

A Matter of Degree, Not Principle: The Founding of the American Liberty League

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Beneath a rigid public policy, prosperous businessmen in the twentieth century have adjusted to an America in flux more quickly and more effectively than any other segment of society.¹

On October 29, 1929, the roof fell in on the booming American economy. A nation that since World War I had come to believe material progress was inevitable and unstoppable suddenly witnessed the most surreal of spectacles: panic on Wall Street. The change in economic conditions dashed the expectations of thousands of businessmen; huge investments had to be liquidated. Unemployment averaged 4 million in 1930, 8 million in 1931, and 12.4 million in 1932.²

Vanishing with the expectation of unending prosperity was confidence—confidence in the “American System,” in its underlying philosophy, in its capacity to be different from that of other nations. In sum, the faith people had in America’s chance to succeed in the noble experiment with self-government was badly shaken.³

Shaken most of all perhaps were the businessmen, the heroes of the 1920’s. They had been given and had taken credit for the boom; now they were called on to explain the collapse. They did not know the answer; they were businessmen, not economists. So the search for explanations was on. The economics profession offered an abundance of reasons: overinvestment, underconsumption, the dearth of “investment opportunities,” Schumpeter’s innovatory-investment theory, qualitative credit doctrines, overoptimism and overpessimism.⁴ Whatever the explanation, many people had the same suspicion: Something was wrong with the American System.⁵

The search for explanations was outpaced only by the search for solutions. The collective judgment that emerged was that market capitalism had failed. Government, so it was decided, had to play a major role in the economy after all, at least for the duration of the emergency. Solutions differed in style and degree, but not in principle. Whereas previously the economy was expected to pull itself out of depressions, this time nearly

everyone acknowledged—whether reluctantly or enthusiastically—the need for substantial government participation. This characterization holds for both the Hoover and Roosevelt administrations.⁶

The Founding of the Liberty League

Seventeen months after the inauguration of the New Deal, a group of prominent, wealthy businessmen announced the founding of the American Liberty League. They did so, they said, because

the great majority of American citizens believe in sanity in government. . . [and] are against hare-brained experiments and un-American creeds which, under the guise of liberalism, retard social and economic progress. They are against government waste, foolish spending, useless taxation, bureaucratic arrogance, unsound experiments, impractical policies.⁷

The League proclaimed its support of freedom, of frugal, honest, and republican government, and of a sound dollar. It proclaimed its opposition to socialism, fascism, communism, government competition with industry, “easy money,” and excessive presidential power.⁸

Announcement of the League’s founding came in August 1934 from its president, Jouett Shouse, formerly chairman of the executive committee of the Democratic National Committee. Shouse told the press that the League was non-partisan and *not* anti-Roosevelt. It wanted to work with Roosevelt to keep the New Deal from straying onto an un-American path.⁹ Despite continual statements to this effect, few observers were convinced that this was anything but an anti-Roosevelt crusade.

The organizers and leaders of the League were familiar names with common interests. The early meetings comprised Shouse; John J. Raskob, former Democratic National Committee chairman and executive of the Du Pont company and General Motors; John W. Davis, 1924 Democratic presidential candidate and a J. P. Morgan & Co. attorney; Alfred E. Smith, 1928 Democratic presidential candidate; Alfred P. Sloan, General Motors executive; Ernest T. Weir, president of Weirton Steel; and three du Pont brothers, Pierre, Irénée and Lammot. Some of these made up the first administrative committee of the league.¹⁰ The initial board of directors was indeed bipartisan, comprising Democrats Smith and Davis, and Republicans James W. Wadsworth, Jr. and Nathan Miller, a U.S. Steel director and former governor of New York. Irénée du Pont was a hybrid, a Republican who had voted for Smith and Roosevelt in 1928 and 1932.

The organizational roots of the League are easy to trace. Many of the officers and organizers had been active in the Association Against the Prohibition Amendment, a Raskob-du Pont venture that ended with the repeal of the 18th Amendment in 1933. Shouse was president of the AAPA

from August 1932 to December 1933. They opposed Prohibition because they believed it induced lawlessness and corruption, legislated morality, violated states' rights, and increased the income tax by making a liquor tax impossible.¹¹ When these same men grew discontented with the New Deal, they decided to approach the AAPA membership with the idea of converting it into a new group.

Raskob, a good friend and fellow Catholic of Al Smith, did the bulk of the early organizing and thinking about the League. In July 1934, he sent Shouse and Lamot and Irénée du Pont a proposed charter for the "Union Asserting the Integrity of Persons and Property." He wanted the union to teach people about the Constitution and uphold individual initiative. In line with the proposed name, he also wanted the new group to "preserve the ownership and lawful use of property when acquired."¹²

As the planning proceeded, several alternative names were suggested in letters that passed among these men: National Property League, Association Asserting the Rights of Property, and Defenders of the Constitution. It was John W. Davis who eventually came up with the most popular name when he suggested to Raskob "The American Liberties League" and "The Liberty League."¹³

Seed money for the League came from sixty-eight original subscribers, including the organizers, whose contributions ranged from \$50 to \$25,000.¹⁴ In six years, the League collected and disbursed nearly \$1.2 million, all but \$200,000 in the first twenty-six months. This does not include money raised by the state and local League units. Despite League claims that it had many small contributors, most of the money came from the du Ponts and a few others. In 1936, a typical year, the League raised \$34,000 in contributions of less than \$100. Irénée du Pont alone contributed almost \$80,000 that year.¹⁵

The League carried on its educational effort with a campaign of publications, speeches and newspaper columns. Between August 1934 and September 1936, it turned out 135 pamphlets (better than one per week), many of which were texts of speeches given by League officers. It also published a monthly bulletin that analyzed New Deal developments, leaflets summarizing its positions, and reports of its lawyers' committee, which, in controversial fashion, passed on the constitutionality of legislation in advance of the courts.¹⁶

In its pamphlets (6 million copies of which are distributed), the League battled to restore respect for its interpretation of the Constitution, to show the dangers of the New Deal and to regain respect for business and the accumulation of wealth. Indeed, when Raskob first discussed forming the League, he said it should encourage "people to get rich."¹⁷ Conceding government's responsibility "to provide for those who because of involuntary unemployment or disability cannot provide for themselves,"¹⁸ League publications warned that the New Deal endangered the Constitu-

tional checks-and-balances system, separation of powers, states' rights and the Bill of Rights. Unsure whether the New Deal was socialist or fascist, it denounced it as both.¹⁹

In 1936 the League issued a "Program to Congress." It called on Congress to end the deficit by cutting spending, eventually turn relief programs over to the states, limit public works to projects private enterprise could not handle, cut taxes, restore a sound dollar, end economic planning and government competition with industry, relieve pressure on public-utility holding companies, curb the Tennessee Valley Authority, consider transferring Social Security to the states, repeal agricultural restrictions based on false scarcity, streamline the bureaucracy and take back the authority surrendered to the executive branch.²⁰

Looking with alarm over the unprecedented array of new government agencies, the League wanted no New Deal measure made permanent until it was shown to be in the best interests of the people.²¹ The League also spent much time defending property rights. As Shouse put it once,

If one thing more than another has been proved by historical experience, it is that the denial of property rights has always been the prelude to the denial of human rights.²²

Though the League began shortly before the 1934 Congressional elections, it took no part in them for fear of being branded anti-Democrat and anti-New Deal. Instead, it geared its efforts to the 1936 presidential election. The climax of that activity came in January 1936, when Al Smith delivered his famous speech at the Mayflower Hotel in Washington, D.C. Declaring that he was leaving the Democratic party, Smith blasted the New Deal—without mentioning it—for its socialist and even communist leanings.²³ At this point, the League had hopes of denying Roosevelt renomination at the Democratic convention. Until U.S. Senator Huey Long of Louisiana was assassinated in September 1935, the League was rumored to have supported him for the nomination. This was denied by Shouse and given Long's "share-the-wealth" philosophy, seems unlikely. But the League did put money into a meeting of the Southern Committee to Uphold the Constitution. The Macon, Georgia, meeting was co-sponsored by "share-the-wealth" preacher Gerald L. K. Smith. Dubbed the "Grass Roots Convention," it was to kick off the presidential quest of Georgia Governor Eugene Talmadge, a former Long associate. To the embarrassment of the du Ponts and Alfred Sloan, known racist and fascist elements participated. The League was also interested in the short-lived anti-Roosevelt challenge mounted by New York attorney Henry Breckinridge.

