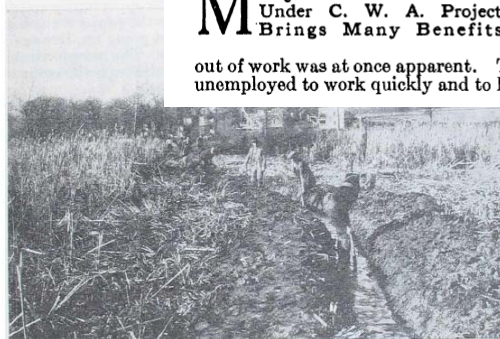


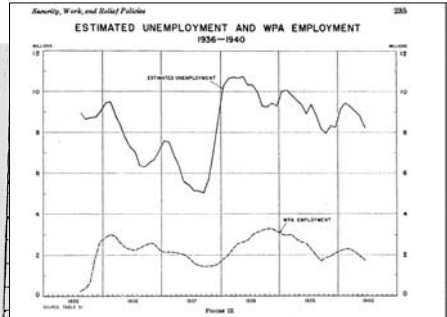
FIGURE 47.—C. W. A. workers clearing, straightening, and deepening stream through marsh at Westminster, Md., in carrying out mosquito-control project.



FIGURE 48.—Main drainage ditch through sandy soil, Cat Island, Miss., dug by C. W. A. workers as a mosquito-control measure.

Serial Set 12498 H.doc.279, Yearbook of Agriculture Department, 1934

WPA



Right-of-way clearing by WPA crew on the Raymond line.

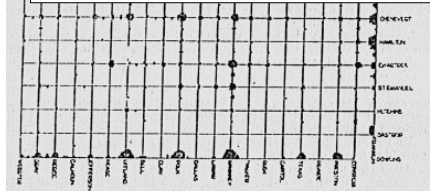
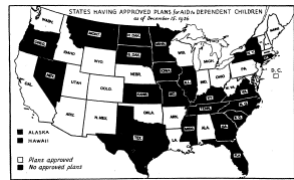
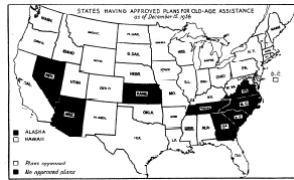


FIGURE 30.—Map showing the location of traffic accidents in the year 1937 in the city of Houston, Tex., taken from the report of the Houston traffic survey conducted under the auspices of the Works Progress Administration, 1937.

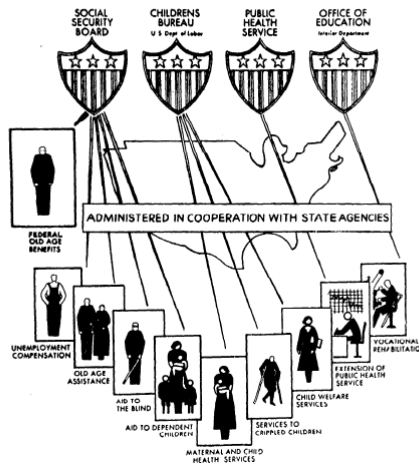
Serial Set 10512 H.doc.612, Feb. 1940;
10783 H.doc.128 March 10, 1943;
10865 H.doc.379, January 12, 1944

Social Security



Serial Set 10171 H.doc.147, 1st Annual Report of Social Security Board, February 10, 1937

HOW THE SOCIAL SECURITY PROGRAM IS ADMINISTERED



The test of our progress...

I see millions lacking the means to buy the products of farm and factory and by their poverty denying work and productiveness to many other millions.

I see one-third of a nation ill-housed, ill-clad, ill-nourished.

It is not in despair that I paint you that picture. I paint it for you in hope—because the Nation, seeing and understanding the injustice in it, proposes to paint it out. We are determined to make every American citizen the subject of his country's interest and concern; and we will never regard any faithful law-abiding group within our borders as superfluous. 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.

Franklin Roosevelt, Second Inaugural Address

Serial Set 13034-10 H.doc.208, Inaugural Addresses of Presidents of the U.S., 1789-1973, 1974

Health Care Reform Then

The average level of health or the average cost of sickness has little meaning for those who now must meet personal catastrophes. To know that a stream is 4 feet deep on the average is of little help to those who drown in the places where it is 10 feet deep. The recommendations of the committee offer a program to bridge that stream by reducing the risks of needless suffering and death, and of costs and dependency, that now overwhelm millions of individual families and sap the resources of the Nation.

I recommend the report of the interdepartmental committee for careful study by the Congress. The essence of the program recommended by the Committee is Federal-State cooperation. Federal legislation necessarily precedes, for it indicates the assistance which may be made available to the States in a cooperative program for the Nation's health.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 23, 1939.

Hearing, *To Establish a National Health Program. [Part 1], 1939*

Health Care Reform Now

Health care reform is a major issue in the 111th Congress, driven by growing concern about millions of people without insurance coverage, continual increases in cost and spending, and quality shortcomings. Commonly cited figures indicate that more than 45 million people have no insurance, which can limit their access to care and ability to pay for the care they receive. Costs are rising for nearly everyone, and the country now likely spends over \$2.5 trillion, more than 17% of gross domestic product (GDP), on health care services and products, far more than other industrialized countries. For all this spending, the country scores but average or somewhat worse on many indicators of health care quality, and many may not get appropriate standards of care.

CRS report August 31, 2009

Will I be forced to give up my current coverage? Are there enough doctors to see me? What's in this for me? What should I expect to pay? Do I have to buy health insurance? What if I can't afford a premium? Will health care be rationed? Will it cover family planning and abortion? Are illegal immigrants covered? What will happen to medicare? Will the government force me to talk to my doctor about how I want to die? Shouldn't health care reform wait until the economy improves?

