THE DEPRESSION:

LESSONS LEARNED THAT ARE RELEVANT TODAY

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Introduction

My mother was a child of the Depression, which I suppose makes me a grandchild. Like others in her generation, my mother believed you work hard, and with certain limited exceptions, you save the money you earn from your work. Except for the purchase of a home, you do not borrow money, and that includes buying a car. You pay cash for a car and you start saving for the next car the day you bring home that new Ford.

These values and beliefs were of great help when my father died unexpectedly and at a young age, and left my mother with four young children - today she would be known as a single parent. It also helped that my mother and my siblings and I were considered "survivors" and eligible for payments under the federal "Old Age, Survivors and Disability" insurance program, also known as Social Security, which was called by David Kennedy, in his Pulitzer Prize winning book on the Depression, "a landmark measure whose legacy endured and reshaped the texture of American life."

Social Security, of course, was part of Franklin Roosevelt's New Deal, his legislative agenda designed to combat and eliminate the Great Depression. The Social Security Act did not end the Depression; in fact some believe it prolonged or made the Depression worse. The other New Deal laws also did not end the Depression – the

Depression finally disappeared because of the United States' response to the Japanese attack at Pearl Harbor in December of 1941.

What have we learned from the Great Depression? Good question, but one that may be answered in any definitive way by a writer who has far more analytical skills, and more time, than I. As I learned in the introduction of the first book I picked up on the subject, except for the Civil War, the Depression is the most written about event in American history. So much for my long-held view that when writing a legal brief or preparing a Quest paper, "less is more."

Accordingly, I will exercise the right of poetic license and I have chosen to focus on two aspects of the Depression: (i) the stock market crash of 1929, and (ii) the enactment of the Social Security legislation.

The Stock Market Crash of 1929

He was called the "Great Gatsby of carmaking" and the "king of bulls." While in his earlier days William C. Durant had been involved in the formation and operation of multiple automobile companies, including a company that bore his name and another well known company that survives today, in 1928 and 1929, Durant devoted his time to buying and selling stocks, not making and selling cars. As noted by one of his biographers, in his earlier years, Durant used his money, and like many other successful entrepreneurs, other people's money, for the purpose of building factories to make cars, which resulted in the employment of hundreds of workers. By 1928, like many others, Durant used his and other people's money simply to make money, and Durant was estimated to have accumulated a fortune of $100 million.

Like all serial entrepreneurs, Durant was an optimist – which characteristic was not necessarily a good one for a buyer of stocks in late 1929.

Durant, along with others, including an Irish-American businessman by the name of Joseph Kennedy participated in stock pools or syndicates – what I would characterize as a distant cousin of today's stock mutual fund. (Kennedy, of course was the father of sons John, the President, and Ted, the senator from Massachusetts, and, daughter Eunice Shriver; Ted and Eunice died this year.) Using methods and techniques that were later made illegal by the New Deal's securities laws, the stock pools combined trading on inside information and stock manipulation to cause stock prices to either run up or run down, and following the simple rule of buying low and selling high, Durant, Kennedy, and their fellow investors, made millions of dollars.

Investors in the 1920s, like investors today in the 21st century, relied on the media for stock tips. While Philo Farnsworth's television did not appear until the 1950s, and Cramer did not appear on television and the Yahoo finance page did not arrive on our computer screens until the 1990s, in the 1920s, newspapers had financial columns and the radio had financial commentators – who talked about stocks and passed on stock tips.

One way the pools manipulated the market was to buy a stock and then pay financial journalists and radio commentators to write favorable comments in their newspapers or talk positively about the stock on the radio. After the public bought the stock and the price ran up, the pools sold for a big profit.

Durant and Kennedy were not the only persons who accumulated wealth by purchasing stocks in the 1920s. The stock market, measured after the end of World War I was truly “the great bull market.” On the day Herbert Hoover was elected in November of 1928, the New York Times Index was two times that of 1924 and three times that of 1918. (The *New York Times* apparently did more than publish a newspaper; it also had an index of 50 industrial stocks.) The Dow Jones Index doubled from early in 1928 to September of 1929.

What caused the great bull market and the increase in stock prices? While the pools and syndicates played a role, it was the ability to buy stock on credit, combined with the motivation to get rich quickly, that fueled the surge in prices. (Today Warren Buffett suggests that investors buy stocks when others are fearful and sell when others are greedy; the market in 1928 and early 1929 was clearly motivated by greed.)