However, by early spring of 1936, hopes of defeating Roosevelt at the convention had been dashed.²⁴ That left Republican candidate Alfred M. Landon as the only hope, despite his "progressive" Republicanism.²⁵ By this time, however, the League had been so hopelessly branded as a rich-man's

club that Landon, fearing a "kiss of death," asked that it not endorse him. Its leaders supported him quietly.²⁶

The news media's response to the formation of the League was mixed, but the Roosevelt administration and its supporters were clear early on about their reaction and strategy. They would not argue with the League; rather, they would do everything to portray it as the voice of privilege angered by a president who was rocking the boat on behalf of "the people."²⁷ Roosevelt also hit the League for picking only one thing to defend: property. He likened the League to a group formed to uphold two of the Ten Commandments.²⁸

Roosevelt went even further; in the 1936 campaign he sought to make the League the major issue. Gleeful at Smith's attack at the Mayflower, he used his convention speech to denounce the "economic royalists" and reminded the American people that when Herbert Hoover accused Smith of advocating socialism in 1928, Smith retorted that the rich always use that charge to stop progressive legislation. He also told the voters that Smith in 1931 had called on the government to do in the Depression what it would do in a war. What does a Democracy do in a war? Smith asked.

It becomes a tyrant, a despot, a real monarch. In the World War we took our Constitution, wrapped it up and laid it on the shelf and left it there until it was over.²⁹

In another official response to the League, James A. Farley, chairman of the Democratic National Committee, said it "ought to be called the American Cellophane League [because] first, it's a du Pont product and, second, you can see right through it."³⁰

Even other New Deal opponents criticized the League. Socialist Party presidential candidate Norman Thomas said that since it lacked a coherent economic and social philosophy, it failed to recognize how conservative Roosevelt's policies were.³¹

Perhaps the most interesting reaction was that of former President Herbert Hoover, who was asked by Raskob to join the League. Calling it "one of the humors of the times," he noted that its leaders were the same men who had smeared him in the 1932 campaign while supporting Roosevelt for president. He also noted that the leaders had supported Roosevelt for a year before founding the League. As he wrote in a telegram to a friend,

They are, therefore, hardly the type of men to lead the cause of Liberty. . . . I have no more confidence in the Wall Street model of human liberty, which this group so well represents, than I have in the Pennsylvania Avenue model upon which the country now rides.³²

The Demise of the League

Roosevelt's overwhelming forty-six-state sweep over Landon in 1936 all but wrecked the League. After the election its public activities stopped and its

staff was cut. Irénée and Pierre du Pont were its sole support. Shouse's salary was cut from \$54,000 to \$12,500, and a year later he took no salary. When the Library of Congress refused to accept its papers, they were burned.

Though it continued to analyze legislation for those in Congress who would listen, it did little else. Eventually, the du Ponts withdrew their financial support because Congress enacted limits on political contributions. Even when Roosevelt tried to pack the Supreme Court, the League, realizing the kiss-of-death problem, worked only quietly behind the scenes. It finally disbanded in 1940.

The consensus of historians is that the League was a colossal failure. Despite its aspirations to become a mass organization, it was little more than a clique whose interests seemed out of kilter with the rest of the nation. Given the economic upheaval and the belief that it was business's fault, the League was easily discredited. It did little to help its own cause, allowing itself to be linked to racist, antisemitic, right-wing and even fascist groups. As William Allen White put it, the League and the du Ponts were "black hearts in the popular imagination."³³

Why the Liberty League?

When viewed in conventional terms the founding of the League seems unmysterious. Presumably, nothing could be more predictable. In this view, the Depression represents *laissez faire* capitalism's heart attack after the all-night bacchanalia of the 1920's. Herbert Hoover, in this morality play, is the ghost of capitalism past who refused to face reality. Roosevelt is the knight on the white steed; he rides to rescue "the people" and tame the businessmen seeking to restore the pre-Depression era. The League represents the last gasp of the entrenched class, which refuses to accept the changing times and, in its senility, hopes to restore *laissez faire*.³⁴

In sum, the New Deal era is seen as a second Progressive Era, which is also portrayed as a liberal-populist triumph over the abusive, monopolistic free market and robber barons. The problem with this view is that it neglects critical facts that cannot be integrated into the hypothesis. A new interpretation of both eras has been contributed by, ironically, a combination of New Left-Marxist historians and individualist-libertarian historians.³⁵

Unfortunately, the New Leftists' Marxism impedes their *economic* understanding of what happened from the turn of the century through the 1930's.³⁶ A synthesis, however, of their political-social insights and the sound economic theory of others, particularly the "Austrian school," yields a new, radical and coherent interpretation of this period.³⁷ From this new perspective, the 1920's were not years of *laissez faire*, but, rather, years of substantial political influence on the economy, largely in two areas. First,

Herbert Hoover, as secretary of commerce under Harding and Coolidge, worked hard to form a partnership between business and government through trade-association codes designed to curb "cutthroat competition." Far from being the last advocate of *laissez faire*, Hoover spent his life evangelizing against unbridled individualism and unfettered competition. When the stock market crashed, Hoover initiated efforts to keep wages up, bail out failing banks, farmers and businesses (the Reconstruction Finance Corporation), employ people through public works, raise taxes and restrict imports. "Rather than the last of the old presidents, Herbert Hoover was the first of the new."³⁸

The other major government intervention during the 1920's was the massive expansion of the money supply and credit by the Federal Reserve System. This set in motion the boom that eventually brought the bust. The Depression, then, was not the product of the free market, but of intrusion into the market by coercive government measures.³⁹

The next link in this revisionist analysis is its interpretation of the Roosevelt Administration. It maintains that despite its anti-business rhetoric, the New Deal was largely a conservative holding-action designed to prevent the social upheaval and radical change that might have been induced by the Depression. This perspective points out that the New Deal brought no fundamental change in economic arrangements or "distribution" of wealth and that the financial and industrial establishments were stabilized by Roosevelt's programs. It also points out, as some mainstream historians have also done, that the New Deal did not end the Depression; war spending did.⁴⁰

Finally, this perspective takes a fresh look at the political role of business. As Kolko and others have demonstrated, many major corporate leaders were never opposed to government regulation; they simply wanted to determine the regulation's content. Otherwise, they were completely favorable to political shelter from the ever-changing, consumer-driven marketplace that recognizes no vested interests.⁴¹

Nowhere is this plainer than in the Depression era. Major businessmen had already initiated the trade-association code movement,⁴² and as soon as the stock market crashed, they accelerated their pressure for a government-business partnership. These proposals generally entailed "self-regulation" by business through codes approved and supervised by the federal government and through suspension or modification of the antitrust laws, which had been an uncertain nuisance since the days of William Howard Taft and Theodore Roosevelt. General Electric president Gerard Swope and the Chamber of Commerce of the United States offered far-ranging plans that became models for Roosevelt's National Recovery Administration.⁴³

Significantly, these schemes had their roots in the economic planning of World War I, when businessmen got their first full-fledged chance to use the state to "rationalize" the market.⁴⁴

Many businessmen pressed Hoover to expand his anti-Depression pro-

grams to include Swope's plan because they believed the crisis was caused by underconsumption and destructive competition. When Hoover balked, believing the plan went too far in centralizing bureaucratic power, many leading corporate figures deserted him and backed Roosevelt in 1932.⁴⁵ Moreover, businessmen were the major architects of and major participants in the New Deal itself; they defended its extension in later years.⁴⁶

Reconstructing the Liberty League Story

This picture of the Depression, business and the New Deal makes the founding of the League more puzzling. It is no longer satisfactory to say that the League opposed government regulation and favored *laissez faire*. Most big businessmen did not. It is not enough to say that the League feared that Roosevelt was a radical, a socialist or a communist. Most big businessmen did not think such things. Why then was there an American Liberty League?

