

Opposition to the New Deal

The New Deal was not universally supported, and there was opposition to it from a variety of sources. Some came from political quarters; Republicans could be expected to oppose as a matter of course. One major adversary was ex-president Hoover, who was bitter about losing in 1932. There was opposition from the states, the Supreme Court and Congress, based on the powers given to them under the Constitution. The US Constitution is very clear on what the federal government can and cannot do.

- The individual states were expected to play the major governing role in the lives of US citizens. Issues such as education, welfare and any form of regulation in economic life were expected to be the responsibility of a state. State assemblies and their governors tended not to like taking orders from Washington, DC, which could be well over 1600 km (1000 miles) away and unaware of local feelings and issues.
- Congress, consisting of the Senate and the House of Representatives, can impose legislation on an unwilling president, block any legislation he might want by a simple majority in either House, block or amend his budget and reject any of his appointments to the Cabinet. However, for much of the New Deal period Congress was not a huge barrier to Roosevelt's wishes, as the president's policies proved to be enormously popular.
- The federal judiciary, with the Supreme Court at its head, deals with all matters linked to the federal government and Congress. The Supreme Court can examine an act of Congress and decide whether that act is constitutional. If the court decides that the act is not in accordance with the principles of the Constitution, the act can be struck down. The Supreme Court also has the power of **judicial review**. However, the Supreme Court cannot itself initiate the process of declaring an act or action invalid: it is purely an appeal court, so it has to wait until somebody appeals a case to it, which can take time. This is why it was not until 1935 that the Supreme Court proved to be a major obstacle to the New Deal.

Some opposition came from the left, which argued that Roosevelt was not nearly radical enough in terms of his legislation and spending. Some wanted much greater investment in welfare; others were keener on creating equality. Some argued for greater power for unions (which were often bitterly divided amongst themselves about what their objectives should be). Some opponents, such as Huey Long, were **demagogues** out for power and influence for themselves; others were utopians hoping to create a better world. One advantage that Roosevelt had was that there was little or no unity or common aim from his opponents on the left, and a 'divide and rule' policy could work. However, the left influenced Roosevelt's thinking and played a part in the welfare focus of the Second New Deal and in his campaign for re-election in 1936.

Note:

Roosevelt had to be cautious about offending the major figures in Congress, as Congress had the ability to do serious harm to his programme.

judicial review

The power of a court to review the legality of actions by a legislature or government body.

demagogues

Leader who have mass appeal and often try to stir up the public to win votes.

Other opponents came from the right of the political spectrum. Some were hostile to what they perceived as an unjust attack on their wealth. Others felt that Roosevelt was aiming at a type of dictatorship, and he was **undermining** the Constitution of the United States. There were strong **conservative forces** that did not like the idea of the government getting involved in areas such as business. Businessmen did not like their profits being taxed or being ordered to pay their workers a minimum wage. The impact of the opposition from the right is more difficult to measure, but it would certainly play a role in ensuring that little of a radical nature occurred after Roosevelt's second term of office.

Opposition from the Supreme Court

The Supreme Court has the ability to declare any act of Congress unconstitutional and stop it operating. The court is made up of nine judges that are **appointed** for life, and it is virtually impossible to remove them. When there is a vacancy because a justice (judge) has either died or retired, the president can nominate a successor but the Senate has to approve the appointment. All the nine judges in 1933 had been appointed by Roosevelt's predecessors, and he had no means of influencing them in any way. It is not unusual for the Supreme Court to take decisions that have enormous impact on the United States. For example, in the 1857 *Dred Scott v Sandford* case (see page 26) the Supreme Court upheld the rights of slave owners over their slaves, and this played a part in the causes of the US Civil War.

There is a tradition of litigation in the United States: if someone does not like a decision, then they can take the issue to court to challenge it. If they do not like the decision they get there, they can appeal against it to the very highest court. This is precisely what happened to aspects of the New Deal. The *Schechter Case* illustrates this well.

In the 1935 *Schechter Poultry Corp v United States* case, often known as the 'Sick Chicken Case', the owners of a chicken company that slaughtered and processed chickens were fined and imprisoned for not following the regulations laid down by the National Industrial Recovery Act. They appealed, and the Supreme Court ruled that the federal government did not have the power under the Constitution to make such regulations. Effectively, the Supreme Court struck down the National Industrial Recovery Act and its administration. It was a major blow to the whole New Deal. Further Supreme Court decisions struck down the AAA and 11 other New Deal acts. However, the opposition from the Supreme Court did not last long. In February 1936, it decided that the TVA and the National Labor Relations Act were constitutional.

