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The Great Depression and the First New Deal

1929-1935



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“**W**E IN AMERICA TODAY are nearer to the final triumph over poverty than ever before in the history of any land. We shall soon . . . be in sight of the day when poverty will be banished from this nation,” assured Herbert Hoover as he accepted the Republican nomination for president in 1928. Apparently, the people agreed, for Hoover won by a wide margin that November.

But within a year, the new president would preside over an economic crisis that proved to be the most severe test of the American people and their institutions since the Civil War. On “Black Thursday” — October 24, 1929 — the Wall Street stock market crashed. In the next seven days, panicked American investors lost more money than the U.S. government had spent fighting World War I. At the time, many traders and economists considered the market plunge a healthy response to rampant speculation, which had continued despite a decline in industrial production that had begun several months earlier. But none of these experts thought that the 1929 Wall Street crash would signal the onset of a major depression.

They were wrong. The worldwide, decade-long Great Depression struck the United States like a biblical plague, shuttering factories, closing banks, foreclosing on farms, and putting as many as one out of three workers on the street. Mass unemployment and economic insecurity lasted for a full decade, searing the memory and transforming the politics of an entire

Detroit, July 1930

During the Depression, unemployment struck the nation's large industrial cities with particular ferocity. In Detroit, automobile production dropped by half. Nearly one-third of all families there had no breadwinner. This unemployed worker took to the streets in search of work. Milton (Pete) Brooks, July 1930, *Detroit News* — *Detroit News*.

generation. By 1931, the Depression had spread to Europe and East Asia, where it rocked political institutions and fueled the growth of mass movements that were hostile to liberal capitalism: on the left, communism and socialism; on the right, an even more powerful surge toward militarism, fascism, and ethnocentric nationalism. In the United States, the Depression did not overturn the government or threaten the nation's constitutional democracy, but it did strike a blow at the prestige and power of those who had long considered themselves the nation's elite. The big banks, the big corporations, and the old Protestant upper class had failed to sustain the very prosperity of which they had boasted.

With popular faith in the old *laissez-faire* order shaken, new ideas and new forces moved to the forefront. Progressive era prescriptions for a new economy, society, and state transformed the United States in the 1930s, making the New Deal the fulcrum on which the history of twentieth-century America turns. This chapter traces the onset of the Depression and the “first” New Deal to 1935. The devastation and experimentation that characterized this five-year period set the stage for the construction of a new political and social order that fundamentally overhauled the United States.

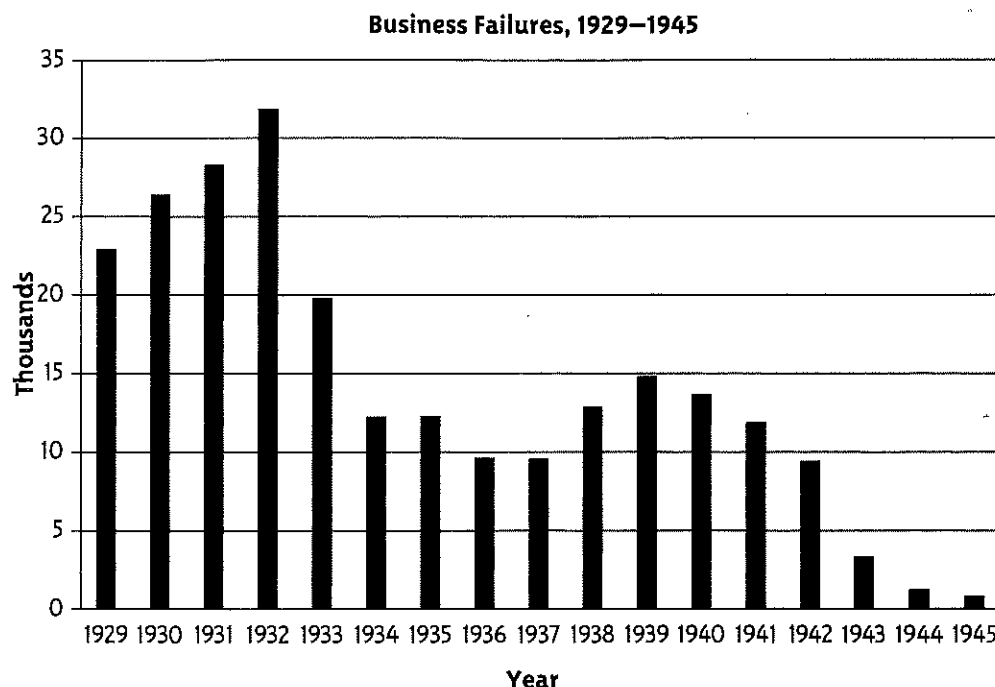
The Onset of the Great Depression

Although the vast majority of Americans owned no stock, few escaped the social impact of the 1929 market crash. Unemployment jumped from fewer than 500,000 workers to more than four million between October and December 1929. Millions more could find only part-time work. Average real wages fell 16 percent in just two years. The effects of the stock market crash spread beyond the borders of the United States. Because New York served as the center of world capitalism, the Wall Street crash sent tremors throughout the shaky system that had emerged after World War I. Banks failed and unemployment soared throughout the industrial world.

As factories and banks closed (Figure 8.1), many politicians and experts still believed that the American economy was sound and the downturn was temporary. “Let the slump liquidate itself,” asserted Andrew Mellon, Hoover’s ultraconservative secretary of the treasury. Mellon predicted that the economy would right itself if government did not worry too much about the human cost: “Values will be adjusted, and enterprising people will pick up the wrecks from less competent people.” But in mid-1931, the economy took another sickening plunge, and by the spring of 1933, fifteen million people—nearly one of every four wage-earners—could not find jobs. Between 1929 and 1933, the gross national product, the sum of all the goods and services produced in the country, fell 29 percent. Many cities went broke. Detroit and Chicago paid their employees in paper scrip—government IOUs. In the West, mining and ranching suffered. Four-fifths of all

FIGURE 8.1 Going Bust:
Business Failures, 1929–1945

Bankruptcies, already high in the late 1920s, peaked in 1932, the nadir of the Depression. Although unemployment stayed high, New Deal measures stabilized the business economy. Business failures almost vanished during the prosperous years of World War II.



Arizona miners were out of work by 1933. The collapse of the copper industry sent a shock wave across the state, forcing the railroads to lay off 8,000 workers and crippling business in numerous small towns and cities.

The government itself, through the Federal Reserve Board, had fueled Wall Street's frenzied speculation during the late 1920s by keeping interest rates low. Cheap money spurred the building boom of the 1920s, but it also enabled many investors to buy huge amounts of stock "on margin." In effect, they had borrowed against the shares' value and had used that borrowed money to purchase additional shares. While the market soared, investors made tremendous profits; but when it declined, brokerage firms called in their loans, which often amounted to 90 percent of the stock's value at its highest price, and investors lost their entire stake. The Federal Reserve eventually raised interest rates but only after the stock market crash. High rates during the Depression put enormous pressure on the banking system, especially on unstable rural banks and ethnic savings and loans. Uninsured by either state or federal authorities, more than five thousand of these smaller financial institutions failed during the first three years of the Great Depression. Nine million people lost their savings accounts.

Even with all these difficulties, the Great Depression might well have ended in the early 1930s had it not been for the simultaneous collapse of the international economic system. In an atmosphere of spreading panic, nations sought to defend their own economies at the expense of their trading partners. The United States, for example, passed the Smoot-Hawley Tariff in 1930, which raised import duties to the highest levels in our history. The United States sought to protect its farmers from international

competition; the result was disaster, as other countries retaliated by increasing their own tariffs. World trade plunged, devastating markets for U.S. farmers and manufacturing jobs for U.S. workers.

The economic ruin of Europe due to World War I made the new economic system particularly vulnerable. Europeans still owed massive war debts to one another and to the United States. They could make payments on those debts only because U.S. banks lent billions of dollars to Germany. That country, in turn, passed the money on to Britain, France, and Belgium in the form of reparations, as stipulated in the Treaty of Versailles (see Chapter 6). These former allies then returned the money to the United States as payments on their war debts. The money flowed back and forth across the Atlantic in a continuous cycle.

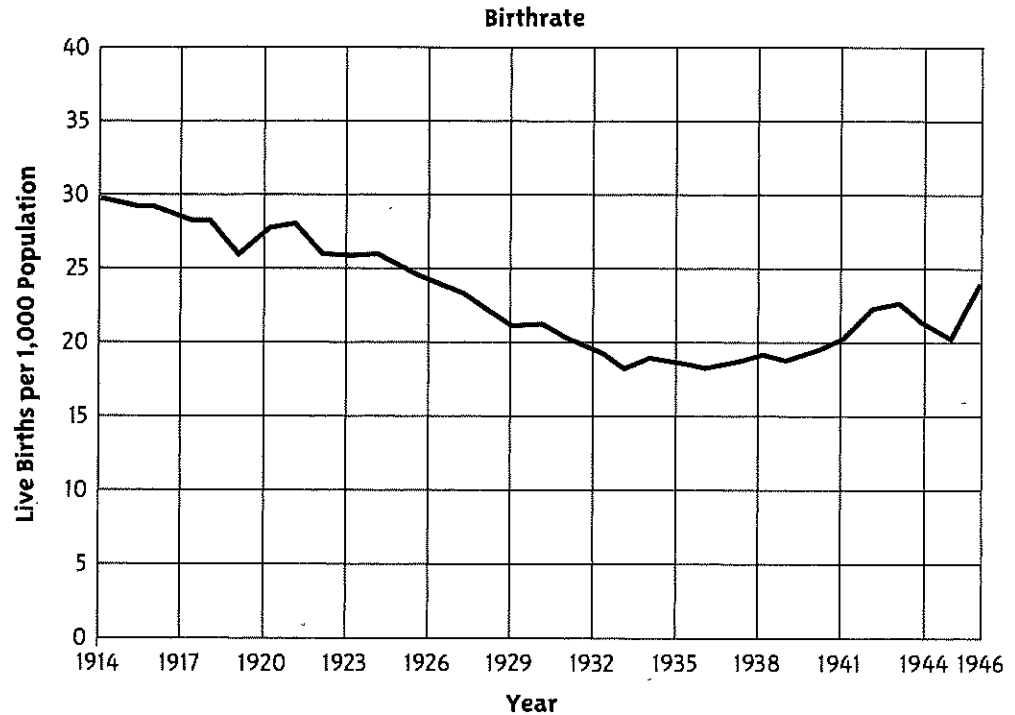
The stock market crash halted the American loans. Germany defaulted on its reparation payments to France and Britain, whose governments then stopped paying their American debts. Central European banks, dependent on the American loans, went bankrupt, and an atmosphere of economic crisis spread across Europe. In Germany, as unemployment rolls soared, Adolf Hitler's National Socialist Party (Nazis) grew in power. Hard-pressed European investors sold their American stocks to raise cash, further depressing the U.S. stock market. Some European nations also lowered the value of their currency by abandoning the once sacrosanct gold standard; their paper money could no longer be exchanged for gold at a fixed price. But the United States clung to the gold standard, which made expensive American goods increasingly difficult to sell in world markets.

Hard Times

While the international monetary crisis played itself out, bread lines, soup kitchens, and desperate apple vendors became familiar features of the large cities in the United States. In Colorado, more than half of all schoolchildren were undernourished. With inadequate diets came a rise in dysentery, tuberculosis, pellagra, and typhoid. In the fall of 1930, one New Jerseyite wrote to President Hoover, "Can not you find a quicker way of executing us than to starve us to death?" Joblessness struck hardest in large cities, in single-industry towns, in the Northeast and the Midwest, and among male blue-collar workers, both black and white. As unemployment rose, so did racism and sexism. Mexican Americans, Asian Americans, African Americans, and working women all faced increased joblessness, discrimination, and hostility in the workplace. For rural Americans, a multiyear drought compounded Depression miseries with failed crops and dust storms that forced thousands off their land. Material deprivation was only part of the human cost of the Depression. The psychological strains were severe, too. Almost everyone felt insecure. Those who had jobs feared losing them;

FIGURE 8.2 Depressing the Birthrate

Malnourishment, economic necessity, and declining marriage rates slowed the growth of families during the Depression. Birthrates had been declining throughout the early twentieth century—in part, a continuation of a long-term demographic shift away from the high birthrates that were characteristic of a more rural society. But they fell even further with the onset of the Great Depression, especially in the dark years of the early 1930s. After 1933, families began to have more children as the economy slowly recovered. In 1946, there was a sharp increase—the first sign of the postwar baby boom.



those without work worried about what would become of their families. In the early years of the Depression, people generally blamed themselves for their troubles (Figure 8.2).