Answers to that question are found in the pre-New Deal activities and philosophies of the League's principals, in their affiliations and their political endorsements. For example, Raskob, the key League figure, was regarded by his contemporaries as an example of an "enlightened," progressive corporate leader. As early as 1908 he favored profit-sharing programs for workers and the eight-hour day. In 1920 he distributed 500 copies of Calvin Coolidge's book, *Have Faith in Massachusetts*, which endorsed punishment of business for monopolistic practices. Later in the decade, Raskob proposed a "workingman's trust," an old-age pension plan. As he said at the time, "We shall arrive, if you please, at something like the goal of the socialists" without levelling everyone.⁴⁷

After World War I, Woodrow Wilson appointed Raskob, along with Bernard M. Baruch, John D. Rockefeller, Jr., Samuel Gompers, John L. Lewis, Ida Tarbell, and others, to the National Industrial Conference, a panel designed to bring peace to labor-management relations.⁴⁸ Raskob's interest in "progressive" labor measures reflected his belief that a shorter work week would make workers more productive and give them more time to act like consumers.⁴⁹ He, like other establishment leaders, also believed such concessions helped secure the status quo. As he wrote in the *Literary Digest* in 1931,

Old age and unemployment insurance we believe to be bulwarks against communism. . . . These are the greatest fears, old age pauperism and unemployment, which if left unsatisfied might drive the masses to put their faith in another social order.⁵⁰

These concerns explain his affiliation with two big-business-backed social-reform organizations, the American Association for Labor Legislation and the National Civic Federation.⁵¹

Raskob's role in the 1928 presidential campaign is also revealing. When his protegee, Al Smith, got the nomination, Raskob was named chairman of

the Democratic National Committee. He in turn appointed Bernard M. Baruch, the premier practitioner of the government-business alliance whom Raskob had advised on economic matters, to the party's executive committee.⁵²

Smith's philosophy, as enunciated in the Raskob-directed campaign, did not portend later opposition to the New Deal. Smith advocated a host of programs, such as agricultural regulation similar to the Federal Reserve's banking regulation, farm-price supports, public ownership of certain types of development, and "tremendous and direct [government] responsibility" for the people's welfare.⁵³

Many of Smith's words were actually those of Raskob, who wrote campaign speeches. As New Dealer Hugh S. Johnson described this contribution,

In these . . . documents will be found the development of the economic philosophy of the 1928 campaign and almost all that happened since. Of a part of this philosophy, NRA was a concrete expression.⁵⁴

Johnson added that Raskob's speeches "contain the essence" of what Roosevelt said in 1932 about stimulating the economy. In one speech, which Raskob himself delivered, he said,

The Democrats believe that prosperity lies in maintaining equality of benefits . . . The simple process of elevating the depressed segment will give an immediate impetus to business progress.⁵⁵

Despite Raskob's annoyance with government "interference" with business, he clearly was no advocate of *laissez faire*. In a 1928 letter to Irénée du Pont, he wrote,

Governor Smith's ideas of protecting big business are quite in accord with yours and mine . . . He believes in a tariff of honesty, that is, to give all the tariff protection that industry needs in order to enable it to pay high wages and meet other conditions existing in industry here.⁵⁶

Interestingly, it was Raskob who persuaded Roosevelt to run for governor of New York in 1928. Smith and Raskob believed they needed a strong gubernatorial candidate to help Smith carry New York. FDR declined, citing his health and huge debts on his Warm Springs, Georgia, property as reasons. When Raskob offered to pay the debts, Roosevelt accepted the draft.⁵⁷

Raskob, Smith and the du Ponts wholeheartedly joined other businessmen seeking government help when the stock market broke. While Raskob had mixed feelings about Swope's plan, he did say that government should "safeguard the public by regulation against monopoly and unfair trade practices."⁵⁸ He recommended that a federal commission be formed to rule on proposed business mergers in advance to eliminate the costly effort of Sherman Act cases.

The committees Hoover set up in response to the market crash included

both Raskob and Pierre du Pont. Raskob served on the Committee on Recent Economic Changes, while du Pont was a member of the Committee for Employment and the Committee on Mobilization of Relief Resources. Du Pont also participated in Hoover's White House conferences with business aimed at sustaining wages.⁵⁹

Though Raskob opposed the massive tariff increases in the Smoot-Hawley bill, signed by Hoover in 1930, he continued to favor tariffs to help business and labor, and he proposed that tariff-setting power be transferred from Congress to an expert commission. He also proposed, perhaps reflecting his interest in General Motors, that the government start a coast-to-coast highway system for public-works purposes.⁶⁰ Going further, Raskob endorsed a government farm-recovery plan proposed by California fruit grower-packer Clemens Horst and in the spring of 1932—several months after the Reconstruction Finance Corporation (RFC) began—recommended the creation of a \$5 billion bipartisan agency to lend money to state and local governments and corporations facing bankruptcy. The agency was also to have the authority to halt enforcement of anti-business rulings by other government agencies where contrary to the public interest. This is remarkably similar to Roosevelt's NRA.⁶¹

As the 1932 Democratic convention approached, Roosevelt was not Raskob's first choice for the presidential nomination. This was primarily because FDR had equivocated on Prohibition; Raskob was an unabashed wet. After the convention, though he remained party chairman and donated \$23,000 to the campaign, Raskob briefly expressed concern that Roosevelt was a "radical."⁶² But the concern soon ended; after the election Raskob was optimistic and conceded that his earlier impression had been mistaken.⁶³ Shortly after the inauguration in March 1933, he wrote Roosevelt,

I felt that the only way a Democratic form of . . . government can ever succeed is to recognize the fact that there are times when it becomes necessary to recognize a dictatorship. War is an outstanding example of this.⁶⁴

And in another letter to FDR, Raskob wrote, "Except in war time, few presidents have accomplished as much in a whole term as you have in a single month."⁶⁵

Pierre du Pont's outlook was similar to that of his protege Raskob. As he put it to a friend, "I cannot say that I have been much displeased by any of his [Roosevelt's] recent utterances during the campaign."⁶⁶

Once the New Deal was in full swing, Raskob and the du Ponts went merrily along. Pierre and Raskob were members of the various business advisory boards and councils of the National Recovery Administration and Commerce Department. The du Ponts helped write the chemical-industry codes of fair practices that the NRA required.⁶⁷ As chairman of the NRA's Industrial Advisory Board, Pierre told the American Arbitration Association on January 25, 1934, that, though he was at first skeptical about the

NRA, he now regarded it as an "opportunity, an invitation, almost a compulsion for men to get together."⁶⁸ He was also optimistic about the labor provision of the National Industrial Recovery Act, which weakly recognized workers' rights to collective bargaining and was quoted in the January 26, 1934 *New York Times*: "The Recovery Act has provided an opportunity to deal with strikes in the way labor wants to deal with them, so eventually I think strikes will disappear."⁶⁹