Buying stocks on credit meant you bought on margin: An investor would borrow money, known as broker’s loans, pay as little as 10% down, and borrow 90% of the purchase price of the stock. As long as the stock went up, which generally was the case in the late 1920s, the miracle of leverage allowed the investor to make a profit. What seemed to be too good to be true of course proved correct.

Where did all the money come from to finance the loans? There was a Federal Reserve in the late 1920s and the Fed decided in 1927 to lower what was called the "rediscount rate." The broker's loans were so popular that banks could in essence, borrow money from the Federal Reserve or others at a low rate, and re-loan the money a much higher interest rate to finance the purchase of stock.

Americans were not simply borrowing money to buy stock. Partly as a result of the rise of the "infant industry" known as advertising, Americans were convinced that it was acceptable to borrow money to buy consumer goods, and contrary to my mother's beliefs, Americans borrowed money to buy the product that in the 1920s became a necessity: the automobile. It also helped that the automobile was no longer the "plaything of the rich," but was affordable to the ordinary American. While in 1912, it took 14 hours to assemble a single car, by 1925, a black Model T rolled off Henry Ford's assembly line every ten seconds. By 1929, there was one motor vehicle in the United States for every five people.

To help its customers finance the purchase of its cars, General Motors in 1919 formed the General Motors Acceptance Corporation.

By 1929, three of every five automobiles were purchased on credit, and while televisions were not yet available, radios were, and many radios were also purchased on credit.

Social critic Stuart Chase listed three sights that made the streets of New York and other large cities in 1929 different from those before the war: “skyscrapers, motor cars, and skirts … women are wearing about half as much clothes.” While I am not sure about changes in women’s skirts, tall buildings were not limited to New York City. On August 16, 1929, ground was broken for the construction of a tall building a few blocks east of here on Berry Street: the Lincoln Tower.

As the year 1929 began, Durant was not the only optimist that the bull market would continue. Measured by the old maxim that “as the first day goes, so goes the year,” 1929 looked like it would be a good year - on the first trading day of the year, stocks advanced and the market volume was the second highest in the history of the New York Stock Exchange.

Prominent Wall Street investors, government officials, and leading newspapers almost universally agreed that the United States economy and the stock market would continue to grow and prosper in 1929. Thomas Watson of IBM said: “We may look forward to the progress of business in 1929”; Alfred Sloan of General Motors said “personally, I believe it is going to be a very prosperous year – I do not see how it could be otherwise”; Sloan’s colleague at the Cadillac Motor Car Company, Lawrence Fisher, was of the opinion that 1929 “should not be viewed as a ‘cashing-in’ period but as a time for laying foundations for a period of many years of prosperity”; and the Secretary of the Treasury in the Hoover cabinet, Andrew Mellon, was of the view that “in the industrial world conditions seem to be on even keel. I look forward with confidence to continued progress in the year ahead."

One financial columnist, Dana Noyes of the *New York Times*, was skeptical. In 1928, he wrote a column that questioned whether the bull market could continue to rise indefinitely and suggested investors may want to consider selling shares. Noyes later recalled that readers who followed his advice and sold their shares in 1928 wrote him in early 1929, obviously prior to the October crash, to say that they had missed their chance to make a fortune. Noyes did not say if any of such readers later wrote him to say thank you for the advice to sell.

While some of Noyes's readers may have sold their shares, many other investors did not, and the purchasers of stock were not limited to Durant, Kennedy and other Wall Street tycoons. As noted by Maury Klein in his book on the 1929 crash, eloquently titled *Rainbow's End*, the elevator man, the barber, the engineer, the porter, the newspaper reporter, and the drugstore clerk were buying stock and "basking in pleasing paper profits." (Does this sound familiar?)

Corporations found that their employees were frequent purchasers of their stock. The number of corporate stock purchase plans offered to employees grew six-fold from 1915 to 1929, with nearly one-third of eligible employees participating. No word on whether the employees diversified their portfolio to avoid having too many employer shares.

The old rules of investing were disregarded. While conservative investing may have thought stocks were adequately priced, Joseph Raskob, a colleague of Durant from his earlier days in the car business, was hyping General Motors stock, saying it was a bargain.

The Federal Reserve board finally began to be concerned about the amount of broker's loans and there was talk of the Federal Reserve taking steps to decrease the availability of credit and raise the "re-discount rate" and interest rates in general.

