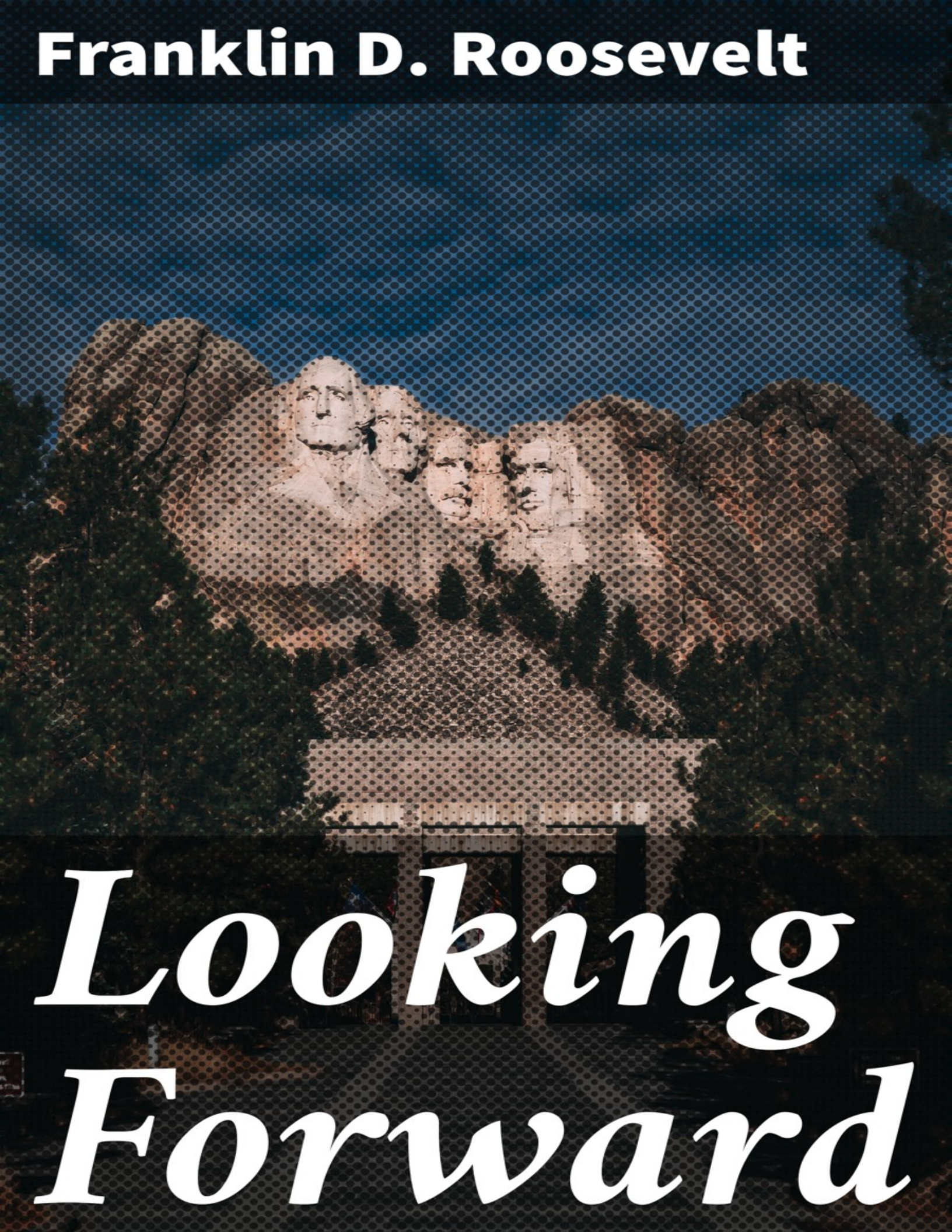
Franklin D. Roosevelt



# Looking Forward

**Franklin D. Roosevelt**

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# INTRODUCTION

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This is essentially a compilation from many articles written and speeches made prior to March 1, 1933. I have added parts which bind the material together as a whole.

In the comments to follow I speak not of politics, but of government; not of parties, but of universal principles. They are not political except in that large sense in which a great American once expressed a definition of politics—that nothing in all human life is foreign to the science of politics.