Clearly, the men who later set up the American Liberty League showed no signs through early 1934 of dissatisfaction with corporate statism. The du Ponts favored a liquor tax and national sales tax, primarily so the hated income tax could be lowered; advocacy of new taxes is hardly the mark of a *laissez faire* ideologue. Even on their most antistatist cause, Prohibition, the du Ponts do not come off as libertarians. When Prohibition ended, Pierre became Delaware's first state liquor commissioner, overseeing the licensing and regulatory apparatus.⁷⁰ And as late as 1935 he joined in the Commerce Department Business Advisory Council's call for a two-year extension of the National Industrial Recovery Act. A few months earlier, Raskob, at a conference of businessmen called by Roosevelt, approved a recommendation for a one-year NIRA extension.⁷¹

When the New Deal wound down and the new decade began, Raskob and the du Ponts seemed in no way reluctant to again deal with Roosevelt in ways that would offend a *laissez faire* stalwart. During World War II, the RFC offered to buy the Du Pont company's neoprene plant in Louisville for the government's wartime synthetic-rubber program. Du Pont was willing to sell only if it had an option to buy the plant back after the war, an arrangement that would have violated RFC policy. When Du Pont president Walter S. Carpenter, Jr. and RFC chairman Jesse H. Jones met to iron out the differences, Jones said that even without an option, Du Pont would have an advantage over other potential buyers because it knows the plant, which would be advertised for "all cash." Twenty minutes later, Carpenter said, "Mr. Jones, that will be satisfactory."⁷²

Perhaps more revealing is a 1941 incident: Roosevelt asked Jones to quietly investigate the feasibility of the federal government's buying the Empire State Building. This would enable the government, Roosevelt said, to centralize its offices in New York City. More importantly, the building was owned by Raskob (82 percent), Smith (10 percent) and Pierre du Pont (8 percent). Smith also managed the building as its president. Raskob had begun building it in the spring of 1929; when it opened in 1931 tenants were scarce for obvious reasons. The venture lost money all through the 1930's.⁷³ Roosevelt's sudden request that Jones "put together and justify [the project] if possible" came days after Smith had visited the White House.⁷⁴ When Jones told Roosevelt it was unnecessarily costly, FDR replied, "Yes, Jesse, all that is probably true, but I would like to do something for Al Smith. He is broke and has an expensive family."⁷⁵ Smith later told Jones that he pro-

posed the sale to Roosevelt "to help his [Smith's] friend Mr. Raskob get some money out of a losing venture."⁷⁶

Jones stalled on the project until it was forgotten. In writing about the incident, he recalled that Raskob had paid Roosevelt's debts in 1928, and commented, "So, in buying the Empire State Building from Mr. Raskob and Governor Smith, the President would be doing something for the two men who had done the most to make him President."⁷⁷

In light of all this, the founding of the League is more of a mystery than the conventional perspective would have it. Other historians have suggested reasons for some businessmen's break with FDR. Undoubtedly, the accumulating restrictive red tape of the NRA—for instance, hearings on code changes—disillusioned some. For others, Comerford writes, proposed regulation of the stock exchange was the last straw.⁷⁸ Still others have written that some businessmen came to hate FDR because the Depression had shifted prestige from them to bureaucrats.⁷⁹ Fear of the labor provisions of the NRA also played a role in this.⁸⁰

Surely one of the major reasons was that under certain New Deal programs the government competed with "private enterprise." The Tennessee Valley Authority is but one example; the Works Progress Administration, Public Works Administration and Civilian Conservation Corps are others. Concern about these programs fueled a frequently cited letter from the Du Pont company vice president (and du Pont brother-in-law), R. R. M. Carpenter. In the late-1933 letter, which may have been the final impetus to the League's founding, Carpenter complained to Raskob that he had difficulty keeping and hiring laborers because the government offered them higher wages. In response, Raskob complained of "communist elements" in the New Deal and suggested that Carpenter and the du Ponts start an organization to encourage "people to get rich."⁸¹ Carpenter's other concern—no doubt a concern of others—was the New Deal's occasional anti-business rhetoric. The most extreme examples were Rexford Tugwell's, though not everyone in the Brains Trust agreed with him. Tugwell, for instance, said,

Planning will necessarily become a function of the Federal Government, either that or the planning agencies will supercede [sic] that government. . . . Business will logically be required to disappear. . . . Planning implies *guidance of capital uses*. . . . *The future is becoming visible in Russia.*⁸²

The problem with the "red rhetoric" explanation is that many businessmen were not bothered by it; perhaps this is because it seemed not to influence Roosevelt's policymaking. Hawley and others believe it was purely political:

The denunciation of "monopoly" and the attacks on unpopular groups like Wall Street, the Power Trust, and the Sixty Families, kept the antitrusters happy, while at the same time organized industrial

pressure groups were being allowed to write their programs of market control into law.⁸³

Hofstadter points out that the rhetoric was directed against only a minority of businessmen.⁸⁴ Conkin sums up this point, noting, "Even when he [Roosevelt] served conservative causes, he preached an alien gospel."⁸⁵

More important to the founding of the League were the personal feuds that developed between Smith, Raskob and the du Ponts, on one hand, and Roosevelt, on the other. Smith's relationship with Roosevelt cooled when Roosevelt was elected governor of New York (after Smith and Raskob had urged him to run), but Smith failed to carry the state. Smith was disappointed that Governor Roosevelt did not appoint him to any position, seek his advice (Smith was his gubernatorial predecessor), or name his favorites to state posts. He also disliked Roosevelt's neglect of his state duties in seeking the presidential nomination.⁸⁶

Smith, Raskob, and the du Ponts also had reason to be disturbed with Roosevelt over Prohibition. This came to a head in March 1931, when Raskob pushed the Democratic National Committee to adopt a "home rule" liquor plan. Roosevelt, looking ahead to the nomination fight, feared that explicit opposition to Prohibition would cost him southern support.⁸⁷

Roosevelt stoked the fires of this feud when he maneuvered to have Senator Thomas J. Walsh of Montana named permanent chairman of the national convention, despite the position's having been promised to Raskob's choice, Jouett Shouse.⁸⁸ After the election, Roosevelt deposed Raskob as party chairman.

For the du Ponts, the crowning blow must have been the U. S. Senate's Special Committee on Investigation of the Munitions Industry. Formed in the spring of 1934 with Roosevelt's blessing, the committee, chaired by isolationist Republican Senator Gerald P. Nye of South Dakota, held public hearings from the fall of 1934 to early 1936. The Du Pont company, among others, was named for its World War I profits and ties to war-material manufacturers in Britain and elsewhere. When Roosevelt refused to condemn the investigation, the du Ponts became interested in an anti-New Deal organization.⁸⁹

Finally, the du Ponts felt that government regulation was getting too close to home. Lammot du Pont complained in January 1933 that Roosevelt's Securities Act was "onerous" because it required public disclosure of financial information with stock issues. Other measures that irritated the du Ponts were the Air Mail Act, with its rigid controls for federal contracts—which forced dissolution of Henry B. du Pont's General Aviation Corporation—and the Railroad Retirement Act—which required pensions for railway workers. (Pierre, Irénée and Raskob were railroad directors.)⁹⁰

The upshot is that there is no evidence to support the contention that the American Liberty League was anything but a group formed by men who disliked Roosevelt's style and perhaps the degree of his intervention. The evidence shows that they had no objection *based on principle* to government

intervention in the economy. Of course, many of the thousands of League members may have had more substantive criticisms, but this is untrue of the leaders.⁹¹

Also indicative of the League's character is the absence of the New Deal's most perceptive pro-market critics, including Albert Jay Nock, Garet Garrett, John T. Flynn, Frank Chodorov and—best of all—H. L. Mencken.⁹²

In assessing the League, Norman Thomas's words ring true. Because it lacked a coherent world view, the League was unwilling to see the essential conservatism of the New Deal. Unsurprisingly, it utterly failed to excite opposition among a bewildered public.

