
Book Review

The Lessons of the 1932 Democratic Convention for Political Victory Today

by John Ascher

Happy Days Are Here Again: The 1932 Democratic Convention, the Emergence of FDR—and How America Was Changed Forever

by Steve Neal

New York: William Morrow, 2004
384 pages, hardcover, \$26.95

A unique and excellent study has been made available with this work by Steve Neal, published posthumously and released just before the Democratic Convention in Boston. Neal develops the dramatis personae of the 1932 convention, in which the popular Governor of New York, Franklin Roosevelt, faced the possibility of a deadlocked convention of the sort witnessed in 1912 or 1924.

Beyond the profiles of William Randolph Hearst, the Texan and House Speaker John Nance Garner, Governor Albert Cabell Ritchie of Maryland, and many others, is a story revealed (inadvertently) in this book, which adds a fuller picture to the level of the hysteria of the synarchist/fascists concerning the prospect of an FDR presidency. Here we find stage one of the bankers' plot, seen later in the attempted assassination, and then coup attempt against FDR,¹ that began with the effort to orchestrate the convention deadlock, which, if successful, would have led to the insertion of a top synarchist operative into the White House.

Perhaps some of the brainwash victims of anti-FDR historical revisionism might become unstuck, or unglued, if they understood this story.

But first, a picture of the environment surrounding the convention, portrayed vividly by Neal.

The convention city, Chicago, was run by Anton Cermak, a big city boss, who had recently run Al Capone out of town. However, at the time of the Democratic meeting, total economic breakdown ruled: The bottom had fallen out.

1. See L. Wolfe, "Morgan's Fascist Plot Against the United States and How It Was Defeated," *New Federalist*, June 27, July 4, July 18, and July 25, 1994.

One week before the convention, thousands of garbage collectors had quit after two months of no pay, and police guarded mounting piles of garbage all over the city. "Hooverville" shanties for the homeless abounded. Hundreds of thousands faced evictions due to delinquent tax payments and auctions. Cermak was trying to get the Reconstruction Finance Corporation (RFC) to bail out the city, bankrupted by paying jobless benefits under conditions of a collapse of revenue.

On the weekend leading into the convention, an emergency meeting was convened by Charles Dawes (of the famous Dawes plan), an executive at the Central Republic Bank and Trust Company, to set off alarms concerning the impending shutdown of his bank by the following Monday. First National Bank, run by Democrat and mooted Presidential contender Melvin A. Traylor, had barely survived a \$50 million run earlier in the week. A shutdown of Republic would collapse all of Chicago's banks.

President Hoover intervened. Through the RFC, a banking bailout was arranged, making available \$100 million that Dawes had demanded. (Later, FDR was to transform the RFC as part of the New Deal, away from a bankers bailout operation. But, as one can see from this incident, the leading banks at this point were desperate.)

Neal draws out the plans of various circles in the party to use the "two thirds" rule, requiring two thirds of the delegates to select the nominee, meaning that a popular candidate, even having a majority, could be blocked and out-manuevered in a deadlocked convention. This had happened in 1924, when Al Smith and William McAdoo deadlocked the convention, leading to the Morgan attorney John Davis gaining the nomi-



nation. Davis was not the first Morgan lawyer to get the nomination, and if the bankers were to have their way, he would not be the last. In fact, the first Democratic President after the Civil War, Grover Cleveland, worked for a Morgan law firm.

FDR's Unique Role

What the author tends to downplay, was the revolution in Party politics brought about by FDR, prior to the convention, so Roosevelt tends to become simply another player amongst various colorful figures of the time.

For example, Roosevelt succeeded not only in mobilizing the “forgotten man” and the unorganized in the country. He also was able to bring together, for the first time, elements of the Progressive movement into the Democratic Party, in an alliance with the Southern and rural wings of the party, which had long been under the sway of William Jennings Bryant.

Key to this was FDR's addressing the reality of the economic collapse, with his unique ability to transmit optimism to a nation undergoing a halving of its living standard during the Hoover Administration disaster. This ability to address reality, counterposed to the hangover of the single-issuism of the day, and bankers' control over the Democratic Party, holds many important lessons for the fight today.

As Lonnie Wolfe documented in a *New Federalist* article² on the 1932 Convention, the Democratic National Committee of the late 1920s and early '30s was as Wall Street-controlled and anti-FDR then, as the DNC has been today against Lyndon LaRouche, as seen in his exclusion from the 2004 primary process, prior to the national convention in Boston in July.

Roosevelt had been excluded from a Spring DNC meeting prior to the Summer convention, at which event former New York Governor and 1928 Presidential Nominee Al Smith denounced FDR's appeal as demagoguery and a move toward class warfare. Smith, by this point in his career, was run by the Wall Street heavyweights in the party, John J. Raskob and Jouett Shouse.

A Minefield

FDR had to maneuver through a minefield at this convention.

One segment of the Party attempted to trap Roosevelt around the leading emotional hot button of the era, the 18th Amendment (Prohibition). Smith had made his 1928 campaign, a “wet” one, pitting him against the “dry” forces typified by the remnants of the Bryant machine. Note that in 1924,

2. L. Wolfe, “The Battle for the Soul of the Democratic Party,” *New Federalist*, July 26, 2004.



Franklin Roosevelt's arrival in Chicago to accept the Democratic Presidential nomination. Air flight was risky in those years, and FDR broke tradition by appearing in person at the convention, in order to underline the gravity of the situation and the awesome responsibility he was going to assume.

the Democratic Party, by one vote, failed to pass a resolution condemning the Ku Klux Klan, which, besides its well-known hatred of African Americans, targeted Catholics (Smith was Catholic) and fought to maintain Prohibition.