The Curse of Unemployment In the months following the stock market crash, joblessness spread across the country. In Detroit and Pittsburgh, mass unemployment followed the collapse in production of automobiles and steel. California escaped the high levels of joblessness until 1932, but in that year, the ripples of distress that had begun in the East finally affected employment in agriculture, food processing, shipping, and real estate in California. Joblessness did not hit the South as hard as the North but only because southern manufacturers slashed wages and prices in a vain effort to capture an even larger slice of the continually shrinking market in textiles, cigarettes, lumber, and other labor-intensive goods. In the nation as a whole, white-collar workers in retail and wholesale trade, communications, banking, and insurance fared somewhat better than blue-collar workers. Fewer government employees than private sector workers lost their jobs (Figure 8.3).

The country's largest manufacturing firms tried to retain their experienced workers by spreading the work around. At General Electric Company, one worker remembered, "They'd just say, 'You come in Monday. Take the rest of the week off.'" Some companies fired unskilled workers and gave skilled workers their jobs, at lower pay rates. By reducing hours and reassigning jobs, Westinghouse Electric Corporation managed to retain almost all employees with more than ten years' seniority at its huge East Pittsburgh plant.



FIGURE 8.3 U.S. Unemployment during the Great Depression

A much higher proportion of all workers were without jobs during the Great Depression than at any other time in the twentieth century. Joblessness declined sharply after 1933, but prospects for an end to the Depression evaporated in 1937 and 1938 as Roosevelt's cuts to public work projects and the promised business recovery failed to maintain jobs.

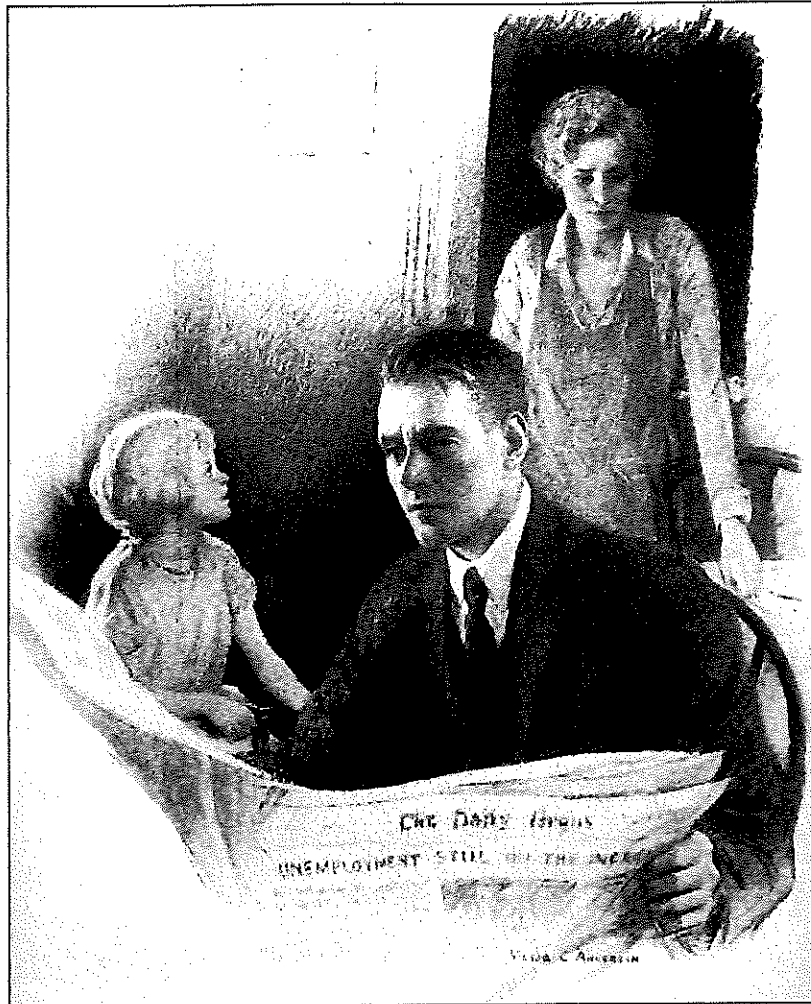
But most construction companies and smaller manufacturers could not afford to retain excess workers, even part time. Between 1929 and 1933, employment in the construction trades dropped by more than 80 percent. People without money bought neither new houses nor new clothes, further contributing to the downward economic spiral. At one point, only 10 percent of the members of the Amalgamated Clothing Workers' Union in New York City had work.

This great crisis forced Americans onto the road. Many people, employed and unemployed, fell behind on their rent or mortgage payments and lost their homes. By 1932, a quarter of a million youths under age twenty-one (as well as many of their older counterparts) had left home in search of work or shelter, hitching rides or hopping freight trains in what one government agency called a "migration of despair." Kay, an undernourished fifteen-year-old, told an investigator, "Dad hasn't worked steady for four years. Sis, for two. Mother got a job scrubbing—\$7 a week, and that's all we had to live on except for some clothes we got from a lodge. . . . There wasn't much else for me to do but go."

The Hardest Hit As millions of men lost their jobs, working women, especially if they were married, faced some of the greatest wrath. Many people agreed with "A Good Citizen" who wrote to the president: "I know that something can be done about the married women. . . . They have no right taking the jobs and positions of single girls, single men, and married men." People assumed that married women worked only to make "pin money." That was rarely the case, but when layoffs occurred, even progressives thought that married women should be the first to go. Both New

No Laughing Matter

"Mama," runs the caption of this illustration published in the December 12, 1930, issue of *Life* magazine, "it's so nice to have Daddy home all the time now." More than a year after the stock market crash, the situation was too grim a subject to lampoon, even for this magazine that favored arch commentary and collegiate humor. *Life* soon became another victim of the Depression and folded in 1936; Henry Luce quickly adopted its name for his new photojournalism magazine. Victor Anderson, *Life*, December 12, 1930—American Social History Project.



England Telephone and Telegraph and the Northern Pacific Railroad fired all married women in 1931. Most cities banned married women from teaching. Even the American Federation of Labor, which had hundreds of thousands of female members, proposed that "preference of employment" be given to "those upon whom family or dependency rests," by which they meant men.

Millions of women, many the sole support of their children, lived on the edge of destitution. When women could find jobs, employers routinely paid them less than men, even for the same work. Because of irregular employment—for example, women worked an average of only twenty-six to thirty-five weeks a year in the garment, glove, and textile industries—women earned roughly half as much as men. As their household income shrank, women's unpaid work at home greatly expanded. Whereas once they might have bought new clothes, now they darned socks, shortened pants, let out waistlines, and hemmed dresses. Finally, the Depression imposed one more cost on working women: it diminished their opportunity to improve their job status. White women had rapidly entered

"Where Do They Go?"

Meridel LeSueur, poet and journalist, described the plight of unemployed women, of which she was one, in the worst years of the Depression. In the 1930s, women, especially single women with families, experienced some of the greatest difficulties, and resources for the specific needs of women went largely unrecognized by the relief agencies and the public. Jungle was a common term for a homeless encampment.

It's one of the great mysteries of the city where women go when they are out of work and hungry. There are not many women in the bread line. There are no flop houses for women as there are for men, where a bed can be had for a quarter or less. You don't see women lying on the floor at the mission in the free flops. They obviously don't sleep in the jungle or under newspapers in the park. There is no law I suppose against their being in these places but the fact is they rarely are.

Yet there must be as many women out of jobs in cities and suffering extreme poverty as there are men. What happens to them? Where do they go? Try to get into the Y.W.[C.A.] without any money or looking down at the heel. Charities take care of very few and only those that are called "deserving." The lone girl is under suspicion by the virgin women who dispense charity.

I've lived in cities for many months broke, without help, too timid to get in bread lines. I've known many women to live like this until they simply faint on the street from privation, without saying a word to anyone. A woman will shut herself up in a room until it is taken away from her, and eat a cracker a day and be as quiet as a mouse so there are no social statistics concerning her.

Meridel LeSueur, *Women on the Breadlines* (1984).

white-collar office and sales work between 1910 and 1930, but in the 1930s, their upward mobility came to a halt.

Women were by no means the only group facing joblessness and discrimination. The deteriorating situation also fed a rise in racial and ethnic tensions at the workplace. Many employers and white workers insisted that native-born white workers receive preference in employment. Mexican Americans were among the foremost victims of this revived racism. In California, joblessness and the migration of white Americans—"Anglos"—from other parts of the country mushroomed at the same time that agricultural production declined, swelling the pool of desperate agricultural workers. By 1933, two people competed for every available job on California farms. In such cases, Anglos routinely got the job, even though growers themselves had recruited many of the Mexicans.

Nearly 500,000 Mexican nationals and their U.S.-born children returned to Mexico either voluntarily or by force during the Depression. Mexicans from agricultural areas emigrated in greater numbers than those

“And Then We Were in California”

Cesar Chavez’s father owned a small plot of land in Arizona until a bank foreclosed on his loan. Then he and his family, like thousands of others propelled by the hard times, streamed into California to become migrant farm workers. In the mid-1930s when labor was plentiful, wages were extremely low, and discrimination against Mexican Americans was growing. Many years later, Chavez helped to found the United Farm Workers’ Union.

We all of us climbed into an old Chevy that my dad had. And then we were in California, and migratory workers. There were five kids—a small family by those standards. . . . I was about eight. Well, it was a strange life. We had been poor, but we knew every night there was a bed there, and that this was our room. There was a kitchen. It was sort of a settled life, and we had chickens and hogs, eggs, and all those things. But that all of a sudden changed. When you’re small you can’t figure these things out. . . .

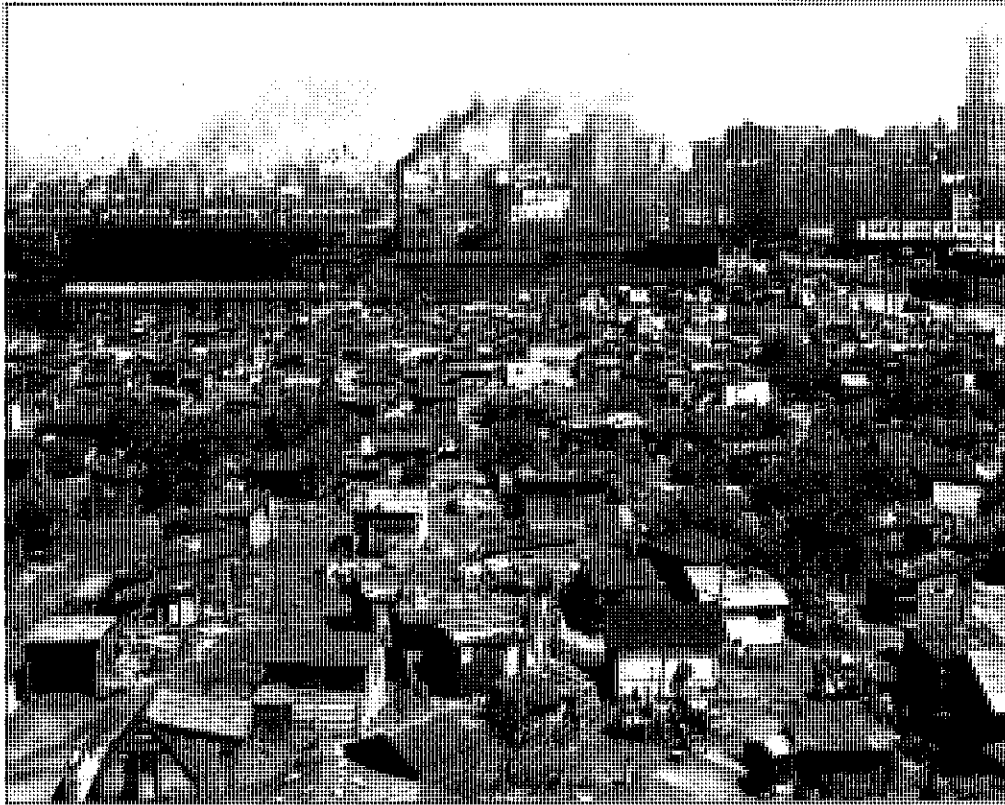
“Following the crops,” we missed much school. Trying to get enough money to stay alive the following winter, the whole family picking apricots, walnuts, prunes. We were pretty new, we had never been migratory workers. We were taken advantage of quite a bit by the labor contractor and the crew pusher. . . .