Just as the New Deal was no revolution, the American Liberty League was no attempted counterrevolution, much less a libertarian resistance. Rather, it was the manifestation of a feud (neither the first nor the last) between factions of the ruling establishment, with the public, as usual, getting hit in the crossfire. The League episode is instructive in demonstrating that, despite rhetoric and apparently significant splits in the "power elite," American politics changes very little.

NOTES

1. Robert H. Wiebe, *Businessmen and Reform: A Study of the Progressive Movement* (Chicago: Quadrangle Paperbacks, 1968), p. 220.
2. For a brief but valuable rundown of the sequence of events before and during the Depression, see Hans Sennholz, "The Great Depression," *The Freeman* (April 1975):204-15.
3. See generally Arthur A. Ekirch Jr., *Ideologies and Utopias: The Impact of the New Deal on American Thought* (Chicago: Quadrangle Paperbacks, 1969), esp. chap. 1.
4. See Murray N. Rothbard, *America's Great Depression* (Kansas City: Sheed and Ward, 1972), pp. 54-77.
5. There were exceptions, for instance Herbert Hoover, who believed the Depression originated in other countries because of war-related events.
6. The "Hoover New Deal" will be discussed in later sections.
7. "Why You Should Join the American Liberty League," American Liberty League (henceforth ALL) brochure, ALL "Scrapbooks," 2 vols., Eleutherian Mills Historical Library, Greenville, Del.
8. *Ibid.*
9. See George Wolfskill, *The Revolt of the Conservatives: A History of the American Liberty League, 1934-1940* (Boston: Houghton Mifflin, 1962); and Frederick Rudolph, "The American Liberty League, 1934-40," *American Historical Review* 56, no. 1 (October 1950):19-33.
10. Wolfskill, *Revolt of the Conservatives*, pp. 25, 60.
11. See *ibid.*, pp. 37-39, 46, 48 ff; Gerard Colby Zilg, *Du Pont: Behind the Nylon Curtain* (Englewood Cliffs, N.J.: Prentice-Hall, 1974), p. 283; and Roy Haywood Lopata, "John I. Raskob: A Conservative Businessman in the Age of Roosevelt" (Ph.D. diss., University of Delaware, 1975), p. 32. A new book, David E. Kyvig, *Repealing National Prohibition* (Chicago: University of Chicago Press, 1980) is said to be a valuable contribution.
12. "Certificate of Formation," and Raskob letters to Shouse and the du Ponts (July 26, 1934), Raskob MSS (henceforth RMSS), file 61, ALL—Organization and Charter, Eleutherian Mills Historical Library, Greenville, Del.
13. Pierre du Pont letter to Raskob (July 30, 1934), RMSS, file 61, ALL—Organization and

- Charter; Alfred P. Sloan to Raskob (July 24, 1934); Raskob to John W. Davis (August 3, 1934); and Davis to Raskob (August 8, 1934), RMSS, file 61, August 1934 folder.
14. "Subscribers to American Liberty League," RMSS, file 61, ALL-Organization and Charter.
 15. Wolfskill, *Revolt of the Conservatives*, pp. 62f.
 16. ALL "Scrapbooks."
 17. Wolfskill, *Revolt of the Conservatives*, p. 24.
 18. "Platform and Organization of the American Liberty League," undated, ALL pamphlet, RMSS, file 61, ALL—Organization and Charter.
 19. Wolfskill, *Revolt of the Conservatives*, pp. 116, 139.
 20. *Ibid.*, pp. 140f.
 21. "American Liberty League," undated, ALL pamphlet, RMSS, file 61, ALL—Organization and Charter.
 22. Quoted in Wolfskill, *Revolt of the Conservatives*, p. 138.
 23. *Ibid.*, p. 152.
 24. *Ibid.*, pp. 171–81.
 25. Landon had been a Bull Moose Party supporter in 1912 and approved of some New Deal programs. (Wolfskill, *Revolt of the Conservatives*, pp. 202ff.) He also advocated in 1933 giving the president "the same powers in this bitter peacetime battle as we would give to him in time of war" (William E. Leuchtenberg, "The New Deal and the Analogue of War," in John Braeman, et al., eds., *Change and Continuity in Twentieth-Century America* [Columbus: Ohio State University Press, 1964], p. 103).
 26. Wolfskill, *Revolt of the Conservatives*, pp. 199f., 215.
 27. *Ibid.*, p. 155.
 28. Rudolph, "American Liberty League," p. 23.
 29. Wolfskill, *Revolt of the Conservatives*, p. 158. Roosevelt was not above a little nastiness in battling the League. On the eve of the Mayflower meeting, the federal government reopened a tax case against Raskob and Pierre du Pont. Started in 1932 by Hoover's Administration, the case charged them with exchanging \$14 million worth of stock and using the losses due to the fall in stock prices to reduce their taxes. Raskob and du Pont were convicted and ordered to pay \$1.1 million and \$800,000, respectively, to the Treasury. In 1942 the U.S. Supreme Court refused the appeal. (Lopata, "John J. Raskob," pp. 249f.) Lopata notes that FDR had the Treasury check the case without knowing who the defendants were. But, Lopata asks, why did FDR know about the case at all?
 30. Wolfskill, *Revolt of the Conservatives*, pp. 187, 212.
 31. Robert J. Comerford, "The American Liberty League" (Ph.D. diss., St. John's University Press, 1967), p. 188. This perceptive comment will be elaborated on below.
 32. Herbert Hoover, *The Memoirs of Herbert Hoover: The Great Depression, 1929–1941* (New York: Macmillan, 1952), pp. 454f. See also Ekirch, *Ideologies and Utopias*, pp. 191f.
 33. Wolfskill, *Revolt of the Conservatives*, pp. 25, 215, 224–45. For the story of the League's perhaps mythical link to a bizarre fascist plot to take over the government, see *ibid.*, pp. 80–101.
 34. This is obviously oversimplified. Subtler versions are found in James MacGregor Burns, *Roosevelt: The Lion and the Fox, 1882–1940* (New York: Harcourt, Brace and World, 1956); Frank Freidel, *Franklin D. Roosevelt: The Ordeal* (Boston: Little, Brown, 1954); and Arthur M. Schlesinger, Jr., *The Crisis of the Old Order, 1919–1933*, and *The Coming of the New Deal* (Boston: Houghton Mifflin, 1957 and 1958, respectively).
 35. See Gabriel Kolko, *Railroads and Regulation, 1877–1916* (New York: W. W. Norton, 1965), and *The Triumph of Conservatism: A Reinterpretation of American History, 1900–1916* (New York: The Free Press, 1963); Barton J. Bernstein, "The New Deal: Conservative Achievements in Liberal Reform," in Bernstein, ed., *Towards A New Past: Dissenting Essays in American History* (New York: Pantheon Books, 1968), pp. 263–88; Ronald Radosh, "The Myth of the New Deal," in Radosh and Rothbard, eds., *A New History of Leviathan: Essays on the Rise of the American Corporate State* (New York: E. P. Dutton