Durant, our auto entrepreneur turned stock market tycoon, was concerned what the action of the Fed would do to the value of his stock holdings, and he arranged a meeting in April of 1929 with President Hoover. At the meeting, Durant lobbied the new President to convince the Federal Reserve to abandon any efforts to rein in credit. Hoover listened but was non-committal, and Durant later launched a public campaign against any attempt by the Federal Reserve to raise interest rates, saying the Federal Reserve should "keep its hands off business."

In July of 1929, Joseph Kennedy had his shoes shined by a shoe-shine man who was known to give stock tips to his customers. The shoe-shine man offered Kennedy a tip to buy oils and rails, and Kennedy later said that this conversation convinced him it was time to sell. Kennedy recalled that in a market where anyone could invest and a shoe-shine man was giving stock tips, it was a market that "was not one for him."

Durant may have had his shoes shined by the same shoe-shine man, but unlike Kennedy, Durant continued to be a buyer, or at least a holder, of shares. Most other investors also failed to follow Kennedy's advice to sell in July.

The Great Crash of 1929 occurred in October of 1929, highlighted by Black Thursday of October 24th and Black Tuesday of October 29th.

Durant, the Great Gatsby of carmaking and the king of bulls, lost his fortune. What was not lost in October was lost later when he continued to buy shares, hoping for a rebound.

In 1936, William Durant filed personal bankruptcy, 73 years prior to the 2009 bankruptcy filing of the auto company he formed, General Motors.

Social Security

A recent article in a newspaper stated that national health insurance has "dominated the liberal agenda since the Truman administration." I beg to differ. Franklin Roosevelt and his advisors originally planned to include national health insurance, along with payments to the elderly and the unemployed, in the Social Security legislation that was ultimately adopted by Congress in 1935. Robert McElvaine, a clearly liberal university professor, in his highly acclaimed book on the Depression, wrote in 1993 that a "vital mistake the New Dealers made that continues to haunt us today is their failure … to include national health insurance in the Social Security program. The health insurance crisis that the American people found themselves in by the early 1990s is essentially a piece of uncompleted business of the New Deal."

On the cable news shows and in the pages of the disappearing print newspapers, the debate rages today over questions such as: Is access to healthcare a civil or moral right? Should health insurance be a federal program or should it be left to the states? If we adopt national health insurance, who pays for it? Who should be covered and who should be excluded? Should it be mandatory? What role should the President play in drafting the legislation? Will the courts find some or all of the legislation unconstitutional?

These same questions were raised in 1934 and 1935 as the President, his advisors, and Congress considered what has been called the landmark legislation of Franklin Roosevelt's presidency: the Social Security Act. David Kennedy, in his Pulitzer Prize winning book on the Great Depression, stated,

> "… no other New Deal measure proved more lastingly consequential or more emblematic of the very meaning of the New Deal. Nor did any other better reveal the tangled skein of human needs, economic calculations, idealistic visions, political pressures, partisan maneuverings, actuarial projections, and constitutional constraints…"

These words could easily be used to describe today's debate on national health insurance.

The Democratic Party platform in the 1932 election pledged the support for "unemployment and old-age insurance under state laws." Interesting choice of words:

(i) “old age”; the age ultimately chosen to be eligible to receive “old age” payments was 65, an age that today many of us would not consider old, and

(ii) “under state laws” – did that mean the absence of the federal government in paying money to the unemployed and those who have reached “old age”?

Two bills were working their way through Congress in 1934 – one to provide pensions for the elderly and another to provide unemployment insurance. Roosevelt did not publicly support either bill, because according to Kennedy, the President “intended to seize ownership of the issues for himself”; Roosevelt did not want Congress to take the lead in drafting the legislation.

Roosevelt appointed a committee, chaired by Francis Perkins, the Secretary of Labor and the first woman ever appointed to the cabinet, to prepare and draft the Social Security legislation to be submitted to Congress.

A threshold question the Committee faced was the role of the federal and state governments. Two factors suggested that the Social Security legislation should not simply be a federal program. First, the President told the Committee that “we’ve got to leave all that we can to the states. All the power shouldn’t be in the hands of the federal government.” Second, the Committee was worried about the Supreme Court. At that time, lower federal courts had declared other parts of New Deal legislation unconstitutional, and according to Kennedy, certain justices were “notoriously hostile to virtually any expansion of federal power over industry and commerce, not to mention the far bolder innovation of federal initiatives respecting employment and old age." The cautious attorney who acted as a legal advisor to the Committee, Thomas Eliot, later said "I could not honestly assure the committee that a national plan would be upheld by the Supreme Court."

