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Lessons from FDR: When the Right Cries Wolf, Bite Back

Alf Landon, the Kansas governor running as the Republican Party's 1936 presidential candidate, called it a "fraud on the working man" and "a cruel hoax." *The New York Times*, in an editorial, said it was "ill-considered" and "very questionable." Harper Sibley, the president of the U.S. Chamber of Commerce, warned that it would result in "more unemployment in the future, killing the goose that lays the golden eggs."

Congressman John Taber, a Republican from New York, proclaimed that "Never in the history of the world has any measure been brought here so insidiously designed as to prevent business recovery, to enslave workers and to prevent any possibility of the employers providing work for the people." His New York colleague, GOP Congressman Daniel Reed, warned that if it passed "the lash of the dictator will be felt." The American Medical Association denounced it as a "compulsory socialistic tax." Silas Strawn, former president of both the American Bar Association and the U.S. Chamber of Commerce, described it as "economically preposterous and legally indefensible." It was, he said, part of President Franklin D. Roosevelt's attempt to "Sovietize the country."

What was this threat to American prosperity, freedom, and democracy they were all decrying? It was Social Security, which President Roosevelt signed into law on August 14, 1935 -- 75 years ago.

At the time, the opponents of Social Security were not right-wing lunatics (the Depression-era cousins of today's Tea Party), but rather the business establishment and the mainstream of the Republican Party.

In the early years of the Depression, more than half of America's elderly lived in poverty. But most business leaders and conservatives considered the very idea that government had a moral responsibility to help senior citizens retire with dignity to be outrageously radical, a dangerous trampling of individual liberty.

In addition to ideological objections, opponents had economic ones. They predicted that the new Social Security tax would bankrupt the country and make it impossible to bring the economy out of the recession. The powerful National Association of Manufacturers said the "so-called Social Security will mean industrial in-security." Senator Daniel Hastings (R-Del) predicted that Social Security would "end the progress of a great country and bring its people to the level of the average European."

Opponents argued that Social Security was impractical, utopian, un-American, radical, and socialistic.

As the former Governor of New York, Roosevelt knew that the chambers of commerce, manufacturers associations, and other business groups had opposed the most important pieces of social legislation on that state's books, including the factory inspection law (passed as a result of the 1911 Triangle Shirt Waist factory fire that killed 146 women), the law limiting the hours of labor for women to fifty-four a week, unemployment insurance, pensions for the elderly, and public works projects to put people back to work.

Once elected President, FDR viewed Social Security as part of his broader New Deal effort to humanize capitalism. Born to privilege, he understood that many business groups and wealthy people considered him a traitor to his class. They were, he thought, greedy, unenlightened, and on the wrong side of history. He was determined to take them on.

FDR anticipated the attacks on his Social Security proposal and outmaneuvered the opponents. He used his bully pulpit, including several "fireside chats" on the radio, to carefully explain why Social Security was a good idea and its the opponents were misguided.

"A few timid people, who fear progress, will try to give you new and strange names for what we are doing," he explain in his fireside chat in June 1934. "Sometimes they will call it "Fascism", sometimes "Communism", sometimes "Regimentation", sometimes "Socialism". But, in so doing, they are trying to make very complex and theoretical something that is really very simple and very practical. I believe in practical explanations and in practical policies. I believe that what we are doing today is a necessary fulfillment of what Americans have always been doing -- a fulfillment of old and tested American ideals."

In 1935, President Roosevelt and the Democratic majority in Congress enacted Social Security. Upon signing the legislation, FDR said: "We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age...It is, in short, a law that will take care of human needs and at the same time provide the United States an economic structure of vastly greater soundness."

Most Americans agreed. Running for re-election the next year, FDR beat Landon by a 60.8% to 36.6% landslide.

Today, Social Security insures families against the loss of income caused by retirement, disability, or death. Social Security

provides over \$600 billion in benefits to 51 million people. It lifts 20 million Americans -- including 14 million seniors -- out of poverty, according to a new [study by the Center on Budget and Policy Priorities](#).

One third of Social Security's beneficiaries collect survivors or disability insurance, keeping millions of families with a disabled or deceased breadwinner from becoming destitute. Over 3 million children are direct Social Security beneficiaries, while many others have an immediate family member who receives Social Security benefits.

Americans view Social Security as a central component of the nation's social contract. It is probably the most popular federal government program. Not surprisingly, when President George W. Bush tried to privatize Social Security -- essentially asking Americans to put the security of their future in the stock market -- the American people considered it a preposterous idea, especially as they watched thousands of Enron investors lose their savings, and saw the stock market lose 38% of its value between January, 2000 and October of 2002.

According to a national survey in June, 77% of Americans -- even 68% of Republicans -- believe that policymakers in Washington should "leave Social Security alone" and find other ways to reduce the deficit. The *New York Times*/CBS News survey in April found that 75% of Tea Party supporters favor social Security and Medicare. When they were asked to list America's most serious problem, Social Security didn't even register on their radar.

There are still a handful of Americans -- mostly right-wing ideologues -- who continue to bash Social Security. They dress up their arguments in different clothing, but their views haven't changed much from those of their counterparts 75 years ago. We can't afford Social Security, they say. It's going bankrupt. It will destroy our economy and our society.

America, one of the world's wealthiest nations, can certainly afford to provide an economic cushion for the elderly and disabled. By making some minor adjustments, Social Security will remain vital and solvent for this and future generations. Economists say that raising the income ceiling on the payroll tax (currently only the first \$106,800 of wage income is taxed), applying the Social Security tax to nonwage income, or adding a modest increase to the payroll tax could add decades to the health of the Social Security trust fund. According to economist Dean Baker, an increase in the payroll tax will easily be absorbed by rising average incomes. The latest report by the Trustees of the Social Security system calculates that -- because of health care reform -- average wages will increase by 22% over earlier projections.

In retrospect, it is obvious that Social Security's Depression-era opponents engaged in fear-mongering, not economic reality. Their opposition was based on a free-market fundamentalist ideology that abhorred any attempt by reformers to utilize government to improve American's living conditions, working conditions, or public health.

In 1936, Landon and the Republican Party made the repeal of Social Security the centerpiece of their campaign. This year, GOP candidates for Congress are calling for repeal of the health care reform law enacted in March, using much of the same rhetoric.

Just like the early battle over Social Security wasn't really about old-age insurance, current fights over public policy are really place-holders for broader concerns. They are about what kind of country we want to be and what values we consider most important.

Indeed, business groups, Republicans, and right-wing zealots today not only oppose health care reform, but also tougher financial regulations, stronger workplace safety laws, policies to limit climate change, labor law reform, higher taxes on the rich, extension of unemployment insurance to the long-term jobless, and even providing medical benefits to the cops, firefighters and other 9/11 first-responders. The issues vary, but mantra is the same: This liberal (fill-in-the-blank) policy will kill jobs, undermine the entrepreneurial spirit, and destroy freedom.

The success of Social Security teaches us two important lessons.

First, the White House and progressive activists should aggressively challenge business groups and their political and academic allies whenever they issue warnings about the awful disasters that will befall us if government protects consumers, workers, seniors, children, the disabled, and the environment. As we've seen time and time again, they are usually "crying wolf."

Second, the radical ideas of one generation are often the common sense of the next generation. . Don't be surprised that by the time they can vote 18 years from now, the children born this year will take universal health care, clean energy, and gay marriage for granted. Throughout our history, progress is made when progressive activists and politicians propose bold ideas, and then win a series of stepping stone reforms that add up to major changes that redefine the social contract.

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