The quality of national politics, viewed as a science which is capable of affecting for the better the lives of the average man and woman in America, is the concern of national leadership—particularly in such years as these, when the hand of discouragement has fallen upon us, when it seems that things are in a rut, fixed, settled, that the world has grown old and tired and very much out of joint. That is the mood of depression, of dire and weary depression which, if the quality of our political leadership is right, should vanish so utterly that it will be difficult to reconstruct the mood.

Everything tells us that such a philosophy of futility is wrong. America is new. It is in the process of change and development. It has the great potentialities of youth. But youth can batter itself to death against the stone wall of political and governmental ineptitude.

That our government has been created by ourselves, that its policies and therefore many of its detailed acts have been ordered by us, is obvious. It is just as true that our interest in government is a self-interest, though it cannot be

called selfish, for when we secure an act of government which is helpful to ourselves it should be helpful to all men. Until we look about us we are likely to forget how hard people have worked for the privilege of government.

Good government should maintain the balance where every individual may have a place if he will take it, where every individual may find safety if he wishes it, where every individual may attain such power as his ability permits, consistent with his assuming the accompanying responsibility.

The achievement of good government is therefore a long, slow task. Nothing is more striking than the simple innocence of the men who insist, whenever an objective is present, on the prompt production of a patent scheme guaranteed to produce a result.

Human endeavour is not so simple as that. Government includes the art of formulating policies and using the political technique to attain so much of them as will receive general support; persuading, leading, sacrificing, teaching always, because perhaps the greatest duty of statesmanship is to educate.

We must build toward the time when a major depression cannot occur again; and if this means sacrificing the easy profits of inflationist booms, then let them go—and good riddance.

Our recent experiences with speculation have distorted the perspective of many minds. A whole generation had gone mad over that word co-operation; there had been many conferences of this and of that industry, trade papers, codes of ethics, red-fire and “pep talks”—all aimed to build

up sales and more production. What had been lacking was the kind of planning which would prevent and not stimulate overproduction. It is natural that in the minds of many, first one plan of action and then another seemed of paramount importance. It is natural that the scrapping of industries, and even institutions which seemed the bulwarks of our strength, bewildered even those who had heretofore been able to find in past history practical suggestions for present action. It would be natural, when such experience seemed to contribute nothing, that the great social phenomenon of this depression would produce disorderly manifestations. Yet wild radicalism has made few converts, and the greatest tribute I can pay my countrymen is that in these days of crushing want, there persists an orderly and hopeful spirit on the part of the millions of our people who have suffered so much. To fail to offer them a new chance is not only to betray their hopes but to misunderstand their patience.

To meet by reaction that danger of radicalism is to invite disaster. It is a challenge, a provocation. The way to meet that danger is to offer a workable programme of reconstruction. This, and this only, is a proper protection against blind reaction on the one hand and improvised hit-or-miss, irresponsible opportunism on the other.

My party is neither new nor untried. My national leadership of it is new to the extent that within the party it legally dates, if that term may be used, from the moment its delegates, in convention assembled, nominated me for the Presidency. But a new man in that leadership should not mean an untried concept of policies; they must be firmly rooted in the governmental experience of the past.

Federalism, as Woodrow Wilson so wisely put it, was a group “possessed of unity and informed by a conscious solidarity of interest.” It was Jefferson’s purpose to teach the country that the solidarity of Federalism was only a partial one, that it represented only a minority of the people and that to build a great nation the interests of all groups in every part must be considered. He has been called a politician because he devoted years to the building of a political party. But his labour was in itself a definite and practical contribution to the unification of all parts of the country in support of common principles. When people carelessly or snobbishly deride political parties, they overlook the fact that the party system of government is one of the greatest methods of unification and of teaching people to think in common terms of our civilisation.

We have in our own history three men who chiefly stand out for the universality of their interest and of their knowledge—Benjamin Franklin, Thomas Jefferson and Theodore Roosevelt. All three knew at first hand every cross-current of national and of international life. All three were possessed of a profound culture in the best sense of the word, and yet all three understood the yearnings and the lack of opportunity—the hopes and fears of millions of their fellow-beings. All true culture finally comes down to an appreciation of just that.

And of the three, I think that Jefferson was in many ways the deepest student—the one with the most inquiring and diversified intellect and, above all, the one who at all times looked the farthest into the future, examining the ultimate effects on humanity of the actions of the present.