We got hooked on a real scheme once. We were going by Fresno on our way to Delano. We stopped at some service station and this labor contractor saw the car. He offered a lot of money. We went. We worked the first week: the grapes were pretty bad and we couldn’t make much. We all stayed off from school in order to make some money. Saturday we were to be paid and we didn’t get paid. He came and said the winery hadn’t paid him. We’d have money next week. He gave us \$10. My dad took the \$10 and went to the store and bought \$10 worth of groceries. So we worked another week and in the middle of the second week, my father was asking him for his last week’s pay, and he had the same excuse. This went on and we’d get \$5 or \$10 or \$7 a week for about four weeks. For the whole family.

So one morning my father made the resolution no more work. If he doesn’t pay us, we won’t work. We got in a car and went over to see him. The house was empty. He had left. The winery said they had paid him and they showed us where they had paid him. This man had taken it.

Studs Terkel, *Hard Times* (1970).

living in U.S. cities, so by 1940, most Mexican Americans lived in urban areas. Several states encouraged emigration by barring noncitizens from employment on public works projects, and many local governments and private relief agencies offered free rail fare to the Mexican border for those who were willing to leave. In Michigan, Detroit’s Mexican population dropped by three-quarters after state officials transported “welfare cases” to



Hooverville, 1933

Homeless Americans built squatter camps, such as this Seattle, Washington, settlement in 1933, and named them after President Herbert Hoover as testimony to his inadequate response to hard times. J. Lee, March 30, 1933—no. 20102, Special Collections Division, University of Washington Libraries.

the Mexican border. In Chicago, relief authorities organized a massive repatriation campaign among Chicano steelworkers.

Economic competition also provoked a new wave of anti-Asian racism. Hard-working Chinese Americans had long dominated the laundry business in New York and other large cities, where such small enterprises provided one of the few opportunities for employment. During the 1920s, other Americans began opening large-scale steam laundries, complete with mechanized washing machines and steam presses. Competition between these large operations and the small hand laundries (usually owned and operated by a single individual or family) increased dramatically during the Depression. When Chinese American launderers in New York refused to abide by a minimum price scheme set by a citywide laundry organization in 1932, the trade association organized a massive boycott of Chinese-owned establishments.

African Americans Face the Depression Like Chinese Americans, African Americans were poor to begin with, but the Great Depression made their plight worse. African American workers tended to work in the industries that were most affected by the economic downturn: unskilled manufacturing, construction, mining, and lumber. White workers displaced black ones in many of these difficult, low-status jobs, reversing much of the progress African Americans had made in moving into industrial work.



Leaving Los Angeles Involuntarily

The Mexican population of Los Angeles increased from 34,000 to 97,000 over the 1920s. But the mass unemployment and growing discrimination of the 1930s led to the forced repatriation of tens of thousands as Los Angeles officials and federal agencies initiated schemes to return immigrants to Mexico. A highly publicized sweep took place at Los Angeles Plaza in February 1931. The Mexican government also aided the repatriation campaign. Most returnees left by rail, such as these men, women, and children who gathered at Los Angeles's Union Station on May 9, 1932. *Herald Examiner* Collection, Los Angeles Public Library.

Employers sometimes used drastic measures to oust black workers. Atlanta hotels had African American bellhops arrested on trumped-up charges so that their jobs could be given to white men. In Milwaukee, white workers at the Wehr Steel Foundry struck, demanding that their African American coworkers be fired. Depression era joblessness drove hundreds of thousands of African Americans to the brink of starvation. After surveying conditions in Cleveland, where unemployment plagued half the workers in the largest African American ghetto, one observer worried that “the race is standing on a precipice of economic disaster.”

In the South, where three-quarters of the African American population still lived, a bitter drought in the summer of 1930 compounded the misery that was engendered by rock-bottom cotton and tobacco prices. Red Cross investigators who were sent to the parched areas reported that both black and white families suffered from hunger, but racist fears prevented a quick response. Community leaders, fearful that African American day laborers would refuse to pick the cotton if there was any other way to put food on the table, refused to start relief programs before the fall harvest. Racial tensions rose, and violence by planters increased. For the first time in a decade, lynchings of African Americans increased; twenty-four were killed in 1932 alone.

The Land That Flew Away In rural America, a terrible drought compounded Depression miseries. At first, the weather was most severe in the East, but then the dry spell moved to the Great Plains, where temperatures reached 118 degrees Fahrenheit in 1934. Normal rainfall did not return until 1941. Farm income plummeted between 1929 and 1932 as wheat prices sank 50 percent and the price of raw cotton fell by more than two-thirds. Many farmers did not even bother to harvest the crops they had planted. Although farm families could provide some of their own food, they earned too little cash to meet mortgage payments, service loans, or pay their taxes. Hundreds of thousands of families lost their farms. During just two years in Iowa County, Iowa, a once-prosperous corn-growing area, banks auctioned off one of every eight farms. “[We are] worked to death with no income, no leisure, no pleasure, and no hope of anything better,” wrote an Indiana farm wife to the secretary of agriculture. “We are a sick and sorry people. . . . My nearest neighbor has turned bootlegger, I can smell the mash brewing in his still.”

With the drought came a terrifying series of dust storms. Clouds of dirt reaching to eight thousand feet rolled across the Plains states, sometimes accompanied by thunder, lightning, and powerful winds. A March 1935 storm carried off twice the amount of dirt excavated in building the Panama Canal, in the process destroying half the wheat crop in Kansas and the entire harvest in Nebraska. Some children who were caught outside in the dust storms died of suffocation in the yard-high dirt drifts. Dust made its way into homes, beds, food, and clothes and destroyed crops,

Dust Storm

A wall of dirt and sand descended on Spearman, Texas, on August 14, 1935. Franklin D. Roosevelt Library.



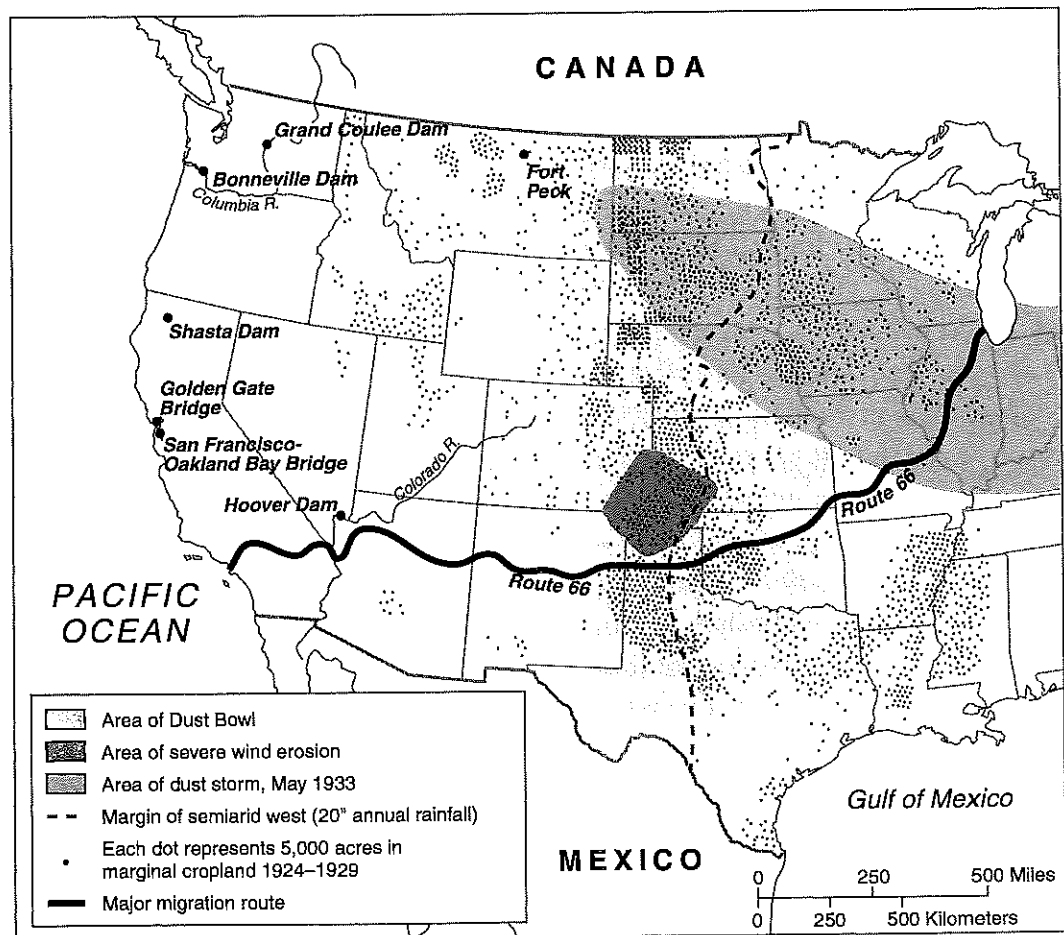
livestock, and a whole way of life. The worst-hit area was dubbed the Dust Bowl (Map 8.1).

Dry weather caused the Dust Bowl, but the destructive way in which farmers had been cultivating the land compounded the weather's effects. When farmers began settling in the southern plains in the 1890s, they plowed up the grasses that had kept the topsoil in place. The region had experienced droughts before, but the dry spell that hit in the 1930s, combined with the new cultivation patterns, generated a human-made ecological catastrophe that coincided with a massive exodus of residents of the southern plains, known as the "Okie" or "Dust Bowl" migration to California.

John Steinbeck's 1939 novel *The Grapes of Wrath* (and the popular film made from it) reinforced the mistaken view that the migrants all fled the dust. While 16,000 farmers did flee the Dust Bowl, about 400,000 people migrated west. They came from a wider area of the Southwest and migrated

MAP 8.1 Dust Bowl

Many people saw the dust storms as a natural disaster, but the more fundamental problem was rooted in destructive farming practices on the Great Plains. When drought hit the region in the early 1930s, farmers from across the plains suffered the loss of crops and their land and homes.





On the Road

Their worldly possessions piled on two rundown vehicles, this migrant family paused en route to California in February 1936. Dorothea Lange, 1936—Prints and Photographs Division, Library of Congress.

for a variety of reasons, including not only drought, but also the drop in agricultural prices and the growing mechanization of midwestern agriculture that eliminated the need for a large rural labor force.

President Hoover's Response to the Crisis

When the Depression struck, few Americans expected the federal government to take dramatic action, for its reach was weak and tenuous. Washington, D.C., was still a sleepy, segregated southern town where, in an era before air-conditioning, offices shut early during the steamy summer months. The government had barely 750,000 civilian and military employees (compared with more than five million today). Only one federal agency touched the lives of most Americans: the Post Office. The federal government had no military draft and no aid for cities, schools, farmers, or the unemployed. The annual national budget was only \$4 billion—less than 5 percent of the entire gross domestic product. Only the very rich paid income taxes. Yet President Herbert Hoover seemed to exemplify all that was modern, efficient, and humane in American politics and social thought. Hoover embodied the Horatio Alger

Fundamentally the Ship Was Sound

New Yorker cartoonist Richard Decker commented on the obstinate outlook of conservative business leaders in the face of the nation's mounting economic and social crisis. Richard Decker, *The New Yorker*, March 5, 1932—Copyright 1932, The New Yorker Magazine, Inc.



