

# Three New Deals: Why the Nazis and Fascists Loved FDR

-David Gordon, 2018

Critics of Roosevelt's New Deal often liken it to fascism. Roosevelt's numerous defenders dismiss this charge as reactionary propaganda; but as Wolfgang Schivelbusch makes clear, it is perfectly true. Moreover, it was recognized to be true during the 1930s, by the New Deal's supporters as well as its opponents.

When Roosevelt took office in March 1933, he received from Congress an extraordinary delegation of powers to cope with the Depression.

The broad-ranging powers granted to Roosevelt by Congress, before that body went into recess, were unprecedented in times of peace. Through this "delegation of powers," Congress had, in effect, temporarily done away with itself as the legislative branch of government. The only remaining check on the executive was the Supreme Court. In Germany, a similar process allowed Hitler to assume legislative power after the Reichstag burned down in a suspected case of arson on February 28, 1933. (p. 18).

The Nazi press enthusiastically hailed the early New Deal measures: America, like the Reich, had decisively broken with the "uninhibited frenzy of market speculation." The Nazi Party newspaper, the *Völkischer Beobachter*, "stressed 'Roosevelt's adoption of National Socialist strains of thought in his economic and social policies,' praising the president's style of leadership as being compatible with Hitler's own dictatorial *Führerprinzip*" (p. 190).

Nor was Hitler himself lacking in praise for his American counterpart. He "told American ambassador William Dodd that he was 'in accord with the President in the view that the virtue of duty, readiness for sacrifice, and discipline should dominate the entire people. These moral demands which the President places before every individual citizen of the United States are also the quintessence of the German state philosophy, which finds its expression in the slogan "The Public Weal Transcends the Interest of the Individual"' (pp. 19-20). A New Order in both countries had replaced an antiquated emphasis on rights.

Mussolini, who did not allow his work as dictator to interrupt his prolific journalism, wrote a glowing review of Roosevelt's *Looking Forward*. He found "reminiscent of fascism ... the principle that the state no longer leaves the economy to its own devices"; and, in another review, this time of Henry Wallace's *New Frontiers*, Il Duce found the Secretary of Agriculture's program similar to his own corporativism (pp. 23-24).

Roosevelt never had much use for Hitler, but Mussolini was another matter. "I don't mind telling you in confidence," FDR remarked to a White House correspondent, "that I am keeping in fairly close touch with that admirable Italian gentleman" (p. 31). Rexford Tugwell, a leading

adviser to the president, had difficulty containing his enthusiasm for Mussolini's program to modernize Italy: "It's the cleanest ... most efficiently operating piece of social machinery I've ever seen. It makes me envious" (p. 32, quoting Tugwell).

Why did these contemporaries see an affinity between Roosevelt and the two leading European dictators, while most people today view them as polar opposites? People read history backwards: they project the fierce antagonisms of World War II, when America battled the Axis, to an earlier period. At the time, what impressed many observers, including as we have seen the principal actors themselves, was a new style of leadership common to America, Germany, and Italy.

Once more we must avoid a common misconception. Because of the ruthless crimes of Hitler and his Italian ally, it is mistakenly assumed that the dictators were for the most part hated and feared by the people they ruled. Quite the contrary, they were in those pre-war years the objects of considerable adulation. A leader who embodied the spirit of the people had superseded the old bureaucratic apparatus of government.

While Hitler's and Roosevelt's nearly simultaneous ascension to power highlighted fundamental differences ... contemporary observers noted that they shared an extraordinary ability to touch the soul of the people. Their speeches were personal, almost intimate. Both in their own way gave their audiences the impression that they were addressing not the crowd, but each listener as an individual. (p. 54)

But does not Schivelbusch's thesis fall before an obvious objection? No doubt Roosevelt, Hitler, and Mussolini were charismatic leaders; and all of them rejected *laissez-faire* in favor of the new gospel of a state-managed economy. But Roosevelt preserved civil liberties, while the dictators did not.

Schivelbusch does not deny the manifest differences between Roosevelt and the other leaders; but even if the New Deal was a "soft fascism", the elements of compulsion were not lacking. The "Blue Eagle" campaign of the National Recovery Administration serves as his principal example. Businessmen who complied with the standards of the NRA received a poster that they could display prominently in their businesses. Though compliance was supposed to be voluntary, the head of the program, General Hugh Johnson, did not shrink from appealing to illegal mass boycotts to ensure the desired results.

"The public," he [Johnson] added, "simply cannot tolerate non-compliance with their plan." In a fine example of doublespeak, the argument maintained that cooperation with the president was completely voluntary but that exceptions would not be tolerated because the will of the people was behind FDR. As one historian [Andrew Wolvin] put it, the Blue Eagle campaign was "based on voluntary cooperation, but those who did not comply were to be forced into participation." (p. 92)

Schivelbusch compares this use of mass psychology to the heavy psychological pressure used in Germany to force contributions to the Winter Relief Fund.

Both the New Deal and European fascism were marked by what Wilhelm Röpke aptly termed the “cult of the colossal.” The Tennessee Valley Authority was far more than a measure to bring electrical power to rural areas. It symbolized the power of government planning and the war on private business:

The TVA was the concrete-and-steel realization of the regulatory authority at the heart of the New Deal. In this sense, the massive dams in the Tennessee Valley were monuments to the New Deal, just as the New Cities in the Pontine Marshes were monuments to Fascism ... But beyond that, TVA propaganda was also directed against an internal enemy: the capitalist excesses that had led to the Depression... (pp. 160, 162)

This outstanding study is all the more remarkable in that Schivelbusch displays little acquaintance with economics. Mises and Hayek are absent from his pages, and he grasps the significance of architecture much more than the errors of Keynes. Nevertheless, he has an instinct for the essential. He concludes the book by recalling John T. Flynn’s great book of 1944, *As We Go Marching*.

Flynn, comparing the New Deal with fascism, foresaw a problem that still faces us today.

But willingly or unwillingly, Flynn argued, the New Deal had put itself into the position of needing a state of permanent crisis or, indeed, permanent war to justify its social interventions. “It is born in crisis, lives on crises, and cannot survive the era of crisis.... Hitler’s story is the same.” ... Flynn’s prognosis for the regime of his enemy Roosevelt sounds more apt today than when he made it in 1944 ... “We must have enemies,” he wrote in *As We Go Marching*. “They will become an economic necessity for us.” (pp. 186, 191)