Jefferson’s methods were usually illustrative of government based upon a universality of interest. I can picture the weeks on horseback when he was travelling into the different states of the Union, slowly and laboriously accumulating an understanding of the people of his country. He was not only drinking in the needs of the people in every walk of life, but he was also giving to them an understanding of the essential principles of self-government.

Jefferson was so big in mind and spirit that he knew the average man would understand when he said, “I shall often go wrong through defective judgment. And when right, I shall be thought wrong by those whose positions will not command a view of the whole ground. I ask your support against the errors of others who may condemn what they would not, if seen in all the parts.”

I shall not speak of an economic life completely planned and regulated. That is as impossible as it is undesirable. I shall speak of the necessity, wherever it is imperative that government interfere to adjust parts of the economic structure of the nation, that there be a real community of interest—not only among the sections of this great country, but among the economic units and the various groups in these units; that there be a common participation in the work of remedial figures, planned on the basis of a shared common life, the low as well as the high. On much of our present plans there is too much disposition to mistake the part for the whole, the head for the body, the captain for the company, the general for the army. I plead not for a class control, but for a true concert of interests.

The plans we make during the present emergency, if we plan wisely and rest our structure upon a base sufficiently broad, may show the way to a more permanent safeguarding of our social and economic life, to the end that we may in a large measure avoid the terrible cycle of prosperity crumbling into depression. In this sense I favour economic planning, not for this period alone, but for our needs for a long time to come.

If Jefferson could return to our councils he would find that while economic changes of a century have changed the necessary methods of government action, the principles of that action are still wholly his own. He laboured for a widespread concert of thought, capable of concert of action, based on a fair and just concert of interests. He laboured to bring the scattered farmers, the workers, the business men into a participation in national affairs. This was his purpose and this is the principle upon which the party he founded was based. It should now present itself as an agency of national unity.

Faith in America, faith in our tradition of our personal responsibility, faith in our institutions, faith in ourselves, demands that we recognise the new terms of the old social contract. In this comment I outline my basic conception of these terms, with the confidence that you will follow the action of your new national administration, understanding that its aims and objects are yours and that our responsibility is mutual.

Franklin D. Roosevelt.

*March 1, 1933.*

# REAPPRAISAL OF VALUES

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# CHAPTER ONE

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The issue of government has always been whether individual men and women will have to serve some system of government or economics, or whether a system of government and economics exists to serve individual men and women.

This question has persistently dominated the discussions of government for many generations. On questions relating to these things men have differed, and from time immemorial it is probable that honest men will continue to differ.

The final word belongs to no man; yet we can still believe in change and progress. Democracy, as Meredith Nicholson has called it, is a quest, a never-ending seeking for these things and striving for them. There are many roads to follow. If we take their course we find there are only two general directions in which they lead. The first is toward government for the benefit of the few, the second is toward government for the benefit of the many.

The growth of the national governments of Europe was a struggle for the development of a centralised force in the nation, strong enough to impose peace upon ruling barons. In many instances the victory of the central government, the creation of a strong central government, was a haven of refuge to the individual. The people preferred the great master far away to the exploitation and cruelty of the smaller master near at hand.

But the creators of national government were perforce ruthless men. They were often cruel in their methods, though they did strive steadily toward something that society needed and very much wanted—a strong central State, able to keep the peace, to stamp out civil war, to put the unruly nobleman in his place and to permit the bulk of individuals to live safely.

The man of ruthless force had his place in developing a pioneer country, just as he did in fixing the power of the central government in the development of the nations. Society paid him well for his services toward its development. When the development among the nations of Europe, however, had been completed, ambition and ruthlessness, having served its term, tended to overstep the mark.

There now came a growing feeling that government was conducted for the benefit of the few who thrived unduly at the expense of all. The people sought a balancing—a limiting force. Gradually there came through town councils, trade guilds, national parliaments, by constitutions and popular participation and control, limitations on arbitrary power. Another factor that tended to limit the power of those who ruled was the rise of the ethical conception that a ruler bore a responsibility for the welfare of his subjects. The American colonies were born during this struggle. The American Revolution was a turning point in it. After the Revolution the struggle continued and shaped itself into the public life of this country.

There were those who, because they had seen the confusion which attended the years of war for American

independence, surrendered to the belief that popular government was essentially dangerous and essentially unworkable. These thinkers were, generally, honest and we cannot deny that their experience had warranted some measure of fear.