With respect to the relative roles of the state and federal government in paying benefits to the unemployed, a mixed federal and state system was adopted by the Committee. A federal tax was imposed on employers in all states to finance payments to the unemployed, but states were free to adopt their own unemployment programs, and if so adopted, the taxes imposed on the employers in the state were used to fund the state's program. The states clearly had an incentive to pass unemployment compensation laws to keep taxes imposed on its employers in the state.

As for the payments to retirees (the persons suffering from "old age"), because workers move from state to state during their working careers, the Committee concluded only a federal program was feasible, although the Committee was concerned whether the federal government had the constitutional power to mandate a national pension plan. In a report, the Committee addressed the issue as follows:

> We are "fully aware of the limitations imposed upon the federal government by our Constitution. … [we are] convinced however that … [we] should first seek out the most constructive proposals for old age security adapted to American conditions and then, and only then, test as far as possible whether such proposals can be made effective within our legal system. Since law is a <u>living science</u>, it is reasonable to assume that if a sound program of old age security can

> be projected, our system of constitutional law will <u>evolve</u> in time to support that program."

Note the words describing the U.S. Constitution as a "living" document that "evolves." Similar language can be heard today when U.S. Supreme Court justices debate whether, in interpreting the Constitution, the justices should follow an "originalist" approach (what was intended by our founding fathers) or follow the idea that the U.S. Constitution evolves and changes over time.

Another issue that faced the Committee was whether participation by workers should be compulsory – in today's words, "a mandate." The Committee quickly concluded that participation should be mandatory – in the words of Kenneth Davis in his biography of Roosevelt: "experience and logic both argued unanswerably against free choice in this matter."

The most challenging issue facing the Committee was how to pay for the retirement payments. One alternative was to fund the program with general tax revenues, primarily consisting of income taxes; the other alternative was to use payroll taxes (which were called "contributions"), imposed upon the employer and the employee; and a final alternative was to use some combination of payroll taxes and general tax revenues.

Some members of the Committee argued against a payroll tax, calling it a regressive tax, and argued that taking taxes from an employee's paycheck or from an employer was not good policy in the midst of the Depression. In hindsight, most today would agree that in an economic Depression (or even in a recession) it is not good policy to increase taxes.

Roosevelt disagreed with the idea of funding the retiree payments with general tax revenues. Roosevelt told the Committee that the plan for retiree payments should be based on private insurance principles, saying "the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation." According to Kennedy, Roosevelt saw Social Security as a <u>property</u> right, not a <u>civil</u> right, because it was funded by a worker's own money (and with help from the worker's employer). Roosevelt later wrote: "We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions…. With those taxes in there, no damn politician can ever scrap my Social Security program."

The Committee initially set the payroll taxes at a rate, based on actuarial projections, and allowing for some initial start-up funding, no funding from general revenues (income taxes) would be required before 1965." This was 30 years in the future. Roosevelt, in what I find surprising, was a fiscal conservative, and he insisted that the Social Security program would involve "no dole. No money out of the Treasury," even if the money was not needed until 30 years in the future. According to Kennedy, Roosevelt would not tolerate any "accrued liability." Apparently a suggestion was made to structure the payroll tax such that general tax revenues would not be needed until 1980, 45 years in the future, and Roosevelt objected, saying, "It is almost dishonest to build up an accumulated deficit for the Congress of the United States to meet in 1980. We can't do that. We can't sell the United States short in 1980 any more than in 1935."

The Committee also had to decide whether all retirees should receive the same amount or should the amount of benefits be in proportion to the worker's earnings and contributions. Francis Perkins observed the easiest way would be to pay the same amount to all workers, but she recognized this would result in "income redistribution." The Committee decided that the "American way" dictated that payments received should be in proportion to earnings and contributions. Listen to the words of Francis Perkins: Paying the same amount to everyone, would be "contrary to the typical American attitude that a man who works hard, becomes highly skilled, and earns high wages 'deserves' more on retirement than one who did not become a skilled worker."