NOVEMBER 21, 1931 THE LITERARY DIGEST

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Of course WE CAN DO IT!

• We dug the Panama Canal, didn't we? And they said we couldn't do that.

• We put an army in France four months after we entered the World War, didn't we? And surprised the world.

• Now we've got a tough one to crack right here in our own back yard.

Men are out of work. Our men. Our neighbors. Our citizens. Honest, hard-working folk.

They want jobs. They're eager to work. But there aren't jobs enough to go 'round. Somebody's got to tide them over.

Who's going to do it? The people who dug that ditch. The people who went to France, or bought Liberty Bonds, or went without sugar—Mr. and Mrs. John K. American.

That means you—and you—and Y O U!—every one of us who is lucky enough to have a job.

We're going to share our luck with the folks out of work, aren't we? Remember—there's no National fund they can turn to for relief. It's up to us! And we've got to dig deeper than we did last winter.

But if we'll dig deep enough we can keep a roof over every head, food in every pantry, fuel on every fire, and warm

clothing on every needy man, woman and child in America.

That will beat Old Man Depression and lead the way to better days. Can we do it? Of course we can do it. Give . . . and give generously.

WHERE TO GIVE: There is no National Agency through which you may contribute. The way for you to give is through your local welfare and relief organizations, through your Community Chest or through your emergency unemployment committee if you have one.

THE PRESIDENT'S ORGANIZATION ON UNEMPLOYMENT RELIEF

Walter S. Gifford Director
(WALTER S. GIFFORD)

COMMITTEE ON MOBILIZATION OF RELIEF RESOURCES

Herbert Hoover Chairman
(HERBERT HOOVER)

● The President's Organization on Unemployment Relief is non-political, and non-sectarian. Its purpose is to aid local welfare and relief agencies everywhere to provide for local needs. All facilities for the nation-wide program, including this advertisement, have been furnished to the Committee without cost.

myth of self-sufficiency and believed in voluntary cooperation and local relief, not federal intervention. But as the Depression years rolled on, the limits of self-help became painfully evident. In response to a growing sense of crisis and mass protests, the federal government would assume new powers and responsibilities that would never be relinquished.

A Small Role for the Federal Government

Faced with America's economic collapse, President Hoover thought that the primary role of the federal government should be to coordinate private, state, and local relief and recovery efforts rather than to launch major initiatives. The key to recovery, he believed, was restoring business confidence, which meant keeping the budget in balance and avoiding any direct effort to regulate business or stimulate consumer demand. Hoover assured Americans that the economic crisis in Europe and the breakdown of international trade and monetary relations had caused the nation's dilemma. The U.S. economy itself was "on a sound and prosperous basis" and would soon recover. The president did succeed in winning a one-year moratorium on intergovernmental debt

Stiff Upper Lip

Rather than calling for the creation of federal relief programs, this 1931 advertisement placed by the President's Organization on Unemployment Relief opted for local voluntary charity as a response to the Depression. Hoover firmly believed that relief was a local responsibility. *Literary Digest*, November 21, 1931—American Social History Project.

reparations payments, but he failed to achieve the broader agreements that he felt were necessary to restore world trade. In May 1931, he told an Indianapolis audience that the idea that the nation could get out of the Depression through congressional action was no different from the belief that one could "exorcise a Caribbean hurricane by statutory law."

Hoover was an activist in comparison with most of his predecessors, who believed that the federal government had no legitimate role to play when the nation faced a financial panic or economic slump. He set about encouraging the kind of voluntary cooperation among businessmen, farmers, and local governments that he had championed during World War I and his years as commerce secretary in the 1920s. At his request, some major corporations held off wage cuts to maintain consumers' spending power. In

cities and towns throughout the nation, local leaders organized a host of presidentially endorsed business committees to promote relief and recovery through voluntary private action. Charitable giving reached record levels, though never enough to alleviate mass unemployment. Hoover responded to the crisis of the agricultural economy, which preceded the stock market crash, by winning passage of the Agricultural Marketing Act of 1929. That legislation made available \$500 million for loans to marketing cooperatives, which, in theory, would foster efficiency, limit surpluses, and raise prices. But the unprecedented government effort to bring order to the agricultural sector foundered on Hoover's voluntarist philosophy: The Marketing Act failed to provide the government with the authority to limit production, so farm prices continued to fall.

Hoover also supported other unprecedented, but equally inadequate, measures in answer to the growing economic crisis. He sharply increased spending on public works to \$700 million, an unheard-of sum at the time. Government-paid workers began building Boulder Dam and constructing thousands of miles of highway. Hoover set up the Reconstruction Finance Corporation (RFC) to provide billions of dollars in loans to failing banks and businesses. And when drought swept the agricultural South, he authorized direct federal aid to farmers. But Hoover's activism coexisted uneasily with a persistent conservatism that limited his effectiveness. The RFC gave most of its loans to larger and healthier banks and corporations and favored the kind of public works, such as toll bridges, that paid for themselves. And when RFC spending raised the federal deficit, the president won passage of the Revenue Act of 1932, increasing taxes (and hence reducing purchasing power).

Hoover was also a stubborn moralist when it came to the relief of hunger and unemployment. Refusing to commit federal funds to supply basic needs, Hoover argued that local entities should provide relief. Federal involvement, he believed, would strike at "the roots of self-government" and destroy the "character" of its recipients. Such thinking led him to endorse a \$45 million appropriation to feed the livestock of Arkansas farmers during a 1930 drought but to reject a congressional grant of \$25 million to provide food for the farmers' families. Hogs and bankers, it seemed, were in one category, farmers and the unemployed in another.

The Failure of Local Relief and the Limits of Self-Help Hoover's program proved clearly inadequate. In 1932, only eight American states had any form of unemployment compensation, and few workers received retirement pensions from their employers. Worse, many relief agencies treated the poor as if personal failings had caused their plight, requiring applicants to submit to humiliating interviews before receiving aid. When provided, relief often took the form of "food orders" that could be used only to

Interviewed on Unemployment

The December 1930 edition of the League for Industrial Democracy's *The Unemployed* presented three business perspectives on the unemployment "problem." Art Young, *The Unemployed*, December 1930—American Social History Project.

Interviewed On Unemployment

J. Egbert Haggle, prominent Chicago packer, is encouraging a movement for the rich to devote two minutes of silent meditation before beginning their Christmas dinners. "This should cheer up the unemployed by letting them know they are being thought about," Mr. Haggle said.



Saloman De Pischer, leading department store owner of New York thinks the trouble with the unemployed is that they are hoarding their money. When asked for his cure for unemployment, the great merchant, without a moment's hesitation, said: "Spend More."



Graves S. Close-Fist, eminent Brooklyn banker, thinks high-living has caused poverty and unemployment. Addressing the exclusive "Four Hours For Lunch Club," Mr. Close-Fist summed up his advice to the unemployed in two words: "Spend More."

purchase groceries, with little or no money for rent, clothes, or medical care. Most recipients found this system demeaning. As one Pittsburgh relief recipient put it, "Does a man's status change when he becomes unemployed, so that, while he was perfectly able to handle money while he had a job, he can't be trusted with it when he is out of work?"

In New York, relief agencies granted the average family \$2.39 a week (currently equal to about \$33), and only half of all qualified families received that tiny sum. By 1931, most local governments and many private agencies were running out of money. In Hamtramck, Michigan, welfare officials cut off relief to all families that had fewer than three children. In Dallas and Houston, government officials denied assistance to African Americans and Mexican Americans. By 1932, only about one-quarter of the jobless received aid, and cities began to take desperate measures. In Detroit, Mayor Frank Murphy, who had been elected in 1930 with strong labor backing, set up municipal feeding stations that served 14,000 people daily. Murphy also opened emergency lodging in empty factories and promoted "thrift gardens" for the jobless on vacant city land. But even Murphy's humanitarianism could not survive the city's deepening financial crisis; within two years, Detroit joined other cities in sharply cutting relief spending.

As the Depression deepened, workers and farmers looked first to the institutions and individuals that had sustained them in earlier crises. They expected a measure of care, sustenance, and protection from their employers, merchants, churches, landlords, and local banks. In what one historian has characterized as a quest for a more "moral capitalism," American workers believed that the chaos and pressures of the market would be tempered by the resources and goodwill of traditional elites. Thus, in many parts of the South, sharecroppers, both black and white, expected landlords and merchants to extend credit, food, and supplies to tide them over the drought and the collapse in cotton prices. And in the mills and factories of the North, many workers expected the company-sponsored welfare programs and work-sharing schemes that had begun in the 1920s to make the economic slump tolerable. In most big cities, working-class families looked to their ethnic associations and religious institutions to help them through the crisis. "Let's have pride enough not to sponge upon public support when Catholic charity is still able to care for its own interests," one Chicago priest urged his flock.

What made the Depression so catastrophic for working-class families was not simply the loss of a job, a home, an insurance policy, or a bank account. Rather, these losses discredited the sustaining institutions of the 1920s, threatening the patterns of loyalty that working people had taken for granted in their families, their communities, and their workplaces. So severe was the Depression that most corporations abandoned the highly touted welfare schemes they had instituted in the prosperous years of the 1920s,

slashing wages, hours, and employment. General Electric, for example, stopped paying bonuses to workers with good attendance records, eliminated paid vacations for blue-collar workers, and stopped subsidizing home mortgages. Meanwhile, ethnic benefit societies, churches, and religious charities failed to provide the material support expected of them. In Chicago, more than 80 percent of all neighborhood banks—institutions such as the Italo-American Building and Loan Association and the Lithuanian Dollar Savings—closed their doors, and depositors lost all their money. In a widely read book, *Moral Man and Immoral Society* (1932), theologian Reinhold Niebuhr, then pastor of a working-class congregation in Detroit, declared that capitalism was on its deathbed and that the only remaining question was when it would finally expire.

In this crisis, most working-class people did not initially turn to the state for help. Following the lead of the American Federation of Labor officials, who distrusted the government, many working men and women opposed unemployment insurance, old-age pensions, and government-mandated minimum wages. The unions expected members to look to them for such support. Some leaders of the unemployed shared this preference for self-help over government programs; they developed mechanisms to enable the jobless to produce their own food and other necessities. Nearly two million urban dwellers returned to the farm during the early Depression years. Others formed self-help organizations in the cities. In Seattle, for example, jobless workers founded an Unemployed Citizens' League in 1931, a "republic of the penniless" that arranged for idle fishing boats to be made available to those without regular employment. The league also convinced farmers to allow destitute workers to dig potatoes and pick apples and pears, and it gained permission from landowners for trees to be cut down for firewood. Part of Seattle's economy reverted to barter as league members "traded" their labor, mending clothing, rebuilding furniture, cutting hair, and repairing shoes. By the end of 1932, unemployed workers had formed more than three hundred similar organizations in thirty-seven states. But self-help, no matter how inspiring, could not mend the ills besetting the world's largest capitalist economy. The federal government would have to intervene with new laws, new money, and a new spirit.

Emergence of Radical Protest Communists and socialists played a large role in mobilizing discontent and turning the attention of the American people to the federal government as a solution to their problems. Radical activists in both groups thought that the inequality and exploitation that were endemic to capitalism had precipitated the Great Depression. The Communists looked to the Russian Revolution and the Soviet Union for inspiration, if not actual guidance, while socialists thought that the overthrow of capitalism might well follow a path that was more in keeping with

"I'm Going to Fight Like Hell": Anna Taffler and the Unemployed Councils of the 1930s

The Communist-led Unemployed Councils mobilized jobless men and women like Anna Taffler in hundreds of local communities to demand jobs and better treatment from relief authorities. In these excerpts from a recorded interview, Taffler, a Communist activist and a Russian Jewish immigrant, described how her own experience of facing eviction pushed her into organizing the unemployed. She also talked about the focus of local councils on issues like fighting for more relief and stopping evictions.

... I went to court to answer the dispossession. In walking to court, I really swept the streets with my tears, crying. ... I can bring my baby home, but I have no home to bring him to because I'm going to be put out. So I went to court to answer the dispossession. And the judge asked me, "Do you owe rent or don't you?" I says, "Yes, Your Honor, but I wish to explain." "Pay the rent or get out!" He didn't give me a chance to explain. So when I walked out of court, I says, "The courts are no good, the system is no good, everything is no good!" And I says, "I'm going to fight like hell!" And I started in. ...