The most brilliant, honest and able exponent of this point of view was Hamilton. He was too impatient of slow-moving methods. Fundamentally, he believed that the safety of the Republic lay in the autocratic strength of its government, that the destiny of individuals was to serve that government and that a great and strong group of central institutions, guided by a small group of able and public-spirited citizens, could best direct all government.

But Jefferson, in the summer of 1776, after drafting the Declaration of Independence, turned his mind to the same problem and took a different view. He did not deceive himself with outward forms. Government with him was a means to an end, not an end in itself; it might be either a refuge and a help or a threat and a danger, depending on the circumstances. We find him carefully analysing the society for which he was to organise a government:

“We have no paupers—the great mass of our population is of labourers, our rich who cannot live without labour, either manual or professional, being few and of moderate wealth. Most of the labouring class possess property, cultivate their own lands, have families and from the demands for their labour are enabled to extract from the rich and the competent such prices as enable them to feed abundantly, clothes above mere decency, to labour moderately and raise their families.”

These people, he considered, had two sets of rights, those of “personal competency” and those involved in acquiring and possessing property. By “personal competency” he meant the right of free thinking, freedom of forming and expressing opinions and freedom of personal living, each man according to his own lights.

To ensure the first set of rights a government must so order its functions as not to interfere with the individual. But even Jefferson realised that the exercise of the property rights must so interfere with the rights of the individual that the government, without whose assistance the property rights could not exist, must intervene, not to destroy individualism, but to protect it.

We are familiar with the great political duel which followed; and how Hamilton and his friends, building toward a dominant, centralised power, were at length defeated in the great election of 1800 by Jefferson’s party. Out of that duel came the two parties, Republican and Democratic, as we know them to-day.

So began, in American political life, the new day, the day of the individual against the system, the day in which individualism was made the great watchword in American life. The happiest of economic conditions made that day long and splendid. On the Western frontier land was substantially free. No one who did not shirk the task of earning a living was entirely without opportunity to do so. Depressions could, and did, come and go; but they could not alter the fundamental fact that most of the people lived partly by selling their labour and partly by extracting their livelihood from the soil, so that starvation and dislocation

were practically impossible. At the very worst there was always the possibility of climbing into a covered wagon and moving West, where the untilled prairies afforded a haven for men to whom the East did not provide a place.

So great were our natural resources that we could offer this relief not only to our own people, but to the distressed of all the world. We could invite immigration from Europe and welcome it with open arms.

When a depression came a new section of land was opened in the West. This became our tradition. So even our temporary misfortune served our manifest destiny.

But a new force was released and a new dream created in the middle of the nineteenth century. The force was what is called the industrial revolution, the advance of steam and machinery and the rise of the forerunners of the modern industrial plant. The dream was that of an economic machine, able to raise the standard of living for everyone; to bring luxury within the reach of the humblest; to annihilate distance by steam power and later by electricity, and to release everyone from the drudgery of the heaviest manual toil.

It was to be expected that the force and the dream would necessarily affect government. Heretofore, government had merely been called upon to produce conditions within which people could live happily, labour peacefully and rest secure. Now it was called upon to aid in the consummation of this new dream. There was, however, a shadow over it. To make the dream real required use of the talents of men of tremendous will and tremendous ambition, since in no other

way could the problems of financing and engineering and new development be met.

So manifest were the advantages of the machine age, however, that the United States fearlessly, cheerfully and, I think, rightly accepted the bitter with the sweet. It was thought that no price was too high for the advantages which we could draw from a finished industrial system.

The history of the last half-century is accordingly in large measure a history of financial titans, whose methods were not scrutinised with too much care and who were honoured in proportion as they produced the results, irrespective of the means they used. The financiers who pushed the railways to the Pacific, for example, were always ruthless, often wasteful and frequently corrupt, but they did build railways and we have them to-day. It has been estimated that the American investor paid for the American railway system more than three times over in the process, but despite this fact the net advantage was to the United States.

As long as we had free land, as long as population was growing by leaps and bounds, as long as our industrial plants were insufficient to supply our own needs, society chose to give the ambitious man free play and unlimited reward, provided only that he produced the economic plant so much desired.

During the period of expansion there was equal economic opportunity for all, and the business of government was not to interfere but to assist in the development of industry. This was done at the request of the business men themselves. The tariff was originally imposed for the purpose of

“fostering our infant industry,” a phrase which the older among our readers will remember as a political issue not so long ago.

