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## FDR's Lessons for Obama

By David M. Kennedy

Alas for countless pundits and inspirational speakers, it is apparently not the case that the Chinese word for *crisis* is spelled by joining the characters for *danger* and *opportunity*. But that common fallacy nevertheless captures an important metaphorical truth: whatever the perils it brings with it, a crisis can be a grand opportunity. Among those who have understood that truth was Franklin D. Roosevelt.

Writing to his fellow Democrats in the 1920s, Roosevelt noted that their party could not hope to return to power until the Republicans led the nation "into a serious period of depression and unemployment." The Great Depression soon brought a far longer and deeper period of woe than F.D.R. foresaw. But the crisis of the 1930s also provided an object lesson in the relationship between economic danger and political opportunity — a lesson Barack Obama is now trying to follow. Obama, too, came to office in the midst of an economic crisis, and in the solutions he has offered, it appears he has often looked to the example of F.D.R., whose presidency — and the very idea of activist government that it represents — is very much back in the public mind this year. Roosevelt pushed through policies that aimed not just to deal with the immediate challenge of the Great Depression but also to benefit generations of Americans to come. Pulling off a similar feat will require Obama to persuade Americans to see opportunities in the present crisis as well.

### A More Secure America

It's old news that F.D.R.'s New Deal did not end the Depression. On that score, there was little difference between Roosevelt and Herbert Hoover. But unlike Hoover, F.D.R. seized the occasion to shape a legacy of durable reforms. For that accomplishment — along with winning World War II — historians routinely rank him among the greatest Presidents.

So what did Roosevelt's greatness consist of, and how did he attain it?

Forget about the Hundred Days of 1933, the legendary crucible in which F.D.R.'s anti-Depression strategy was supposedly forged. The legislative frenzy of that fabled springtime gave a stricken nation a

valuable psychological boost, but many of its initiatives did not survive the Depression decade. F.D.R.'s greatest achievements came later. Their essence can be summed up in a single word: security.

All the major New Deal reforms that endured had a common purpose: not simply to end the immediate crisis of the Depression but also to make America in the future a less risky place, to temper for generations thereafter what F.D.R. called the "hazards and vicissitudes" of life. By creating the Federal Deposit Insurance Corporation (FDIC), the New Deal provided more confidence to bank depositors. With the Securities and Exchange Commission (SEC), it guaranteed more reliable information for investors. The Federal Housing Administration gave more protection to mortgage lenders and thus more options to home buyers. The National Labor Relations Board brought more stability to dealings between capital and labor. The Fair Labor Standards Act ensured more predictable wages for the most vulnerable workers. And Social Security offered at least a minimal safety net for both the unemployed and the elderly.

Those reforms constitute our most valuable heritage from the Depression era. Few of them generated any appreciable economic stimulus in the short run. But taken together, those measures laid the foundation for unprecedented economic growth and broadly shared prosperity in the years after World War II — an era that the novelist Philip Roth once aptly described as "the greatest moment of collective inebriation in American history."

### **A Postwar Roosevelt Boom**

Roosevelt's innovations dramatically changed the character of American society. They deeply shaped the life trajectory of the so-called Greatest Generation, as well as the fates of millions born well after the Depression passed. It was no coincidence that African-American aspirations for full citizenship, denied for a century, were substantially realized at last in that context of stable economic health and almost giddy national self-confidence. By any conceivable metric, the New Deal's reforms were a success, as gauged by the conspicuous upward social mobility of several postwar generations of both genders and all races and ethnicities.

With the exception of the FDIC, however, none of them dates from the Hundred Days, or even from 1933. Therein lies an important lesson. Had the Hundred Days swiftly brought about economic recovery, a return to business as usual might have meant politics as usual as well. In that scenario it is doubtful that any of those landmark reforms would have come to pass. Roosevelt, in short, understood the difference between the urgent and the important. He could hardly ignore the compelling need to steer the economy out of the Depression, but he refused to allow that task to deflect him from his more important objective of making American life less hazardous — and more inclusive — ever after. He aimed not merely to end the crisis at hand but to forestall similar calamities in the future, and thereby to build a country, as he once said, "in which no one is left out."

F.D.R. appreciated the irony that it was the Depression that made it possible for him to realize those larger objectives. It would be too much to say that he deliberately prolonged the crisis to preserve the possibilities for reform. But he candidly acknowledged the relationship between peril and progress in his second Inaugural Address, on Jan. 20, 1937. He began on that day by boasting of "our progress out of the Depression" and went

on to list several signs of returning prosperity.


But then he said something decidedly unusual in the canon of presidential addresses. "Such symptoms of prosperity," he warned, "may become portents of disaster!" Only then did he utter one of his most quoted and most misunderstood lines: "I see one-third of a nation ill housed, ill clad, ill nourished."

The address in its entirety makes it clear that when he spoke of that "one-third of a nation," F.D.R. was not referring primarily to the victims of the Great Depression, which he thought was ending. He was speaking, rather, about the accumulated social and human deficits spawned by more than a century of buccaneering, laissez-faire American capitalism — deficits that he considered not yet fully redeemed in 1937. Solving that problem was what he meant when he said in June 1936 that "this generation of Americans has a rendezvous with destiny."

Such rendezvous are rare in American history, and not without reason. As the historian Henry Adams wrote, among the founders of the Republic, the greatest fear "was power; not merely power in the hands of a president or a prince, of one assembly or several, of many citizens or few, but power in the abstract, wherever it existed and under whatever form it was known." That's why the framers of the Constitution constructed a political order based on "checks and balances." That arrangement has conspicuous virtues, but it also designs a measure of paralysis into the American political system. It impedes swift adjustment to changing economic and social realities. It sustains a chronic deadlock in which trauma and shock become the necessary preconditions for effective political action. To a degree not found in other political cultures, it forges a perverse partnership between danger and opportunity.

President Obama knows this. Asked by PBS news anchor Jim Lehrer in February if he did not feel burdened by the several crises now besetting the country, Obama noted that the moment "is full of peril but full of possibility" and that such times are "when the political system starts to move effectively."

Roosevelt could not have said it better. F.D.R. championed a long-deferred reform agenda that put security at its core. Obama wants to advance another set of reforms that have long been stalled. He has already used the crisis to propose new regulatory rules for the banking-and-finance industry. But there are many more objectives on the horizon. Universal health care was first advocated in the platform of Theodore Roosevelt's Progressive Party in 1912. A cogent energy policy has been pushed by every President since Richard Nixon, to no avail. Immigration begs for comprehensive rethinking, as do education, a host of environmental issues, and central tenets of national-security policy and military doctrine.

Like F.D.R., Obama must take measures to turn the economy around. If he doesn't, he'll go down in the history books as another Hoover. But to warrant comparison with Roosevelt, he will be judged not simply on whether he manages a rescue from the current economic crisis but also on whether he grasps the opportunity to make us more resilient to face those future crises that inevitably await us. 

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