Roosevelt made a mistake in his initial reaction to the Supreme Court's decisions to strike down some of the New Deal. He criticised the 'nine old men' who he thought wanted to take the USA back to the 'horse and buggy era' and who failed to support his attempts to bring relief to the unemployed and hungry. He tried to increase the number of judges so he could appoint

Note:

In the 1937 *Parrish* case, the Supreme Court upheld the ability of the government to regulate business, and the Supreme Court stopped being a major barrier to the New Deal.

those who might not vote to strike down the New Deal legislation. However, this angered both public opinion and Congress, which opposed any major change to a revered institution. Roosevelt had to back down. The tide turned in his favour by 1937 with justices retiring or changing their minds, so there was no further opposition from the Supreme Court.

Opposition from the left

There was a broad range of opponents to the New Deal and Roosevelt. They often had very different views from each other, so stood little chance of working together or actually attaining power in any way. However, in a variety of ways they still had an influence on the president and the New Deal. The main groups of the left were:

- **Liberal Republicans:** the two main parties in the United States, the Republicans and the Democrats, both represented a wide range of views on issues. Some Republicans were much less conservative than others, and the liberal Republicans did not like Roosevelt's very cautious monetary policy. They felt that he was putting too little money into the economy, and wanted the government to spend much more money to stimulate the economy. It was helpful to Roosevelt to have his main opposition party divided over this issue, as many other Republicans wanted the government to spend a lot less money and balance the budget.
- **Intellectuals and academics:** many intellectuals from the universities wanted Roosevelt to expand the role of the government. They thought the government should regulate economic life to a far greater extent, including areas such as utilities and banking.
- **The Communist Party:** although other countries that suffered mass unemployment in the Great Depression were drawn to communism, in the USA the Communist Party remained small and isolated. Communism was regarded by the vast majority of Americans as dangerous and 'un-American'. Communist ideas did not sit well with the American tradition of 'rugged individualism' and free enterprise.

Note:

Communism was never a serious influence or threat in the United States, but there was always a concern that if the economy was to collapse totally, many might find communist ideas appealing.

Figure 5.9 Women demonstrate in Boston for the American Communist Party and better working hours



- **The Old Age Pension movement:** this movement was led by **Dr Francis Townsend**, and proposed giving all those over 60 a pension of \$150 a month (later \$200). The pension would be paid for by the federal government imposing a tax on the sale of all goods. This would stop those over 60 having to work, freeing up jobs for the young, and would also pump a great deal more money into the economy. The organisation he set up to promote this quickly rose to 5 million members. There was also a 20-million strong petition by the movement's supporters to Roosevelt during the course of the Second New Deal, which played a part in influencing Congress to pass the Social Security Act.
- **Father Coughlin:** Charles Coughlin was a Roman Catholic priest who had initially been a supporter of the New Deal. By 1934, however, he felt that Roosevelt was not being nearly radical enough and he became a strong critic. He founded the National Union for Social Justice in 1934, which allegedly had over 8 million members. The government could not ignore Coughlin as he had a huge following in the Northern industrial cities and the Midwest, areas vital for Roosevelt's re-election. Coughlin was a brilliant organiser, journalist and speaker on the radio. By 1936 his radio programme had an estimated weekly audience of over 30 million, and he was getting up to 80,000 letters of support every week. There was little religious content in his broadcasts, which mainly advocated a huge programme of nationalisation of major industries, wider state control of economic life and many more rights to workers. He became a bitter critic of Roosevelt, saying he should follow a programme similar to that adopted by Mussolini in Italy and Hitler in Germany. Coughlin also became very anti-Semitic. In the end, Roosevelt was able to stop Coughlin broadcasting.
- **Huey Long:** like Coughlin, Long was an early supporter of the New Deal but soon turned against Roosevelt and the New Deal for not being radical enough. He founded his 'Share our Wealth' Society in 1934, which proposed heavy taxation of the rich, old age pensions and a grant of \$500 for each family, in addition to huge public works to create employment and much greater spending on education and welfare. An outstanding speaker who became a senator in 1932 and enjoyed widespread public support, Long was seen by Roosevelt as a real challenge.

The death of Huey Long removed the most serious threat to Roosevelt and the New Deal from the left. These forces were certainly an influence in keeping Roosevelt's focus on the welfare aspect of the New Deal. Perhaps more importantly, they persuaded Congress to pass the legislation and may have influenced the opinions of the Supreme Court justices.