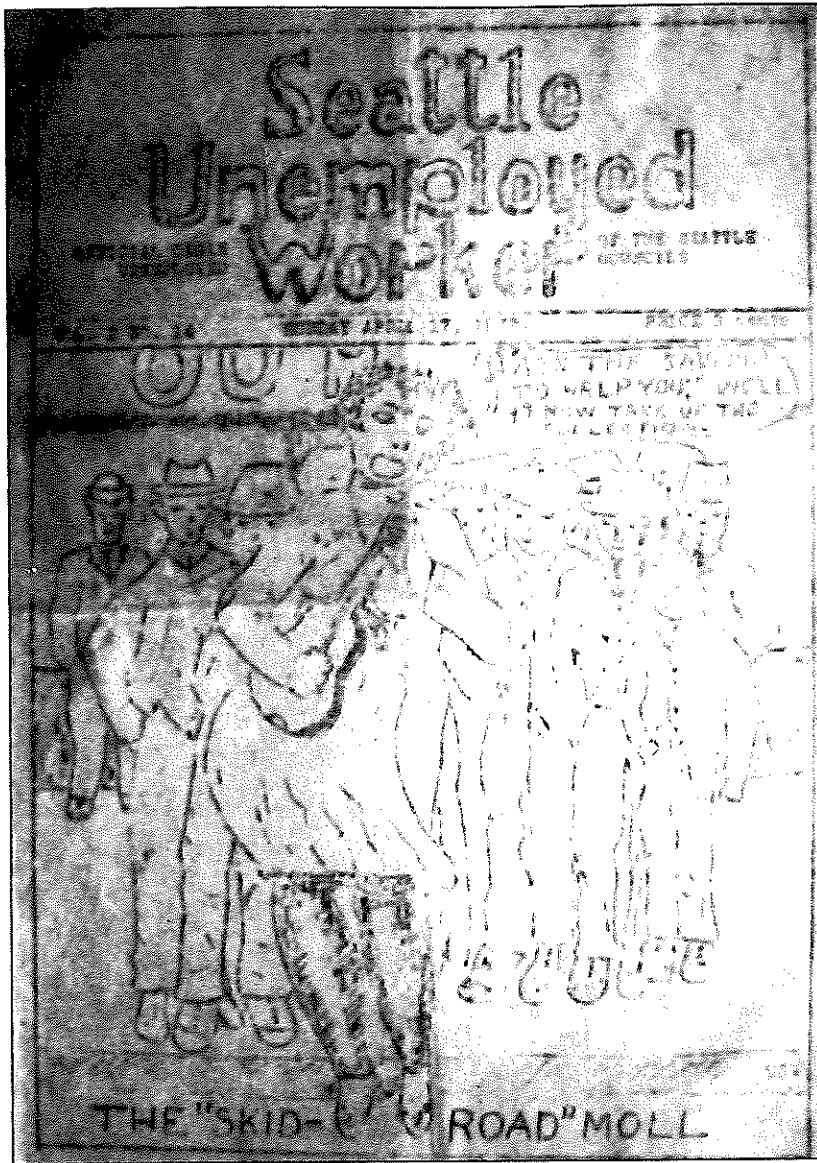
I still had no home, so I started looking for help, asking around. And I had some friends, and they told me that ... they're organizing unemployment councils. ... So I told myself, "You need to be in the organization of the unemployed councils."

Their policy was to give as little relief as possible ... It was a constant struggle. So we would come to the relief bureau at that time, and we would stay in the auditorium and we would ask people, you know, "We are from the unemployment council. We are from the Workers Alliance. What are your needs?" and so on and so forth. And people were only too glad to get help, you know. I'd go around and sign them up for membership. But if they didn't have the quarter, it was all right, too, you know. But, we would represent them. Some people were denied rent, and they were facing evictions. Some people were cut off of food. And you know how we did it? To open-air meetings, putting up platform right in the front of the relief bureau getting up and letting the people in the whole neighborhood know what's going on.

Interview done by the Oral History of the American Left, Tamiment Library, NYU, for the public radio program *Grandma Was an Activist*, producers Charlie Potter and Beth Friend.

the American radical tradition. Neither group had more than a few thousand members, but their influence in such desperate times proved far reaching.

In 1930 and 1931, under banners reading "Work or Wages" and "Fight, Don't Starve!" Communists and socialists organized scores of demonstrations of the unemployed. In Boston and Chicago, 50,000 protesters showed up; in Milwaukee, 40,000; and in Detroit, as many as 100,000. In New York, where demonstrators tried to march on City Hall, the *New York Times* reported that "hundreds of policemen and detectives, swinging nightsticks,



Capturing the Times

The desperation of hard times was mirrored in the modest appearance of the official publication of the Seattle Unemployed Council. *Seattle Unemployed Worker*, April 17, 1932—Scott Molloy Archives.

blackjacks, and bare fists, rushed into the crowd, hitting out at all with whom they came into contact.” Clashes with the police also took place when landlords or banks tried to evict families from their apartments or houses. Radicals often led the crowds that moved families and furniture back into their homes, and these disruptive violations of the law forced many landlords to think twice before putting a family on the street. In some black neighborhoods in Chicago, Communist-led Unemployed Councils became so well known that, according to two contemporary observers, when eviction notices went out, “it was not unusual for a mother to shout to the children, ‘Run quick and find the Reds!’”

Family farmers took militant direct action as well. By 1932, more than one-third of the farmland in states such as Mississippi and Iowa was scheduled for sale at auction because the farm owners had fallen behind on taxes or mortgage payments. Neighbors often aborted these sales by intimidating potential bidders, buying the farm themselves at a token price, and returning it to its original owner. South Dakota’s Emil Loriks

remembered that in his county, “farmers would crowd into the courtroom, five or six hundred, and make it impossible for the officers to carry out the sales.” In California, too, agriculture was the site of bitter conflicts between landowners and workers. In the Central Valley, desperate Anglo and Mexican American cotton pickers struck the huge agribusiness conglomerations that California writer Carey McWilliams called “factories in the field.”

The deadliest conflicts took place in the rural South, where a pervasive climate of repression and racial violence forced almost all radicals to arm themselves and organize in an “underground” fashion. The Communist Party was particularly active in Alabama, where its membership was predominantly black. In Birmingham, the party attracted steelworkers; in the countryside, it attracted black sharecroppers. As organizer Hosea Hudson described it, “we’d tell people—when you join, it’s just like the army, but not the army of the bosses, it’s the army of the working class, organizing to

“Weren’t No Use Under God’s Sun to Treat Colored Folks Like We Been Treated”

Ned Cobb, a sharecropper and staunch supporter of the Alabama Sharecroppers’ Union, describes how he resisted an attempt by his landlord, Mr. Taylor, to foreclose on another sharecropper, Clint Webster, in 1932. Cobb ended up spending twelve years in prison for defying the authorities in this incident.

I happened to be at Clint Webster’s house one mornin’ when Mr. Taylor sent the deputy sheriff [Mr. Woods] over to attach everything the man had and bring it away from there. . . . Well, I knowed I had to take a stand right there because . . . I was going to be next. . . . I stretched out my arms and said, “Mr. Woods, please, sir, don’t take what he’s got. He’s got a wife and children and if you take all his stock and everything else, you’ll leave his folks hungry.” He told me . . . “I got orders to take it, and I’ll be damned if I don’t.” . . . So I just politely told him that he weren’t goin’ to do it. . . .

Then the deputy raised sand with me about it. He jumped up and told me, “I’m going to Dadeville to get [Sheriff] Carl Platt and bring him down here. He’ll come down here and kill the last damn one of you, shoot you in a bunch.”

Now, a organization is a organization, and if I don’t mean nothin’ by what I say and do, I ought to keep my ass out of it; but if I’m sworn to stand up for myself and stand up for all the poor class of farmers, I have to do it. Weren’t no use under God’s sun to treat colored folks like we been treated here in the state of Alabama, weren’t no sense in it. Work hard and look what’s done to me. . . .

Mr. Woods come back that same day . . . with four sheriffs. . . . There were several men in Clint Webster’s house when that bunch of sheriffs arrived, five or six of them. But when the sheriffs walked up in the yard, I was standin’ outside. . . . I said, “Fellas, here they come, here come the officers.” God Almighty, they jumped up and run out of that house goin’ out the back way into the field and the forest, clean out of there. . . . Then [Deputy Sheriff] Grant, be standin’ in front of me holdin’ a shotgun straight on me; wouldn’t budge, just standin’ there lookin’ at me, wouldn’t say nothin’ . . . just lookin’ at me and holdin’ that gun, the muzzle part of it. . . .

And bless your soul, I got tired standin’ there. . . . So I walked off. I just decided I’d go on in the house. And when I started up the doorstep, [Deputy Sheriff] Meade . . . grabbed me by my right arm and just pressured it, but I absolutely flung him off like you would fling off a leech. . . . I just commenced a steppin’ right on in the house. And Mr. Grant shot me three times, in the back. . . . But I didn’t stop walkin’ when he shot me. Shot me twice more, right quick before I could get in the house. Boom! Boom! Same place, every time he shot me. I just still kept walkin’, never did weaken.

Now the door to the north room of that house was open comin' off a hallway. I just walked in that door to the north room and looked back. Mr. Grant still had that gun on me, and I started workin' out with him. He jumped behind a big oak tree and I just kept working' out with my .32 Smith and Wesson. I had that gun on me when I come there that mornin', and they didn't know it. I didn't go there actin' a fool, less'n a person will call me a fool for what I said. My finger was on that trigger all the time and the gun was in my hand. I had on a pair of big overalls, brand new, and the pockets was deep and my hand in the pockets. And I had on a white cowboy hat—that's the way I was dressed and my jumper and a pair of Red Wing boots, about knee-high. . . . And when Mr. Grant shot me—shot me three times, in the same place—my blood came near to fillin' them boots. . . . I was just sloshin' in my blood every step I took.

Well, I shot six times, and when I got done shootin', all of them deputies done cleared out from that house, every one of 'em run away from there.

Dale Rosen and Theodore Rosengarten, "Shoot-Out at Reeltown," *Radical America*, November–December 1972.

make things better." As cotton prices plummeted, the planters cut off food advances to their tenants, reduced the wages for day labor, and forced sharecroppers to work off real estate taxes—the landowner's responsibility—by doing roadwork. When the Communists organized the Sharecroppers' Union (SCU) in Tallapoosa County, Alabama, white plantation owners used sheriff's deputies to violently suppress the new organization. In 1931 and 1932, gun battles between lawmen and SCU activists left dozens of sharecroppers dead or wounded, and many more were run off their land.

The Scottsboro case focused national attention on the growing terror in the South. In 1931, nine young black males, one only twelve years old, were falsely accused of raping two white women on a freight train near Scottsboro, Alabama. In a trial that was based on questionable evidence and riddled with prejudice and procedural error, the jury convicted eight of the defendants and sentenced them to death. The defense of the "Scottsboro boys," championed first by the Communist Party and then by the National Association for the Advancement of Colored People, became an international cause célèbre, much like the Sacco and Vanzetti case during the 1920s. Years of litigation and agitation finally overturned the death sentences, but not before five of the defendants had served long prison terms for a crime that had never occurred.