- [pb], 1972), pp. 146-87; Rothbard, *America's Great Depression*; and Jonathan R. T. Hughes, *The Governmental Habit: Economic Controls from Colonial Times to the Present* (New York: Basic Books, 1977).
36. For instance, William Appleman Williams, Ronald Radosh, Gabriel Kolko and others properly criticize businessmen for using the state to restrict competition. As Kolko puts it, "Ironically, it was not the existence of monopoly that caused the federal government to intervene, but the lack of it" (*Triumph*, p. 4). Yet, as socialists, these writers are hardly defenders of competition or believers in its beneficence. Brains-Truster Rexford Guy Tugwell, a thoroughgoing government planner, was more consistent; he saw industrial concentration and ambitious corporatists as helpful because they facilitated central economic control. (See Tugwell and Howard C. Hill, *Our Economic Society and Its Problems* [New York: Harcourt, Brace, 1934], pp. 249ff.; Hughes, *The Governmental Habit*, p. 157; and Paul Conkin, *The New Deal* [New York: Crowell, 1967], pp. 37f.)
37. The "Austrian" school, whose founder was the nineteenth-century Viennese economist Carl Menger, provides a deductive theoretical system comprising the axiom of purposeful human action, a subjective theory of value, and methodological individualism. In this view, only individuals act, value, own, and have plans and expectations. From this base, the school spins out a description of the operation of the market, emphasizing that in this *spontaneous* network of voluntary transactions, each person acts to better his condition as he sees it. Government activity is identified as inherently violent, disruptive of social order, exploitative, and productive of classes and class conflict. In any voluntary transaction, each party expects to improve his situation, or the transaction does not occur. But in political relationships (taxation, for instance) at least one party suffers because he would have acted otherwise if left free. Austrian theory goes on to explain that the business cycle is generated not by any feature of the market, but by the imposition of political factors, specifically, government monetary manipulation. This produces misleading signals to entrepreneurs through the price system—artificially low interest rates—and causes *malinvestment*. The market collapse is the revelation of mistakes and the necessary readjustment to bring the economy back in line with consumer preferences.
- The school's major criticism of collectivism is that economic planners cannot plan; that is, they do not and cannot have access to the necessary information that is disbursed among tens of millions of market participants. The market, in contrast, entails a process—the price system—that puts that scattered information into usable form for all participants.
- On inflation, depression, unemployment and Keynesian fallacies, see Friedrich A. Hayek, *A Tiger by the Tail: The Keynesian Legacy of Inflation*, comp. Sudha Shenoy, and *Unemployment and Monetary Policy: Government as Generator of the "Business Cycle"* (both San Francisco: Cato Institute, 1979); and Henry Hazlitt, ed., *The Critics of Keynesian Economics* (New Rochelle, N.Y.: Arlington House, 1977). See also Rothbard, *America's Great Depression*. On the relationship between prosperity and capital, see Ludwig von Mises, "Capital Supply and American Prosperity," in his *Planning for Freedom* (South Holland, Ill.: Libertarian Press, 1980). On the fallacy of Marx's exploitation theory, see Eugen von Böhm-Bawerk, *Capital and Interest* (New York: Bretano's, 1922), vol. 1, chap. 12. On the role of knowledge and the impracticality of socialism and "planning," see Hayek, "The Use of Knowledge in Society," in his *Individualism and Economic Order* (Chicago: Gateway, 1972); Mises, *Socialism*, trans. J. Kahane, (London: Jonathan Cape, 1969); and Hayek, *Collectivist Economic Planning: Critical Studies on the Possibilities of Socialism* (New York: A. M. Kelley, 1967).
- On monopoly, competition and antitrust, see D. T. Armentano, *The Myths of Antitrust* (New Rochelle, N.Y.: Arlington House, 1972). On Austrian class analysis, see Mises, *The Clash of Group Interests and Other Essays* (New York: Center for Libertarian Studies, 1978), pp. 1-12.
- In general see, Mises, *Human Action* (Chicago: Contemporary Books, 1966); Rothbard, *Man, Economy and State* (Los Angeles: Nash, 1970); and Rothbard, *What Has Government Done to Our Money?* (Novato, Calif.: Libertarian Publishers, 1969).
38. Bernstein, *Towards a New Past*, p. 267. See Rothbard, *America's Great Depression*, and

- "Herbert Hoover and the Myth of Laissez Faire," in Radosh and Rothbard, *A New History of Leviathan*; and "Herbert Clark Hoover: A Reconsideration," *New Individualist Review* 4, no. 2 (Winter 1966). Rothbard shows that Hoover was chiefly responsible as commerce secretary for organizing the radio industry along statist lines. On the RFC, see Sheldon Richman, "Let Sleeping Failures Lie: The Reconstruction Finance Corporation," *Policy Report* 2, no. 11 (November 1980), San Francisco: Cato Institute.
39. See Rothbard, *America's Great Depression*, and Sennholz, "The Great Depression," for explanations of how the business cycle is created by government's monopoly of the monetary system.
 40. "The rhetoric of reform is invariably different than [sic] its structural results," writes Kolko in elucidating his theory of "political capitalism" (*Triumph*, p. 302). See also Radosh, "Myth of the New Deal;" Rothbard, *Left and Right: The Prospects for Liberty* (San Francisco: Cato Institute, 1979); and Conkin, *The New Deal*, pp. 22ff.
 41. Kolko, *Triumph*, passim; Rothbard, *America's Great Depression*; and Radosh, "Myth of New Deal."
 42. The codes were intended to limit competition by setting standards of fair practices regarding production and labor relations. See Rothbard, "Herbert Hoover and the Myth of Laissez Faire." Even before the 1920's big business dominated "socially enlightened" organizations such as the National Civic Federation and the American Association for Labor Legislation, whose motto was, "Social Justice is the Best Insurance Against Labor Unrest." See G. William Domhoff, *The Higher Circles: The Governing Class in America* (New York: Vintage Books, 1971), p. 170ff.
 43. Ekirch, *Ideologies and Utopias*, pp. 53ff.; and Rothbard, *America's Great Depression*, pp. 245-51.
 44. "It was during the war that effective, working oligopoly and price and market agreements became operational in the dominant sectors of the American economy. The rapid diffusion of power in the economy and relatively easy entry virtually ceased" (Kolko, *Triumph*, p. 287.) See Leuchtenberg, "The New Deal," pp. 81-143; William Appleman Williams, *Americans in a Changing World* (New York: Harper and Row, 1968) p. 236; Unofficial observer [John Franklin Carter], *The New Dealers* (New York: Simon and Schuster, 1934), pp. 50-57; Charles A. Beard and Mary R. Beard, *America in Midpassage* (New York: Macmillan, 1959), pp. 227, 230; and Hugh S. Johnson, *The Blue Eagle from Egg to Earth* (New York: Doubleday, Doran, 1935), passim.
 45. See Zilg, *Du Pont*, pp. 261-67. Zilg notes that Hoover had lambasted speculators and threatened federal regulation of the stock exchange. Hoover felt Swope's compulsory planning would violate his murky notion of "voluntarism," though he used this in an Orwellian manner. See Rothbard, *America's Great Depression*, pp. 186ff, and Hoover, *Memoirs*, p. 420.

That businessmen should have turned to Roosevelt in 1932 seems a mystery only to those unaware of his early record and ties to Wall Street in the early 1920's. He was vice president of the bonding company, Fidelity and Deposit Co. of Maryland (Wall Street office), and openly boasted of using his political contacts to get business. Aside from Roosevelt's other business ventures and speculations, he was appointed by Hoover to head the American Construction Council, one of the first Hoover-inspired trade associations. It was designed to reduce competition in the construction industry after the recession in the early 1920's. See Burns, *Roosevelt*, pp. 83ff.; Freidel, *Frank D. Roosevelt*, pp. 152ff.; Richard Hofstadter, *The American Political Tradition* (New York: Vintage [pb], 1948), p. 325; Schlesinger, *Crisis*, pp. 374ff; and Zilg, *Du Pont*, pp. 259ff.

Besides this, business had had four years to observe Roosevelt as governor. Through 1932, he had done nothing to regulate the New York Stock Exchange or otherwise threaten business interests. As Walter Lippmann wrote in January 1932, "If any Western Progressive thinks the Governor has challenged directly or indirectly the wealth concentrated in New York City, he is mightily mistaken. . . . He is no enemy of entrenched privilege" ("The Candidacy of Franklin D. Roosevelt," *New York Herald Tribune*, January 8, 1932).