Key figures

Dr Francis Townsend (1867–1960)

A retired doctor, Townsend was appalled by the way in which poverty affected the elderly. His attempt to get involved in politics in 1936 failed totally, but it did show the power of public opinion.



Huey Long (1893–1935)

Governor and then senator for Louisiana, Long was a powerful speaker feared for his forceful, populist tendencies. He could have been a serious threat to Roosevelt's re-selection but he was assassinated by a man named Dr. Carl Weiss in 1935.



Opposition from the right

Unlike opposition from the left, there were no clearly identifiable figures who 'led' from the right. Opponents from the right included:

- **Republicans:** as mentioned earlier, the Republican Party was not always totally hostile to the New Deal. Its more liberal elements were in favour of developments such as the TVA and wanted the government to spend more money. However, a substantial group of Republicans, led particularly by former president Hoover, were fundamentally opposed to the New Deal. Hoover argued strongly that Roosevelt was taking on 'dictatorial' powers and involving the government far too much in the management of the economy. Fortunately for Roosevelt, this group was not initially strong in Congress.
- **Democrats:** members of the Democratic Party came to Washington, DC, from all over the United States, and represented very different interests and ideas. While some came from heavily industrialised states such as Michigan, or from urban, liberal, often immigrant-dominated states such as Massachusetts, others came from deeply conservative, largely rural and often quite racist states such as Mississippi. The senators and representatives from many of the Southern states tended to be frequently re-elected, and consequently wielded great power in Congress. They were therefore in a position to either ignore Roosevelt's ideas or to join up with the more conservative Republicans and prevent much in the way of innovation after 1936 in terms of New Deal legislation.

Overall, the opposition from the right, like the opposition from the left, was often divided and encompassed very different aims and objectives. However, after 1936 this opposition became increasingly effective in stopping Roosevelt from doing what he wanted to do and not giving him the authority to carry out his wishes effectively. An unofficial 'conservative coalition' would form a serious obstacle to any further radical changes, as this group had powerful components:

- Southern Democrats in Congress
- Republicans in Congress and state governors and legislatures
- a middle class largely unaffected by the Great Depression, who were frightened of trade union power, wage rises for their employees, reduced profits, regulation, higher taxes and lower dividends, and what they saw as too much support for African-American people.

Opposition from institutions

The New Deal constituted a significant change to the role of the government, introducing regulation of, and intervention in, aspects of society that had largely been left to run according to free market and individualist principles. Institutions such as business, the press and the trade unions offered varying degrees of opposition to Roosevelt's plan:

- **Business, stockbrokers and the big banks:** inevitably, big business and the banks and those involved in the stock markets in the United States resisted and then opposed many aspects of the New Deal. They did not like the way in which Roosevelt and the many New Dealers blamed them for causing the crisis. They felt that the New Deal **violated** their freedoms and prevented them from making profits; in their opinion, it was anti-capitalist, hindered business and probably did a lot more harm than good. They blamed the rise in unemployment in 1937, when the economy declined, **on the New Deal** and they argued that it was causing a **lack of business confidence** and was directly responsible for stopping investment. Any organisation or person that might oppose Roosevelt – such as Alf Landon and some key senators and governors – received a great deal of financial support from this group.

The New Deal is nothing more or less than an effort sponsored by inexperienced sentimentalists and demagogues to take away from the thrifty what the thrifty and their ancestors have saved and give it to others who have not earned it ... And thus indirectly destroy the incentive for all future accumulation. Such a purpose is in defiance of all the tenets (basis) on which our civilisation has been founded.

Pamphlet from the American Liberty League (founded by businessmen opposed to the New Deal), 1935.

- **Trade unions:** some trade unions were great supporters of Roosevelt and the New Deal. Others were not supportive and resented the government intervening in issues such as hours and wages, which they felt was their role. Naturally, this group did not get on well with business, so there was quite a degree of division within the opposition from institutions.
- **Press:** much of the press, both local and national, was highly supportive of Roosevelt in 1932. However, by 1935 a significant proportion of the newspapers, which were very influential in the USA at the time, began to oppose the New Deal. They accused Roosevelt and the government of taking on unprecedented powers and making decisions that were not in the best interests of the United States and its economic recovery.

Questions

- 1 Why was the Supreme Court able to stop New Deal measures?
- 2 To what extent was Congress the main obstacle to both the First and Second New Deals?