Eight Face the Electric Chair

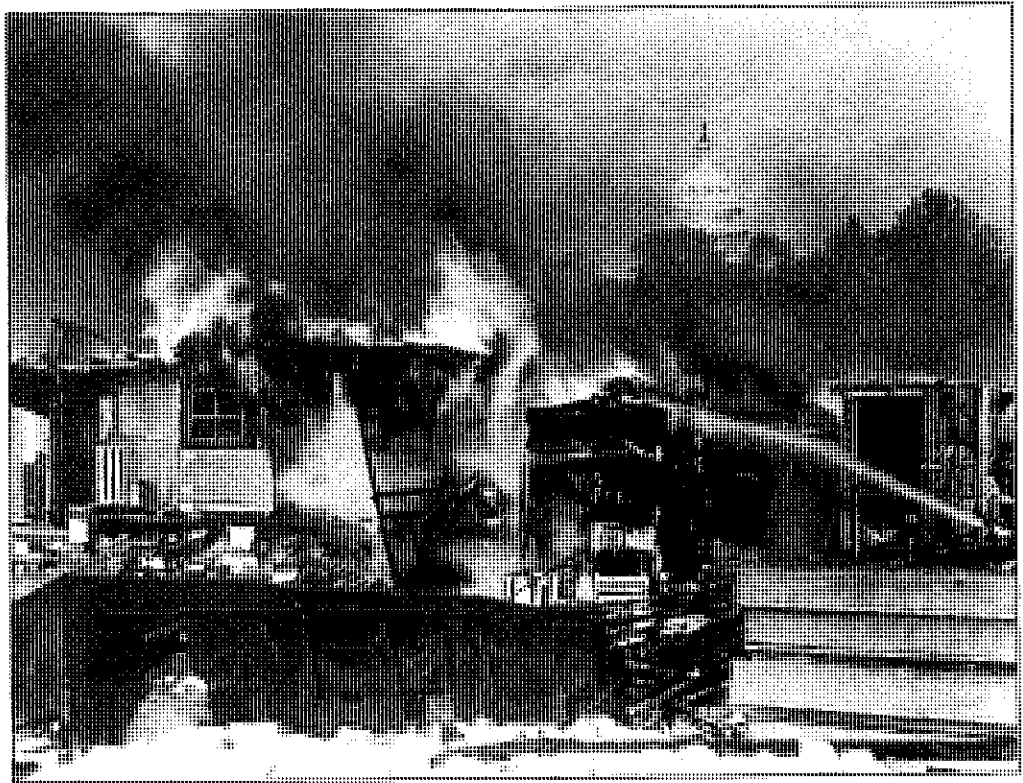
One of a series of prints created in 1935 in support of the Scottsboro defendants, this linoleum block shows the influence of the stark, illustrative style of interwar graphic arts in Europe on American political artists. Although designed for publication, the Scottsboro print book was never distributed. Lin Shi Khan and Ralph Austin, *Scottsboro: A Story in Block Prints* (1932)—The Wolfsonian—Florida International University, Miami Beach, Florida, The Mitchell Wolfson, Jr., Collection.

1932: Marching for Our Rights In the election year of 1932, two great protests demonstrated the potential of the Depression to mobilize people in defense of their rights in a society that they saw still governed by uncaring elites. By 1932, Henry Ford, America's most famous industrialist, had dumped 60,000 workers onto Detroit's relief rolls. On March 7, 1932, more than 3,000 protesters organized by the small, Communist-led Auto Workers' Union marched on Ford's giant River Rouge complex in Dearborn, Michigan. The "hunger marchers" demanded jobs for laid-off workers, a slowdown of the company's assembly line, and a halt to evictions of former Ford workers. As the marchers neared the factory gate, Dearborn police and Ford guards first threw tear gas and then fired their guns at the retreating crowd. Hundreds of shots rang out, killing four marchers and wounding more than sixty others. Within days, hundreds of suspected "Reds" had been arrested throughout the region in a police dragnet.

But Ford's reaction to the march only hardened the participants' determination to effect change. For Dave Moore, who began his political activity fighting evictions in Detroit, the Hunger March was "the turning point in

Anacostia Flats and Flames

The Bonus Marchers' shantytown burned down within sight of the Capitol on the afternoon of July 28, 1932. Federal troops had set fire to the camp after dispersing the unemployed and homeless World War I veterans who were asking for an early release of their war bonuses. National Archives.



my life. . . . When I saw the blood flowing there on Miller Road, that was the point I became a radical." The following Sunday, an interracial crowd of more than 20,000 people followed the caskets of the slain men and listened to the strains of the "Internationale," the Communist anthem, as the caskets were lowered into the ground. Henry Ford, a hero of the 1920s, became a much-hated man in the city of Detroit.

Four months later, a veterans' march on Washington, D.C., had an even greater impact on the nation. After World War I, Congress had passed a bill promising each veteran a cash bonus to be paid in 1945. But the vets needed the money now, and in May 1932, a group of veterans from Portland, Oregon, set out for Washington to press their case. Twenty thousand ex-servicemen soon set up camp in the capital. But Congress balked as a sizable group of Bonus Marchers took over unoccupied government buildings. In late July, when Hoover evicted the protesters, police killed two veterans. Prodded by Army Chief of Staff General Douglas MacArthur, who considered the Bonus Army a "mob" driven by the "essence of revolution," Hoover called out the regular army, which launched a tank and cavalry assault on the Bonus Army encampment across the Anacostia River from the U.S. Capitol, burning down their temporary shelters. Millions of citizens were horrified by the image, reproduced in newspapers and on newsreels, of a battle-ready army driving off a ragtag collection of men who had faithfully served their country and were now desperately seeking help. "So all the misery and suffering had finally come to this," reported journalist Thomas Stokes, who

witnessed the assault, “soldiers marching with their guns against American citizens.” Hoover’s reputation, like Henry Ford’s, collapsed.

Although these conflicts with police and sheriffs, as well as the demonstrations by the unemployed, did not succeed, they had lasting consequences. The stark confrontations of the early 1930s helped to radicalize thousands of impoverished men and women, who later built potent industrial unions and political organizations that played a leading role in transforming the economic status and social expectations of millions of Americans. And despite much heated rhetoric denouncing the government, these early Depression protests helped workers and farmers to turn their attention beyond their neighborhoods and employers and to demand help with their problems from the state. They wanted a “new deal” out of life, and they had the voice and votes to win it.

The Promise of a New Deal

Franklin Delano Roosevelt stands with Abraham Lincoln as a founder of the modern American nation. He was elected president four times and served for more than twelve years, longer than any chief executive in American history. During those years, the United States put in place the social legislation, economic regulations, and governmental apparatus that serves as the foundation for the powerful, politically energetic state that has been a prominent feature of American life ever since. In his inaugural address, Roosevelt responded to mass protests, asserting, “The nation calls for action and action now.” Roosevelt did take immediate action with a wide array of programs—collectively known as “the New Deal”—that were designed to restore production and stability in banking, agriculture, and industry.

But Roosevelt was not a radical, nor were the overwhelming majority of his key appointees. Roosevelt drew much of the legislation that was put forward during the famous first hundred days of the New Deal from the program of the most conservative wing of the Democratic Party or from proposals that Herbert Hoover had failed to pass. Even as the government took on new responsibilities, Roosevelt sought to conserve as much of the nation’s existing economic and social arrangements as possible. Mistrustful of labor radicals and worried that “the dole,” as he referred to cash relief, undermined self-respect, Roosevelt courted business support and strove to balance the budget as soon as possible. And neither Roosevelt nor his principal advisers dared to challenge the power of the southern white landowning elites, especially on issues of race, or to question gender roles in framing emergency relief and social welfare legislation.

Franklin Roosevelt: Experimentation and the Status Quo Roosevelt was born in 1882 into a patrician New York family whose wealth, although

substantial, was no match for the spectacular fortunes then being amassed by the Rockefellers and Carnegies. Roosevelt used his charm, money, and social prominence to climb the political ladder. After proceeding from the New York State Senate to the post of assistant secretary of the navy under Woodrow Wilson to the Democratic Party's 1920 vice presidential nomination, Roosevelt contracted polio in 1921 and lost the use of both legs. He would never walk again without heavy braces and much assistance, but Roosevelt's misfortune probably made him more expansive, mature, and socially concerned. He battled his way back into public life with the help of his wife, Eleanor, who displayed a talent for political organization and public speaking that surprised those who had known her as a shy and awkward young wife. Although the Roosevelts became estranged in their marriage, Eleanor proved to be an effective political ally, a woman Franklin often called his "eyes and ears," who also pursued her own political and social causes.

Roosevelt, known simply as FDR, served as governor of New York during the same dark era when Hoover held the White House. He proved to be a more imaginative administrator than Hoover but still had to position himself carefully to win his party's presidential nomination in 1932. He took a *laissez-faire* approach on the issues of religion and drink (he pledged to repeal Prohibition and did in 1933) but adopted an interventionist policy on the economy and social welfare. In accepting the Democratic nomination, Roosevelt promised "a new deal for the American people."

Between Roosevelt's election in November 1932 and his inauguration in March 1933, the economy dipped to the lowest point of the entire Depression. In mid-February 1933, Michigan's governor ordered all state banks closed to prevent the collapse of the big Detroit institutions. Panic spread in state after state—forty altogether—forcing authorities to declare bank "holidays." Even the New York Stock Exchange shut down.

Not since the days of Lincoln had a president taken office in such dramatic and difficult circumstances. For Roosevelt, it was a golden opportunity. A master of the use of radio, he assured the nation in his inaugural address that "the only thing we have to fear is fear itself." Hoover had made similar appeals on numerous occasions, but Roosevelt's enormous self-confidence, combined with paternal warmth and a plain, friendly manner, gave hope to millions. He later broadcast a radio series of "fireside chats" in which he explained his programs to the public, using easily digestible anecdotes. Within weeks of his election, Roosevelt had come to embody the state as friend and protector. "My mother looks upon the president as someone so immediately concerned with her problems and difficulties that she would not be greatly surprised were he to come to her house some evening and stay to dinner," remarked an insurance salesman.

Unlike Hoover, Roosevelt was an opportunist and an experimentalist

"A Real Mother to the Nation"

Millions of Americans felt a close personal bond not only with Franklin Roosevelt, but also with his wife Eleanor. In letters sent to the White House, people recounted their personal troubles and expressed their gratitude to the president and First Lady. Following are excerpts from letters addressed to Eleanor Roosevelt. The first correspondent begged for a loan to buy baby clothes; the others praised the Roosevelts in strikingly religious terms.

Jan. 2, 1935

Troy, New York

Dear Mrs. Roosevelt,

About a month ago I wrote you asking if you would buy some baby clothes for me with the understanding that I was to repay you as soon as my husband got enough work. Several weeks later I received a reply to apply to a Welfare Association so I might receive the aid I needed. Do you remember?

Please Mrs. Roosevelt, I do not want charity, only a chance from someone who will trust me until we can get enough money to repay the amount spent for the things I need. As a proof that I really am sincere, I am sending you two of my dearest possessions to keep as security, a ring my husband gave me before we were married, and a ring my mother used to wear. Perhaps the actual value of them is not high, but they are worth a lot to me. If you will consider buying the baby clothes, please keep them until I send you the money you spend. It is very hard to face bearing a baby we cannot afford to have, and the fact that it is due to arrive soon, and still there is no money for the hospital or clothing, does not make it any easier. . . .

Ridley Park, Pennsylvania

9/1/34

Dear Mrs. Roosevelt,

I was delighted but I don't believe I was very much surprised when I received your letter. Just to look at your picture and that of our President seems to me like looking at the picture of a saint. So when you answered my letter and promised to have some one help me it only proved you are our own Mrs. Roosevelt. I have told everyone what you done for me. I want them to know you are not too busy to answer our letters and give us what help and advice you can. You hold the highest place any woman can hold still you are not too proud to befriend the poorest class. . . . Thank you and God bless you both.

Nov. 25, 1934

Arkansas City, Kansas

Dear Madam:

I beg to inform you that I have been reading your writings in the Wichita Beacon and I must say that the whole nation should be enthused over them. I was especially carried away with the one on Old

Age Pensions. It brought my mind back to the day of the Chicago Convention, when Mr. Roosevelt was nominated for the presidency.

In our little home in Arkansas City, my family and I were sitting around the radio . . . and when he spoke it seems as though some Moses had come to alleviate us of our sufferings. Strange to say when he was speaking to see the moisten eyes and the deep feeling of emotions that gave vent to every word and when you spoke then we knew that the white house would be filled with a real mother to the nation.