While all agreed that the Social Security plan would be compulsory – "no free choice" – the question remained: What workers would be covered and would any workers be excluded? While I read two different accounts as to why certain workers were excluded, in the final legislation, farm laborers, domestic workers, and workers who were employed by certain small business were excluded. Kennedy said these workers were excluded to lower the cost of the program. McElvaine said that farm laborers and domestic workers were excluded to appease Southern Democrats, who wanted to exclude black workers from the plan. I saw nothing about any debate on covering or excluding illegal immigrants.

The Social Security Act passed Congress and became law on August 14, 1935, and on January 17, 1940, Ida Fuller, a 76-year-old resident of Vermont, received the first Social Security check for $22.54. By 1990, 40 million beneficiaries had received checks, including five members of the Martin family.

As for health insurance, the Committee originally planned on including national health insurance as part of the Social Security legislation. According to Davis, in considering health insurance, the Committee "was beset from the beginning to end by a sense of futility in the face of obstacles impossible to overcome." Apparently the main obstacle was the opposition by the American Medical Association. Eliot, the attorney for the Committee, wrote years later that the Committee reluctantly agreed to exclude health insurance from the bill, because of "vehement opposition, sparked by the American Medical Association."

Today, we are in the midst of a debate concerning healthcare legislation, and I find it fascinating to compare the process and debate that surrounded the adoption of the Social Security legislation with the process and debate concerning health insurance, at a time when we had and currently have a Democratic President and a Congress controlled by the Democrats, and such a comparison may tell us how our views and values have or have not changed over time.

Let's begin with why national health insurance was eliminated from the Social Security legislation.

While Eliot, the attorney, blamed the A.M.A., here is what Roosevelt said about national health insurance:

> "There is also the problem of economic loss due to sickness – a very serious matter for many families with and without incomes, and therefore an unfair burden upon the medical profession. Whether we come to this form of insurance soon or later on, I am confident that we can devise a system which will enhance and not hinder the remarkable progress which has been made and is being made in the practice of the professions of medicine and surgery in the United States."

Two observations on Roosevelt's words:

1. Roosevelt recognized the economic burden on families suffering from sickness, but he also thought this resulted in an unfair burden on the medical profession, presumably because sick families could not afford to pay the doctor; and

2. Today, some 74 years later, and notwithstanding Roosevelt's confidence, we are still trying to devise a national health insurance system that balances the economic losses suffered by families with the interests of physicians and others that provide health care, and at the same time does not hinder future progress with respect to advancing health care.

What about the role and power of the American Medical Association today in the debate concerning national health insurance? These words are from an editorial appearing in the *Wall Street Journal* on October 29, 2009:

> "Doctors from across the country were invited to the White House on October 5, 2009, but the president did most of the talking. Medical professionals are being ignored or vilified more often than consulted in the current health-care reform debate."

Next, consider the relative roles and function of the federal and state governments under the Social Security legislation and the debate today concerning national health insurance. Recall the words of the 1932 Democratic platform: "The Democrats pledge support for 'unemployment and old-age insurance under state laws.'"

While one might have thought Roosevelt would have been an advocate for a strong federal program, to the contrary, recall Roosevelt's words that "We've got to leave all that we can to the states. All the powers shouldn't be in the hands of the federal government." Compare the prevalent attitude today that a federal program is necessary to cure all ills. Ultimately the Social Security legislation provided for a mixed federal and state program for unemployment insurance, which still exists today, while the "old age insurance," as adopted and as exists today, is a federal program.

Health insurance today is a mix of federal and state programs. Medicaid for the poor is a combined federal and state program, while Medicare for the elderly is a federal program. States have adopted various forms of health insurance plans. In the current debate concerning national health insurance, some have suggested that the states should continue to play the dominant role, while others, including President Obama and the Democrats in Congress, advocate a national plan. With respect to the establishment of the so-called "public option," the "public" of course refers to the federal government. As I am preparing this paper, some have suggested that states be allowed to "opt out" of the public federal plan.

It is interesting to compare President Obama's approach to national health insurance legislation and the approach taken by Roosevelt with respect to Social Security. Obama has deferred to the Democratically controlled Congress to draft the legislation. Roosevelt refused to support legislation that had originated in Congress. Somewhat reminiscent of the role President Clinton took in proposing national health insurance, Roosevelt appointed a committee, headed by a powerful and influential woman within his administration, to draft the legislation to be presented to Congress. The Perkins Committee of course was much more successful than the committee headed by Hillary Clinton.