Committee Print July 31, 2009

The Obama Plan: Stability & Security For All Americans

"I suffer no illusions that this will be an easy process. It will be hard. But I also know that nearly a century after Teddy Roosevelt first called for reform, the cost of our health care has weighed down our economy and the conscience of our nation long enough. So let there be no doubt: health care reform cannot wait, it must not wait, and it will not wait another year."

– President Barack Obama, February 24, 2009

Then: “Economic Bill of Rights”

It is our duty now to begin to lay the plans and determine the strategy for the winning of a lasting peace and the establishment of an American standard of living higher than ever before known. We cannot be content, no matter how high that general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth—is ill-fed, ill-clothed, ill-housed, and insecure.

This Republic had its beginning, and grew to its present strength, under the protection of certain inalienable political rights—among them the right of free speech, free press, free worship, trial by jury, freedom from unreasonable searches and seizures. They were our rights to life and liberty.

As our nation has grown in size and stature, however—as our industrial economy expanded—these political rights proved inadequate to assure us equality in the pursuit of happiness.

In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all—regardless of station, race, or creed.

All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.

America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens.

FDR, Message to Congress on the State of the Union, January 11, 1944

Now: Second Bill of Rights

What is the "Second Bill of Rights?"; The idea, that seems to be forming as part of the Barack Obama Agenda of redistributing wealth, was first articulated by none other than President Franklin Roosevelt during his 1944 State of the Union Address. . . .

But the "Second Bill of Rights" are "positive rights," things that the government must give one. Jobs, education, health care, housing, and so on are not things that people have the right to acquire by their own effort. Government must give people these things. There are two problems with this. Jobs, education, health care, housing, and so on cost money. Governments, by their nature, cannot create wealth necessary to provide such things. To get the money necessary, governments must take it away from other people which it deems to have too much of it. On other words, redistribution or "spreading" the wealth. And no one has the right to keep their wealth if the government wants to use it for its own purpose. Second, the very idea of a "Second Bill of Rights" means that there are no God given or natural rights, but simply rights that the government grants or takes away according to its own convenience and whim.

Thus the implementation of a "Second Bill of Rights" implies a complete reversal of the founding philosophy of the United States, that government should be limited and have only those powers that the people are willing to grant it. Instead, government and not the people is all powerful and people only have the rights that government wills to grant them. That is the future that we face should Barack Obama become President with huge majorities in the House and Senate.

Associated Content: October 28, 2008

Then: Was the New Deal a Success? *A view from the left*

[*The Communist International*, January 15, 1934. Pp. 75-80]

SITUATION IN THE UNITED STATES OF AMERICA

(*Speech of EARL BROWDER at the Thirteenth Plenum of the E. C. C. I.*)

The situation of the United States confirms most strikingly the correctness of the draft thesis before us, when it speaks of "the tremendous strain of the internal antagonism . . . as well as of the international antagonisms". The policies of the Roosevelt administration, known as the "New Deal", called into being by the crisis and by these "tremendous strains", have by no means softened these strains and antagonisms, but on the contrary have intensified them. Precisely the period of the Roosevelt regime has marked not alone the sharpening of the international relations of the U. S., but also the internal class relations.

Serial Set 11907 H.r.p.2244 May 29, 1956

Then: Was the New Deal a Success? *A view from the right*

Five years from now we will have a greater prosperity in this country than was ever dreamed of, and we are on our way; we are not turning back, and I think that you gentlemen in this Congress, the Seventy-third Congress, when history will have been written 200 years from now, will go down more famous perhaps than the First Congress of the United States.

Hearing 1934

Although he supported the economic policies of President Roosevelt in the first years of the New Deal, Father Coughlin openly broke with the President by early 1935. The split occurred over Father Coughlin's championing of the remonetization of silver, opposed by President Roosevelt, and over the Administration's proposal that the United States join the World Court, which Father Coughlin viewed as a tool of international bankers.²³³ In 1936, he became an active partisan in the Presidential election campaign, and a major adversary of President Roosevelt, by endorsing the Union Party candidacy of William Lemke, a Representative from North Dakota.²³⁴

CRS Report January 2, 1992

Was the New Deal a Success? *Modern views*

- On balance, the New Deal enjoyed some notable accomplishments, even if it failed to promote full-scale economic recovery.
- Now, the unemployment rate in the New Deal period fell from 25 percent to just under 10 percent by 1936. It then jumped back up again in the recession and was brought down again as Roosevelt relaunched the New Deal -- back down below 9 percent, again, before the start of the war. That's a dramatic accomplishment in the face of an extremely serious situation that he started with.
- Much of the New Deal involved the creation of comprehensive social insurance and the construction of institutions for collective action, including trade unions. The employment effects of New Deal policies have been under-rated and mis-stated in much recent work, in part because of a widespread misreading of the statistics.
- I think there is somewhat more than a grain of truth in the claim that much of the New Deal, especially its structural interventions in the economy, was ineffective and neutral as far as its impact on recovery from the Great Depression was concerned. And there is a grain of truth in the claim that some of it was counterproductive.

Hearing Mar. 31, 2009

Looking back... Looking forward

I will argue that the New Deal wasn't a good deal. No amount of more government spending, more profligate spending was going to get us out of the Great Depression. If you look at the data, there is no Keynesian approach in free market history that you can demonstrate that prevailed or produced a positive result.

Rep Steve King (R-Iowa)



The Progressive Caucus is the body of people here in the Congress who stand by the idea that the civil rights movement was a great moment in American history, that FDR and the New Deal was another great moment in American history and that the steps forward to end slavery was a great moment in American history. And yet the greatest moments of American history have not yet been written but are really still in front of us.

Rep. Keith Ellison (D-Minn)

Congressional Record April 2 and July 23, 2009

Questions?

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