Roosevelt skillfully avoided this trap, over many years.

Another mine, which was exploded prior to the convention, involved a criminal probe of Tammany Hall, the machine that ran New York.

Judge Samuel Seabury, whom Governor Roosevelt had appointed to investigate corruption, had built a case against many of the major figures in New York politics, including powerful New York Mayor James Walker. This exploded just prior to the convention, putting FDR in potentially an antagonistic position with the party machine in New York. FDR's enemies, such as newspaperman and establishment insider Walter Lippmann, thought he would be snared.

FDR refused the trap. “Never will I let it be said that I climbed to a position of power on the back of someone else,” was his response.

From the primaries and pre-convention campaign, Roosevelt was way ahead going into Chicago. Of the 1,154 delegates, he had secured more than half, but needed 770 to win. Therefore, his enemies needed only 385 committed delegates, and it was thought if the convention was driven, deadlocked to a fourth or fifth ballot, Roosevelt would be stopped.

While the Wall Street forces clearly had their hooks in several of the alternate candidates, who savored the chance of being the “unity candidate” to win a deadlocked convention, their pick was Newton Baker, a dark horse candidate.

I will not recount here the fight waged to overturn the two-



FDR greets the crowd at the airport in Chicago.

thirds rule, involving Huey Long of Louisiana. FDR's forces were clearly desperate to enable a simple majority to choose the nominee, but they failed; they did succeed in choosing the Progressive from Montana, Wheeler, as the Chair of the Convention, stopping the Raskob ally, Shouse.

By the end of the third ballot, everything was on the verge of collapse for Roosevelt, as he was still short, with 650 solid delegates. He had picked up only 5 delegates in the third ballot.

Neal recounts what then occurred: "At 9:15 a.m. the convention finally adjourned until Friday night. Delegates were flooded with thousands of telegrams from across the country urging Baker's nomination. Walter Lippmann began circulating a petition among prominent Democrats calling on the convention to draft Baker. 'The way out of the danger of a deadlock is not only open, but it is attractive,' Lippmann wrote. 'For all through these various delegations there is an astonishing strong though quiet conviction that the party can unite on a man who is stronger than any of the leading contenders. That man is Newton Baker of Ohio.' "

Neal reports that FDR, who was not at the convention but in Albany, called Baker to offer him support, if he would decide to run at this point. But clearly, as can be seen in Roosevelt's public response, he was just testing out his enemy. Roosevelt's public statement at the time was as follows: "My friends will not be misled by organized propaganda by telegrams now being sent to delegates. Stick to your guns. It is clear that the nation must not and shall not be overridden. Now is the time to make clear that we intend to stand fast and win."

Who was Newton Baker? The former mayor of Cleveland, he had served as Woodrow Wilson's Secretary of War. He was closely associated with the Anglophile Wilson, having taken his politics course at Johns Hopkins. After leaving office, he became the attorney for the J.P. Morgan Company.

He became a candidate in 1932, with Lippmann as his chief backer, and was seen as the continuation of the Wilson Administration within the Democratic Party.

Continuing with the convention, Neal highlights the role of Joseph P. Kennedy in moving William Randolph Hearst, and through him, Sen. William McAdoo (Calif.), out of their fear of Baker, to support FDR. The break by the California delegation, pledged to Garner, was then leveraged with the Texas delegation, Garner's home state, with Garner agreeing to become FDR's Vice Presidential nominee.

John Nance Garner had already been fighting under Hoover for massive public works and infrastructure, as a way to ameliorate the conditions of economic misery.

This break by California and Texas was sufficient to secure the nomination for Roosevelt.

No Turning Back

Capturing Roosevelt's sense of the emergency facing the nation at that moment, he broke tradition and flew to Chicago to accept the nomination. Not only was air flight considered unprecedented at that time, but nominees traditionally waited until well after the convention, to accept the nomination in their home cities. FDR took a rather rocky flight into Chicago, and made a triumphant entry into the city, going through working-class districts, being greeted by large crowds, and then went to deliver his historic "New Deal" speech.

He made it clear in Chicago, that there would be no turning back in his revolution.

"This is no time for fear, for reaction or for timidity. And here and now I invite those nominal Republicans who would find that their conscience cannot be squared with the groping and failure of their party leaders to join hands with us; here and now, in equal measure, I warn those nominal Democrats who squint at the future with their faces turned toward the past, and who feel no responsibility to the demands of the new time, that they are out of step with the party. . . . The people of this country want a genuine choice this year . . . not a choice between two names for the same reactionary doctrine. . . .

"Throughout the nation, men and women, forgotten in the political philosophy of the government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of the national wealth.

"On the farms, in the large metropolitan areas, in the smaller cities and in the villages, millions of our citizens hope that their old standards of living and of thought are not gone forever. Those millions cannot and shall not hope in vain.

"I pledge you—I pledge myself to a new deal for the American people. Let us here assembled constitute ourselves prophets of a new order of competence and of courage. This is more than a political campaign; it is a call to arms. Give me your help, not to win votes alone, but to win in this crusade to restore America to its own people."

These are lessons which Lyndon LaRouche, today, is urgently teaching to John Kerry. He has little time to learn them.