Robert S. McElvaine, *Down and Out in the Great Depression: Letters from the "Forgotten Man"* (1983).

who surrounded himself with politically savvy academics and bold administrators. Many key New Deal officials and advisers, such as Secretary of the Interior Harold Ickes, Felix Frankfurter (whom FDR later appointed to the Supreme Court), and Secretary of Agriculture Henry Wallace, were veterans of the Progressive movement or the home front bureaucracies of World War I. Young men and women just out of Harvard or Columbia filled other vital positions, assuming extraordinary responsibilities. The Protestant world of the big corporate law firms had spurned many of these young Jewish or Catholic law school graduates. And women who had long been active in social reform movements, including Secretary of Labor Frances Perkins, the first female cabinet officer, filled several posts dealing with relief or labor relations.

Rescuing the Banks Roosevelt's first task was to restore confidence in the financial system. Two days after taking office, he declared a national bank holiday and then called Congress into special session. Although popular anger at the banking system was so great that some in Congress favored outright nationalization of the banking system, the Roosevelt administration pushed through an Emergency Banking Act that regulated the banks instead, empowering the government to lend money to troubled banks, to reorganize failed ones, and to stop the hoarding of gold. Banks that were judged to be solvent were allowed to reopen within a week. Additional laws established the Federal Deposit Insurance Corporation, which guaranteed the security of most family savings, and the Securities and Exchange Commission, which required what FDR called "truth telling" in the stock market. Roosevelt had thus acted decisively, but he nevertheless avoided the most radical solutions. Farmers and others with large debts, for example, urged inflationary policies of the sort favored by the Populists in the late nineteenth century. Roosevelt resisted, insisting on a "sound" dollar, but he still

shocked conservatives by taking the nation off the gold standard in April 1933, thus helping to end the deflation that had crippled investment during the depths of the Depression.

Toward National Relief Roosevelt's efforts to save the banks and cut spending differed only slightly from those of Herbert Hoover, but his decision to launch a national relief program introduced a major policy innovation. To provide funds for the unemployed, Congress set up the Federal Emergency Relief Administration (FERA), which immediately began spending \$1 billion a year—roughly 2 percent of the national income. Congress also approved one of Roosevelt's pet projects: the Civilian Conservation Corps (CCC). Like his cousin Theodore Roosevelt, FDR believed that outdoor life was morally and physically curative. During the decade of its existence, the CCC provided temporary work for three million young men, who lived in military-style camps, constructed recreation facilities, and carried out conservation projects under the direction of army officers. Later in 1933, Roosevelt launched the Civil Works Administration (CWA), which quickly hired four million of the unemployed and put them to work on four hundred thousand small-scale projects, mainly road building and repair work.

These emergency work relief programs employed more than ten million Americans. By putting real money in the pockets of the poor, they offered tangible evidence that the New Deal could touch the lives of ordinary Americans. The Roosevelt administration insisted that only public agencies receive federal funds, a policy that undercut the role of private charity, and held state and local officials accountable to government-established federal guidelines. Overnight, the public's expectations of federal officials underwent a dramatic change. "Clients are assuming that the government has a responsibility to provide," reported federal emergency relief administrator Harry Hopkins. "The stigma of relief has almost disappeared except among white-collar groups."

Despite the efforts of Hopkins and other reformers, the distribution of government aid largely replicated the racial, regional, and gender divisions that plagued the nation. Entrenched local elites usually administered the funds and manipulated payments to serve their own economic interests. Monthly FERA payments were ten times higher in New York than in Mississippi because the planter class in the Delta, the backbone of the conservative



Have Faith

Instead of blaring its usual movie advertisement, this theater sound truck toured the streets of Boston in December 1931 to chide citizens who, fearing impending financial failure, had withdrawn their deposits from local banks. Courtesy of the Boston Public Library, Print Department.



"We Can Take It!"

A photograph of a young Civilian Conservation Corps (CCC) worker epitomized the agency's slogan. "Building strong bodies is a major CCC objective," the accompanying caption stated. "More than half of the enrollees who entered CCC during the last year were seventeen years of age. Work, calisthenics, marching drills, good food, and medical care feature the CCC health program." Wilfred J. Mead—National Archives.

southern Democrats, wanted a ready supply of harvest labor. In the West, fruit growers often forced government agencies to cease relief payments when pickers were needed. And in the CCC, black and white workers received equal wages but lived in segregated camps that reflected military practice. Women were largely excluded from work relief. Most New Deal policymakers, working-class radicals, and social service administrators wanted to restore male dignity and livelihood. Roosevelt's New Deal built roads and dams, but it gave lower priority to teaching, child care, and public health. Thus, women, who were a quarter of the unemployed, held fewer than 10 percent of the FERA and CWA jobs.

A Revolution on the Farm To restore prosperity to farmland America, the

Roosevelt Administration pushed through an Agricultural Adjustment Act (AAA) that was designed to regulate production and prices in an economic sector from which a quarter of all Americans still derived their livelihood. Within a generation, the AAA did more to transform American farming than had the invention of the mechanical reaper or the enactment of the 1862 Homestead Act.

Agriculture had been in a crisis for years because of low prices and chronic overproduction. In 1931, some states in the South had actually tried to impose a moratorium on that year's cotton crop, and in the Midwest, radical farmers, who had organized into an Iowa-based Farmer's Holiday Association, blocked rural highways to prevent milk, corn, and other farm products from going to market. But in a nation in which rice, wheat, cotton, and tobacco were raised in thousands of counties, such regional efforts were doomed to failure. Passed by Congress in the spring of 1933, the AAA used federal funds to pay farmers who agreed to reduce the size of their crops. New Deal officials argued that, just as major industrial companies manipulated their sales and prices, so a government-mandated reduction in the amount of land under cultivation could force up commodity prices. To finance the payments to farmers, the government taxed food processors, who generally passed the new levy on to consumers in the form of higher costs. Separate government agencies promoted soil conservation and made loans at favorable rates to farmers who reduced their cultivated acreage.



The Spirit of '32

Three striking farmers mimicked Archibald Willard's *The Spirit of '76*, the popular 1876 painting celebrating the American Revolution. When asked by a reporter how he justified Farm Holiday protest actions that broke the law, one elderly man replied, "Seems to me there was a Tea Party in Boston that was illegal, too." August 31, 1932—Scott Molloy Labor Archives.

Since the planting season had already begun by the time the AAA became law, farmers who wanted benefit payments had to destroy crops and livestock. So farmers slaughtered six million baby pigs and plowed under ten million acres of cotton. The destruction of food and fiber in the midst of Depression-bred want created a furor because it highlighted the larger irrationalities that were embedded in the government's market-taming program. But the AAA boosted farm income by 50 percent within four years. Large commercial farmers benefited most, since they could make the greatest reductions in their crops and thereby receive the largest payments. Agribusiness owners used the federal money to retire debts, expand their farms, and purchase new equipment.

Tenant farmers and sharecroppers found themselves worse off under the AAA. Legally, landowners were obligated to share their crop reduction payments with those who rented their land, but they commonly evaded the responsibility, often by taking tenant lands out of production, evicting the occupants, and pocketing the federal payments. The impact of the AAA on these small farmers soon provoked a new wave of protest. In 1934, Arkansas sharecroppers and laborers—both black and white—organized the Southern Tenant Farmers' Union (STFU), which sought to pressure federal officials to stop the evictions and give tenants and sharecroppers their fair share of government price-support payments. The union, which soon grew to 10,000 members, came under attack from planters and local authorities who beat, shot, and arrested hundreds. Although this reign of terror forced the STFU underground, the union still managed to organize cotton pickers'



Organizing in Arkansas

Black and white farmworkers listened to a speaker at a Southern Tenant Farmers' Union meeting. Louise Boyle—Southern Tenant Farmers' Union Papers no. 3472, Southern Historical Collection, Library of the University of North Carolina at Chapel Hill.

strikes in five states in 1936. Black tenant farmers became some of the union's most effective organizers.

At the Department of Agriculture, many of the young New Dealers sympathized deeply with the plight of tenant farmers. But Roosevelt, Secretary of Agriculture Wallace, and other top aides cared more about conciliating the powerful, conservative cohort of southern Democrats they considered vital to New Deal legislative majorities. Wallace therefore fired Agriculture Department radicals in 1935, making clear that the New Deal would do little to threaten the

power of planters and agribusiness interests. To provide some help for poor farmers and farm workers, the administration set up a new agency, the Resettlement Administration. But its low budget and marginal administrative clout meant that it could aid only a fraction of the displaced rural poor. Meanwhile, the STFU collapsed; its defeat would prove a harbinger of the massive, decades-long transformation in American agriculture, a mid-twentieth-century development that pushed millions of small farmers off the land and into cities. The New Deal agricultural revolution demonstrated that an intrusive set of government controls and incentives could make American agribusiness the most prosperous and efficient in the world, but policymakers never properly calculated the human costs of that transformation.

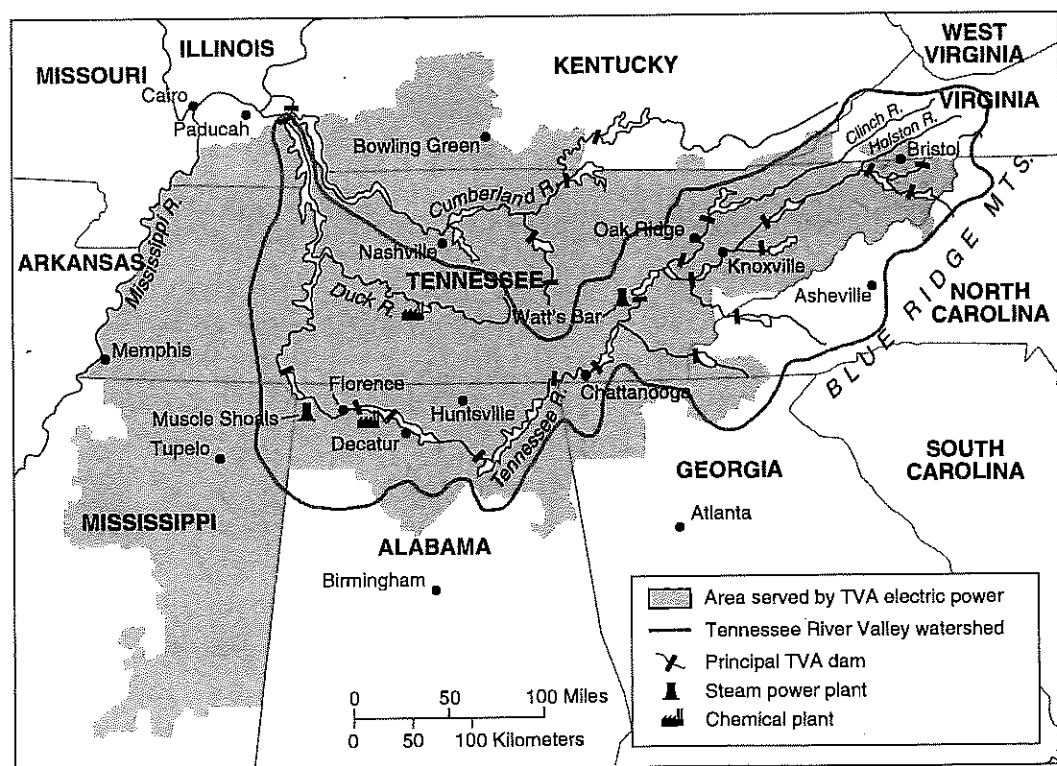
Public Investment in the South and West Many New Dealers believed that the monopolization of capital and manufacturing in the Northeast stifled national economic growth. Indeed, the South and West were virtually undeveloped countries. Because private investment in those regions evaporated so completely, only massive public investment could provide construction jobs and build highways, bridges, and other parts of the infrastructure that were essential to future prosperity.

The \$3.3 billion Public Works Administration (PWA), set up in 1933, produced dozens of government-financed dams, airports, courthouses, and bridges. Managed with an incorruptible hand by Interior Secretary Harold Ickes, the PWA proved particularly active on the Pacific Coast. In California alone, the PWA helped to finance the world's largest dam at Shasta; the longest and most expensive suspension bridge, between San Francisco and Oakland; and the nation's first freeway, from downtown Los Angeles to Pasadena. Following the Long Beach earthquake of 1933, the PWA rebuilt the entire school system of Los Angeles County.