There was no basis for businessmen to think, however, that FDR believed in *laissez faire*. In a 1932 pre-nomination speech in St. Paul, Minnesota, Roosevelt said, "The plans

we make for this emergency... may show the way to a more permanent safeguarding of our social and economic life... In this sense, I favor economic planning, not for this period alone but for our needs for a long time to come" (Ekirch, *Ideologies and Utopias*, pp. 79f.)

46. Businessmen, besides Swope, supporting government planning in general or the New Deal in particular included Edward A. Filene, a major Boston retailer; Louis E. Kirstein of the Filene organization; Russell Leffingwell of J. P. Morgan; A. P. Giannini, Bank of America; Walter Teagle, Standard Oil; Henry I. Harriman of New England Power, president of the Chamber of Commerce of the United States; Thomas Watson, IBM; Bernard M. Baruch, Wall Street financier; Jesse H. Jones, Texas banker, later head of the RFC; Hugh S. Johnson, Baruch associate, later head of the NRA; Walter Gifford, AT&T; Owen D. Young, chairman, General Electric; Charles F. Abbott, American Institute of Steel Construction; Winthrop Aldrich, Chase National Bank; Marion B. Folsom, Eastman Kodak; Richard Whitney, president, New York Stock Exchange; and Eugene Meyer, Jr., former liaison between the House of Morgan and the French government, later RFC chairman.

See John T. Flynn, "Whose Child is the NRA?" *Harper's Magazine*, September 1934, pp. 385-94; Johnson, *The Blue Eagle*, pp. 216f.; Ekirch, *The Decline of American Liberalism* (New York: Atheneum, 1967), pp. 276f.; Ellis W. Hawley, *The New Deal and the Problem of Monopoly: A Study in Economic Ambivalence* (Princeton: Princeton University Press, 1966), pp. 10ff.; and Domhoff, *Higher Circles*, pp. 156ff.
47. Lopata, "John J. Raskob," pp. 11, 21-25, 124ff., 127. Raskob will be focused on, though his patron, Pierre du Pont, and other League leaders have similar records.
48. Bernard M. Baruch, *Baruch: The Public Years* (New York: Holt, Rinehart & Winston, 1960), p. 150.
49. Zilg, *Du Pont*, p. 249.
50. Quoted in *ibid.*, p. 271.
51. RMSS, files 41 and 1629. For the roles of the AALL and NCF in the formation of social legislation from the Progressive Era to the New Deal, see Domhoff, *Higher Circles*, pp. 156ff.
52. RMSS, file 158. Raskob praised Baruch for his "unselfish and untiring efforts" in running the War Industries Board, the government's major economic-planning agency during World War I. On the Raskob-Baruch relationship, see Unofficial Observer, *The New Dealers*, p. 369.
53. Comerford, "American Liberty League," pp. 74ff.
54. Johnson, *The Blue Eagle*, p. 141.
55. *Ibid.*, p. 121. See also p. 170.
56. Lopata, "John J. Raskob," p. 69.
57. Flynn, *The Roosevelt Myth* (New York: Devin-Adair, 1948), pp. 268ff. Raskob later sent FDR a check for \$250,000, which FDR returned. Raskob then donated \$100,000 to the cause and helped raise the balance.
58. Zilg, *Du Pont*, pp. 264, 271.
59. *Ibid.*, pp. 262ff; Pierre du Pont MSS, file 1164, President's Organization on Unemployment Relief, 1931, Eleutherian Mills; and Rothbard, "Herbert Hoover and the Myth of Laissez Faire," p. 129. Hoover saw his White House conferences as a significant departure from *laissez faire*.
60. Lopata, "John J. Raskob," pp. 136-40.
61. *Ibid.*, pp. 173f.
62. Zilg, *Du Pont*, pp. 283, 289.
63. Lopata, "John J. Raskob," pp. 200, 204, 218.
64. *Ibid.*, p. 217.
65. Wolfskill and John A. Hudson, *All But the People: Franklin Roosevelt and his Critics, 1933-1939* (New York: Macmillan, 1969), p. 143.
66. Comerford, "American Liberty League," p. 5.
67. Zilg, *Du Pont*, p. 285.

68. Comerford, "American Liberty League," p. 5. Since the NRA was compulsory, du Pont's syntax is curious.
69. Quoted in Zilg, *Du Pont*, p. 285. Many workers soon realized the gambit; see Hofstadter, *American Political Tradition*, p. 336. Pierre du Pont was also a member of Roosevelt's National Labor Board with Baruch and Swope.
70. Zilg, *Du Pont*, pp. 283, 288.
71. Comerford, "American Liberty League," pp. 122, 219.
72. Jesse H. Jones and Edward Angly, *Fifty Billion Dollars: My Thirteen Years with the RFC* (New York: Macmillan, 1951), pp. 322f.
73. Lopata, "John J. Raskob," pp. 149f.
74. Memo from FDR to Jones, quoted in Jones and Angly, *Fifty Billion Dollars*, p. 456.
75. *Ibid.*, pp. 456ff.
76. *Ibid.*, p. 464.
77. *Ibid.*, p. 460.
78. Comerford, "American Liberty League," pp. 13, 18; and Lopata, "John J. Raskob," pp. 210, 215, 223.
79. Burns, *Roosevelt*, p. 240; and Comerford, "American Liberty League," p. 17.
80. Flynn, "Whose Child," p. 394.
81. Comerford, "American Liberty League," pp. 20f.; and Wolfskill, *Revolt*, pp. 23f.
82. Quoted in James A. Reed, "The Constitution—The Fortress of Liberty," undated, ALL Pamphlet 105. (Emphasis in pamphlet.) See also Ekirch, *Ideologies and Utopias*, p. 68.
83. Hawley, *The New Deal*, p. 16.
84. Hofstadter, *American Political Tradition*, p. 335.
85. Conkin, *The New Deal*, pp. 74ff. See also Lopata, "John J. Raskob," pp. 212f.
86. Wolfskill, *Revolt of the Conservatives*, p. 105.
87. Zilg, *Du Pont*, pp. 270ff. This was the first of several embarrassing situations Raskob created for Roosevelt on Prohibition.
88. Wolfskill, *Revolt of the Conservatives*, p. 103.
89. Gerald P. Nye, "U.S. Munitions Investigation," pamphlet of NBC radio broadcast, October 3, 1934, Eleutherian Mills; Ekirch, *Ideologies and Utopias*, p. 214; and Lopata, "John J. Raskob," p. 225.
90. Zilg, *Du Pont*, p. 287.
91. Percy L. Greaves, interview with the author, November 16, 1980. Greaves, a free-market advocate, was a member, but not an organizer or leader, of the League.
92. No member of the League came close to levelling criticism of the New Deal as trenchant as Mencken's: "There is, in fact, only one intelligible idea in the whole More Abundant Life rumble-bumble, and that idea is the idea that whatever A earns really belongs to B. A is any honest and industrious man or woman; B is any drone or jackass. On this proposition all the quacks clustered about the Greatest President Since Hoover are agreed, and this proposition alone. Each and everyone of their schemes, from the AAA to the TVA, is a scheme to convert the lubricious imaginings of the incompetent and unhappy into blissful realities—in brief, to put envy on a golden basis, substantially higher than that of the boloney dollar. There is nothing in the New Deal save that, and there never will be" (H. L. Mencken, *A Carnival of Buncombe*, ed. Malcolm Moos [Baltimore: The Johns Hopkins Press, 1956], p. 306).

On another occasion, he wrote that the New Deal's purpose "is to keep a gang of politicians in control of the government, and [its] effect is to pillage unmercifully all persons who venture to challenge it" (*ibid.*, p. 326).