The railways were subsidised, sometimes by grants of money, oftener by grants of land. Some of the most valuable oil lands in the United States were granted to assist the financing of the railway which pushed through the South-west. A nascent merchant marine was assisted by grants of money or by mail subsidies, so that our steam shipping might ply the seven seas. . . .

We do not want the government in business. But we must realise the implications of the past. For while it has been American doctrine that the government must not go into business in competition with private enterprises, still it has been traditional for business to urgently ask the government to put at private disposal all kinds of government assistance.

The same man who says he does not want to see the government interfere in business—and he means it and has plenty of good reasons for saying so—is the first to go to Washington to ask the government for a prohibitory tariff on his product. When things get just bad enough—as they did in 1930—he will go with equal speed to the United States Government and ask for a loan. And the Reconstruction Finance Corporation is the outcome of that.

Each group has sought protection from the government for its own special interests without realising that the function of government must be to favour no small group at the expense of its duty to protect the rights of personal freedom and of private property of all its citizens.

In retrospect we can see now that the turn of the tide came with the turn of the century. We were reaching our last frontier then; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the State.

Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living. In that hour our anti-trust laws were born.

The cry was raised against the great corporations. Theodore Roosevelt, the first great Republican Progressive, fought a Presidential campaign on the issues of “trust-busting” and talked freely about malefactors of great wealth. If the government had a policy it was rather to turn the clock back, to destroy the large combinations and to return to the time when every man owned his individual small business. This was impossible. Theodore Roosevelt, abandoning his idea of “trust-busting,” was forced to work out a difference between “good” trusts and “bad” trusts. The Supreme Court set forth the famous “rule of reason” by which it seems to have meant that a concentration of industrial power was permissible if the method by which it got its power and the use it made of that power were reasonable.

The situation was seen more clearly by Woodrow Wilson, elected in 1912. Where Jefferson had feared the encroachment of political power on the lives of individuals, Wilson knew that the new power was financial. He saw, in the highly centralised economic system, the despot of the

twentieth century, on whom great masses of individuals relied for their safety and their livelihood, and whose irresponsibility and greed (if it were not controlled) would reduce them to starvation and penury.

The concentration of financial power had not proceeded as far in 1912 as it has to-day, but it had grown far enough for Wilson to realise fully its implications. It is interesting now to read his speeches. What is called “radical” to-day (and I have reason to know whereof I speak) is mild compared to Wilson’s Presidential campaign.

“No man can deny,” he said, “that the lines of endeavour have more and more narrowed and stiffened; no man who knows anything about the development of industry in this country can have failed to observe that larger kinds of credit are more and more difficult to obtain unless you obtain them upon terms of uniting your efforts with those who already control the industry of the country, and nobody can fail to observe that every man who tries to set himself up in competition with any process of manufacture which has taken place under the control of large combinations of capital will presently find himself either squeezed out or obliged to sell and allow himself to be absorbed.”

Had there been no World War—had Wilson been able to devote eight years to domestic instead of international affairs—we might have had a wholly different situation at the present time. However, the then distant roar of European cannon, growing ever louder, forced him to abandon the study of this issue. The problem he saw so clearly is left with us as a legacy; and no one of us of

whatever political party can deny that it is a matter of grave concern to the government.

Even a glance at the situation to-day only too clearly indicates that equality of opportunity as we have known it no longer exists. Our industrial plant is built. That hardly requires more proof than we see about us constantly. Nevertheless, let us look at the recent history and the simple economics, the kind of economics that you and I and the average man and woman talk.

In the years before 1929 we know that this country had completed a vast cycle of building and inflation; for ten years we expanded on the theory of repairing the wastes of the war, but actually expanded far beyond that, and also far beyond our natural and normal growth. During that time the cold figures of finance prove there was little or no drop in the prices the consumer had to pay, although those same figures prove that the cost of production fell very greatly; corporate profit resulting from this period was enormous; at the same time little of the profit was devoted to the reduction of prices. The consumer was forgotten. Little went into increased wages; the worker was forgotten, and by no means an adequate proportion was paid out in dividends—the stockholder was forgotten.

Incidentally, very little was taken by taxation to the beneficent government of those days.

What was the result? Enormous corporate surpluses piled up—the most stupendous in history. These surpluses went chiefly in two directions: first, into new and unnecessary plants, which now stand stark and idle; second, into the call