In the current debate on health insurance, the word "mandate" is frequently used, and a major issue involves whether Americans will be required to buy insurance and whether employers will be required to provide and pay for insurance for their employees. The Perkins Committee apparently quickly concluded that the program would be mandatory –"no free choice."

When considering any new national social welfare program, the most challenging issue facing Congress, whether the debate took place in 1935 or takes place in 2009, is how to pay for the program. Roosevelt, whom we may think of as "liberal and progressive," was of the view that the workers who receive the benefit should pay for it (by way of contributions, or more accurately, taxes), and the program should not result in a deficit, even if a deficit will not occur until 45 years after the program begins.

Today, when considering national health insurance or other entitlement programs, Congress has not insisted that those who receive benefits pay for them, and avoiding deficits, whether today or in the future, is not necessary or even a priority.

When Congress considers establishing another entitlement program, a question related to "how to pay for it," is whether payment to beneficiaries should be equal to or in proportion to contributions (or taxes) paid by those who receive the benefits. The Perkins Committee concluded that paying the same Social Security benefits for all workers, without regard to the amount of taxes paid by the workers, involved "income redistribution," which was not the "American way." Today, few in Congress think that there is anything inconsistent with the American way in structuring entitlement programs that involve "income redistribution."

An issue that garnered much debate in structuring the Social Security Act was what workers should be included – and what workers will be left out. A similar debate exists today with respect to national health insurance. Social Security, as enacted in 1935, excluded workers who were employed by small businesses, farm workers, and domestic workers.

With respect to national health insurance, it appears likely that some form of exemption will be available for small businesses from an obligation to provide health insurance to its employees. Today, both Democrats and Republicans agree that illegal immigrants should be excluded from participating in national health insurance. One might ask why it is essential, what some have called a moral and civil right, that an American citizen be provided access to medical care, while an undocumented individual who lives next door to an American has no such right.

When Roosevelt signed the Social Security Act, he recognized the limitations of the legislation, when he said the following:

> "This Social Security measure gives at least <u>some protection</u> to 30 million of our citizens …. <u>We can never insure 100% of the population against 100% of the hazards and vicissitudes of life</u>, but we have tried to frame a law which will give <u>some measure of protection</u> to the average citizen and to his family …."

I doubt that any president today, or for that matter any politician, who has been an advocate for some form of social legislation, including national health insurance, would publicly admit that a program only provides "some protection" or that a program provides for less than 100% protection. Today, our leaders in government, at least publicly, do not want to admit that there are any limitations on the ability of the federal government to end all evils, cure all our ills, or to make all our children "above average."

Discussion of Supreme Court

Finally, a footnote to history, that finds a connection between Franklin Roosevelt, Social Security, the Supreme Court, and the debate today concerning national health insurance.

While watching a cable news program on Tuesday of this week, a conservative commentator suggested that a national health insurance plan that mandated individual participation may be unconstitutional, while his liberal counterpart disagreed, citing as support the Social Security program.

The liberal commentator was correct about the constitutionality of Social Security. The concerns of the Perkins Committee proved unfounded, and in 1937, the U.S. Supreme Court found the Social Security Act constitutional.

While Roosevelt's efforts to pack the Court failed, Roosevelt was able to appoint 8 justices to the U.S. Supreme Court, including William O. Douglas, who was appointed in 1937. Almost thirty years after his appointment, Justice Douglas wrote the majority opinion in the 1965 *Griswold v. Connecticut* case, which involved the question of the constitutionality of Connecticut law that prohibited the distribution of contraceptives.

Justice Douglas was in agreement with the judicial philosophy advocated by the Perkins Committee and viewed United States Constitution as alive and evolving. Although a word search of the Constitution did not disclose the words "right of privacy," Douglas searched, in his own words, the "penumbras and emanations" of the Constitution, and found both a zone and a right of privacy. Writing for the majority, Douglas, a Roosevelt appointee, held the Connecticut statute unconstitutional because it violated the right of privacy. Eight years later, in *Roe v. Wade*, Justice Douglas joined the majority opinion which, relying upon the right of privacy, limited the power of government to regulate abortions.

A headline in the October 23, 2009 *New York Times* read "Abortion Divides House Democrats in Health Care Debate," reflecting the current debate as to whether national health insurance, called the great unfinished business of Roosevelt's Social Security legislation, should fund all medical procedures.

What have we learned from the Depression? As I stated in my introduction, I offer no definitive answer, but I think a short answer is the more we think things have changed, the more they have in fact remained the same.

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