Nock had no doubts about who wanted controls on the economy: "I cannot imagine that there are a baker's dozen [businessmen] in the world who would regard a government that really kept its hands off business—which is what some of them pretend to want—as anything but an appalling calamity, worse than the earthquake of Lisbon. We can almost hear the yells of horror that would go up from every chamber of commerce, bankers' conference, and Rotarian lunchtable. . ." (Albert Jay Nock, "Progress Toward Collectivism," *The American Mercury*, February 1936).

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- Curti, Merle. *The Growth of American Thought*. New York: Harper, 1951. This book by the liberal, pacifist historian contains brief references to the New Deal and its critics, but has little on the underlying political battle.
- Domhoff, G. William. *The Higher Circles: The Governing Class in America*. New York: Vintage Books, 1971. In supporting his thesis that America is ruled by a "power elite," he demonstrates that the New Deal was the child of corporate leaders. He names names and affiliations.
- Dorfman, Joseph. *The Economic Mind in American Civilization*. Vol. 5. New York: Viking Press, 1959. This contains good material on the businessmen who wanted government planning. Especially valuable are the details of the Swope and Chamber of Commerce plans.
- Duke, Marc. *The Du Ponts: Portrait of a Dynasty*. New York: E. P. Dutton, 1976. This has little on the issue at hand.
- Ekirch, Arthur A., Jr. *The Decline of American Liberalism*. New York: Atheneum, 1967. This is a classic work that analyzes American history as a decline of individual liberty and peace. In particular, Ekirch cites the New Deal as an important episode in the decline, noting the heavy participation, as usual, by businessmen.
- . *Ideologies and Utopias: The Impact of the New Deal on American Thought*. Chicago: Quadrangle, 1969. What was given only one chapter in *The Decline* is dealt with fully here. Emphasis is on the development of collectivist thought in the period.
- Flynn, John T. *As We Go Marching*. New York: Free Life Editions, 1973. Flynn analyzes the essentials of fascism in Italy and Germany in this book, originally published in 1943, and concludes that the New Deal shares those characteristics.
- . *The Roosevelt Myth*. New York: Devin-Adair, 1948. An early revision of the Roosevelt story, Flynn emphasizes the differences between the New Deal FDR promised and the one he delivered. It contains material on Raskob's effort to get FDR to run for governor in 1928.
- Freidel, Frank. *Franklin D. Roosevelt: The Ordeal*. Boston: Little, Brown, 1954. A sympathetic picture; Freidel pays attention to FDR's early Wall Street career—an element missing from most discussions.
- Gates, John D. *The du Pont Family*. Garden City: Doubleday, 1979. This is a friendly family biography by an in-law. It has little to say about the du Ponts' anti-New Deal activity.
- Hawley, Ellis W. *The New Deal and the Problem of Monopoly: A Study in Economic Ambivalence*. Princeton: Princeton University Press, 1966. Hawley sees that the NRA cartelized American business with its approval, fulfilling its dream of self-regulation and federal supervision.
- Hofstadter, Richard. *The American Political Tradition*. New York: Knopf, 1948. This has good material on the conservative nature of the New Deal, especially Roosevelt's opportunistic bid for leftist support in 1935.
- Hoyt, Edwin P., Jr. *Jumbos and Jackasses: A Popular History of the Political Wars*. Garden City: Doubleday, 1960. This story of Republicans and Democrats has some helpful information on Raskob.
- Hughes, Jonathan R. T. *The Governmental Habit: Economic Controls from Colonial Times to the Present*. New York: Basic Books, 1977. Hughes's thesis is that nonmarket controls were nothing new in the 1930's and that businessmen were usually involved in them.
- Kolko, Gabriel. *Railroads and Regulation, 1877-1916*. New York: W. W. Norton, 1965. Kolko shows that the Interstate Commerce Commission was actively sought by the big railroads.
- . *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916*. New York: The Free Press, 1963. A pioneering revisionist work on how corporate leaders pushed for all sorts of business regulation in the Progressive Era to escape the forces of

competition.

- Leuchtenberg, William E. *Franklin Roosevelt and the New Deal, 1932-1940*. New York: Harper and Row, 1963. A comprehensive look at the New Deal—some consider it the best. The author sees the era as a half-revolution, but is aware of its conservatism.
- Lundberg, Ferdinand. *The Rich and the Super-Rich: A Study in the Power of Money Today*. New York: Bantam, 1969. Lundberg discusses the political influence of the wealthy, including their participation in the Roosevelt administration.
- Mencken, H. L. *A Carnival of Buncombe*. Edited by Malcolm Moos. Baltimore: The Johns Hopkins Press, 1956. This is a brilliant collection of columns on Harding, Coolidge, Hoover and Roosevelt. Mencken sees politics for what it is.
- Mills, C. Wright. *The Power Elite*. London: Oxford University Press, 1968. Wright's discussion of how America is ruled by an elite includes material on the New Deal.
- Radosh, Ronald, and Murray N. Rothbard. *A New History of Leviathan: Essays on the Rise of the American Corporate State*. New York: E. P. Dutton, 1972. The most relevant of this excellent collection are Radosh's "The Myth of the New Deal" and Rothbard's pair, "Herbert Hoover and the Myth of Laissez Faire" and "War Collectivism in World War I." The Kolko thesis is carried to the post-Progressive period.
- Rothbard, Murray N. *America's Great Depression*. Kansas City: Sheed and Ward, 1972. The definitive look at the causes of the depression and how Hoover, a supreme interventionist, aggravated and prolonged it. This is an important link in the revisionist chain.
- . *Left and Right: The Prospects for Liberty*. San Francisco: Cato Institute, 1979. This is a revisionist outline of American history, avering that "socialism" was not forced on businessmen, but was the product of their quest for nonmarket advantage.
- Schlesinger, Arthur M., Jr. *The Coming of the New Deal*. Boston: Houghton Mifflin, 1958.
- . *The Crisis of the Old Order, 1919-1933*. Boston: Houghton Mifflin, 1957. Both volumes constitute a sympathetic, conventional picture of Roosevelt. But Schlesinger does include interesting material about Roosevelt's business career.
- Unofficial Observer [John Franklin Carter]. *The New Dealers*. New York: Simon and Schuster, 1934. This is also a sympathetic account of the New Deal, but from a contemporary. It includes substantial material about the role of businessmen.
- Wiebe, Robert H. *Businessmen and Reform: A Study of the Progressive Movement*. Chicago: Quadrangle, 1968. This is a study of the activities of businessmen and their organizations during the Progressive Era. He concludes that the era was not anti-business.
- Williams, William Appleman. *Americans in a Changing World*. New York: Harper and Row, 1978.
- . *The Contours of American History*. Cleveland: World Publishing, 1961. Both books contain chapters on the Depression-era that explore the conservatism of public policy. Williams is sympathetic toward Hoover.
- Wolfskill, George. *The Revolt of the Conservatives: A History of the American Liberty League, 1934-1940*. Boston: Houghton Mifflin, 1962. The only book on the League, it contains ample factual material, but is deficient in analysis. The author's conventional categories prevent him from figuring the League out.
- Wolfskill, George, and John A. Hudson. *All But the People: Franklin Roosevelt and His Critics, 1933-1939*. New York: Macmillan, 1969. This book describes the spectrum of critics and criticism of the New Deal in conventional terms.
- Zilg, Gerard Colby. *Du Pont: Behind the Nylon Curtain*. Englewood Cliffs, N.J.: Prentice-Hall, 1974. This is a comprehensive look at the family from a Marxist-revisionist view. The "ruling class" analysis is valuable, but the economic interpretation gets in the way at times.
- Zinn, Howard, ed. *New Deal Thought*. Indianapolis: Bobbs-Merrill, 1966. A good collection of essays by New Deal contemporaries that elucidate the underlying philosophy. Especially good is Zinn's introduction on the limits of the New Deal.