In 1933, the New Deal launched its most ambitious and celebrated experiment in regional planning: the Tennessee Valley Authority (TVA). This giant project had its roots in the Progressive era, when many government officials had looked to the development of water resources as a source of inexpensive electric power for booming cities. The TVA was a government-owned corporation that was designed to carry out the comprehensive redevelopment of an entire river watershed spanning seven southern states. With twenty new dams, the authority soon tamed the flood-prone rivers of the Tennessee Valley and, in the process, became the largest producer of electric power in the United States (Map 8.2). Private utility executives thought the TVA socialistic, but the otherwise conservative farmers and manufacturers of the Appalachian South thankfully reaped the benefits of improved navigation, flood control, industrial development, cheap electricity, and new recreational facilities. A separate government entity, the Rural Electrification Administration, brought running water and electric lights to remote farmhouses nationwide by making cheap, government-backed credit available to hundreds of electric power cooperatives.

MAP 8.2 Tennessee Valley Authority

Between 1933 and 1952, the Tennessee Valley Authority improved five dams and built twenty others, taming the flood-prone rivers of the Tennessee Valley and bringing affordable electricity to remote rural areas. The TVA therefore represented social and ecological engineering on a grand scale as well as a major source of employment.



A New Deal for American Indians At the same time that the New Deal modernized the American South and West, it exhibited more respect for Native American traditions than had the programs of previous administrations. Ever since the adoption of the Dawes Act in 1887, the federal government had tried to force Indians to assimilate into white society by ending communally owned reservations and insisting that they take up “allotments” — individually owned plots of land. This policy proved disastrous for the nation’s 300,000 Native Americans, whose tribal land acreage was slashed by more than half. By the 1930s, more than 100,000 Indians lived in abject poverty.

Prodded by John Collier, FDR’s reform-minded commissioner of Indian affairs, Congress passed the Indian Reorganization Act of 1934, which ended the allotment of tribal lands to individuals and made possible the restoration of surplus lands to tribes. It allowed the Indians to adopt constitutions giving them self-government, and it opened the way for Indians to seek jobs in the white-dominated Bureau of Indian Affairs. Collier also pushed for the restoration of traditional Native American cultural life, including the revival of ancient dances and religious practices that had been discouraged under the Dawes Act. Collier’s “New Deal for Indians” encountered opposition from Protestant missionaries who preferred the assimilationist policy and from some Indian groups that were suspicious of the federal government. Most American Indians remained poor, but the New Deal at least brought them a more sympathetic hearing in Washington.

Transforming American Industry Industrial recovery was the greatest task confronting the New Deal. How could the downward cycle of falling wages, prices, profits, and employment be stopped? Congress offered one remarkably popular solution by proposing legislation for a thirty-hour workweek to force employers to hire millions of new workers. The Senate actually passed such a bill early in 1933, but business opposed it, and so did the president, who thought that it merely spread the misery around. Instead, Roosevelt pushed through the National Industrial Recovery Act (NIRA), which mandated a government-sanctioned system of business self-regulation, coordinated by a National Recovery Administration (NRA). Like the AAA, the NRA used government power to regulate the market, raise prices, and increase wages. The NRA proved to be far more than another Washington bureaucracy. FDR’s flamboyant NRA chief, Hugh Johnson, used many of the propaganda techniques he had learned during his Great War service to turn the recovery effort into a national crusade. Companies that agreed to cooperate with the NRA were allowed to display

Praising and Criticizing the Indian Reorganization Act of 1934

Although John Collier, the commissioner of Indian affairs who was responsible for the new Indian policy, may have viewed Indians with great sympathy, not all Native Americans viewed the Indian New Deal in equally positive terms. In his 1970 oral history interview, Alfred Dubray argued that the act brought positive change, but in the 1968 interview with historian Joseph H. Cash, attorney Ramon Roubideaux, a Brule Sioux, denounced the Indian Reorganization Act as "a white man's idea" of how Indians should live.

Alfred Dubray: It had a lot of advantages that many of the people didn't see, such as making loan funds available, huge amounts of that. Farm programs were developed through this. Cattle-raising programs were initiated. Educational loans were beginning to be made available for Indian youngsters who had never had any opportunities before, hardly, to attend any higher institutions. Unless they just did it by sheer initiative, and if somebody is sponsoring it. So there was a new field there in education, and, of course, mainly the tribal governing body section of it—busy there, and they established their governing body and voted on their representatives and the council members.

I think it was difficult for the people to really recognize what they were doing for probably several years after that, until they got into the change.

Ramon Roubideaux: Well, I might say as far as the Indian Reorganization Act is concerned, I think this is possibly one of the best intentioned but unfortunate happenings that could have possibly taken place as far as the Indian people are concerned. What I am speaking about is that although it did stop the alienation, the sale of Indian lands and did stop the allotment system, it created a socialistic society, and set the Indian people apart from the mainstream of American life and made them a problem. So what this has really done, it has substituted in place of the governing system that the Indians had prior to the Indian Reorganization Act, a white man's idea of how they should live, rather a paternalistic type of government which, had as its object the socializing of all the activities of the Indian people and while the framers of this act and the ones who are responsible for the idea of formulating it probably had the best intentions in the world, I cannot help but think that there was maybe not an overt conspiracy, but one in the back of the mind of these bureaucrats to really perpetuate their own existence. . . . And I think the main thing that was wrong with the whole thing was that the setting of the Indian aside on a different place in the state, designating him as a problem, making him feel he was a problem, beating down rebels, beating down Indians who expressed any independent thinking, rewarding collaborators, rewarding them with positions of importance and completely stifling independent and creative thinking from the Indian people, having, different laws apply to him, setting up a different kind of government. . . . [I]t should have set up a county system exactly like the neighboring counties, with county officials, with municipal officials, with Indians going about

their daily political and economic activities in the same way that other people in the state are, so that they could benefit from the intercourse with their white neighbors and the meetings that we have, state-wide meetings of county officials, municipal officials, and in fact, becoming part of the mainstream of American life.

Oral histories courtesy of Institute of American Indian Studies, South Dakota Oral History Center, University of South Dakota.

a blue eagle. Parades, speeches, and posters urged the public to spend money only at businesses that displayed the symbol.

To end the downward cycle of wage cuts and price reductions, NRA codes spelled out permissible production and marketing practices for each industry. Johnson argued that the act would “eliminate eye-gouging and knee-groining and ear-chewing in business.” For example, textile companies agreed to limit mills to two forty-hour weekly shifts, to end child labor, and to set minimum wages at \$12 to \$13 per week. In theory, consumers, labor, and the government would help to write the codes. Such was the case in the coal and garment industries, in which the unions made a spectacular comeback. But in most other industries, the NRA wrote codes at the behest of the largest and most politically influential producers. “The lumber code is not an edict handed us by Congress or the president,” bragged a West Coast lumberman to industry associates. “We went to Washington and asked for it.”

The NRA generated more than five hundred industry codes, but trade unionists, New Dealers, and some businessmen recognized that industry

self-regulation required a strong labor movement. Unions possessed an intimate, internal knowledge of business conditions, so if labor had enough power, it could ensure that employers complied with the minimum wage standards and maximum hour regulations set out in the codes. But labor power would come only with successful union organizing. Section 7a of the NIRA proved an important and controversial part of each industry code. It gave employees “the right to organize and bargain collectively through representatives of their own choosing . . . free from the interference, restraint, or coercion of employers.”

“We Do Our Part”

Three unlikely spots for the display of the otherwise ubiquitous NRA eagle. Pare Lorentz, *The Roosevelt Year: A Photographic Record* (1934)—American Social History Project.



"The Republic Is Imperiled": John L. Lewis Warns of Ignoring Laboring People

John L. Lewis, president of the United Mine Workers of America, was instrumental in the organizing drive that transformed the coal fields in 1933. In February 1933 (before passage of the NRA), Lewis spoke passionately to the Senate Finance Committee about the need for action to protect workers. In his Senate testimony, Lewis called for emergency action, including allowing workers to unionize and replacing corporate autocracy with union democracy. He warned that if action was not forthcoming, the nation might face grave consequences.

The political stability of the republic is imperiled. . . .

We are victims of our own national short-sightedness by failure in the halcyon days of prosperity to intelligently plan for the future. A horde of small-time leaders in industry and finance like the freebooters of old, vied with each other, looted the purse of the population, and diverted the proceeds to their own interests. Now that the day of adversity has come, these same leaders are destitute of competent suggestion to safeguard the present or the future, and they expect the population of this country to remain quiescent while they utter ponderous platitudes about balancing the budget, and the necessity for further wage reductions. . . .

If democracy and corporate participation in industry are to survive in America, labor must have an opportunity to exercise its industrial rights for the protection of itself and our democratic and economic institutions. An emergency now exists which is more critical than would be the case if a fleet of a foreign power were at this moment bombarding the defenses of one of our major ports. The very foundation of democracy and integrity of American institutions is threatened. . . .

A board of emergency control should be created. It should be composed of representatives of industry, labor, agriculture and finance. . . . The board should be instructed to reduce the hours of labor, and the number of days in the work week to a point where the industrial machinery of the nation can substantially take up the slack of unemployment and under conditions where labor is accorded the right of collective bargaining through representatives of its own choosing. This board should also be instructed to stabilize the prices of agricultural products and other commodities . . .

Today the enemy is within the boundaries of the nation, and is stalking through every community and every home, and, obviously, this proposal is the most democratic form of internal regulation that can be devised to deal with our economic and industrial collapse.

United Mine Workers Journal, 44 (March 1, 1933): 3-4.

Employers were forbidden to require their workers to join company-sponsored unions or to make them sign “yellow-dog” contracts promising not to unionize. Labor leaders hailed Section 7a as a Magna Carta for organized labor, but it would take an enormous struggle to transform legislative promise into social reality.

The Revival of Organized Labor

Before the Depression, unions were clustered in a few industries: coal mining, construction, railroads, garment manufacturing, and some specialty crafts. Organizing efforts in other fields had been effectively blocked by management hostility, restrictive court decisions, and corporate sponsorship of tame “company” unions. During the first three years of the Great Depression, high unemployment made workers and their leaders extremely cautious. Strikes were virtually nonexistent as union membership dropped to less than 10 percent of the national workforce. But everything changed in 1933 when workers dramatically embraced collective action. American trade unions tripled their membership during the 1930s and increased their political and economic power in a dramatic fashion. By organizing the great mass production industries of that era—steel, automobiles, electrical products, and rubber—the unions not only raised living standards for millions of families, but also injected an element of popular, democratic control into the heart of American industrial life. Even the agricultural and textile strikes that ended in defeat mobilized thousands of workers and exposed the shortcomings of New Deal legislation.

The Working Class Upsurge of 1933 and 1934 The NIRA’s Section 7a, which encouraged industrial workers to organize and bargain collectively, transformed discontent into action. Although Section 7a offered only a vague statement of policy, it had enormous psychological and political impact. The NIRA enabled labor organizers to assert that workers could make a patriotic contribution to the national recovery effort by joining a union. Organizers from the United Mine Workers of America (UMW) toured the coal fields with leaflets that declared, “The President Wants You to Join a Union!” This was a big change from the 1920s, when open-shop employers had sought to brand unions as un-American—an outlook that had frequently been sustained by the use of army and National Guard troops against strikers in the tumultuous years after World War I.

The sudden rebirth of the UMW demonstrated how quickly unionists seized the opportunities that FDR’s programs generated, both to revive their own organizations and, in the process, to transform the very meaning of the entire New Deal. The UMW had languished in the early years of the Depression. In February 1933, a UMW member reported that “as far as West Kentucky is concerned there is no sign of organization . . . you could not

organize a baseball team.” But once it became clear that the NIRA would be passed, the miners’ union gambled its remaining resources on a lightning-quick organizing campaign, throwing 100 organizers into the field. The response was tremendous. By June 17, the day after Roosevelt signed the NIRA, 80 percent of Ohio miners had signed union cards. UMW president John L. Lewis, backed by the swelling membership, pressed mine operators to accept the union’s version of a bituminous coal industry code. A series of wildcat (without formal union approval) strikes added to the pressure. In September 1933, the mine operators gave in, accepting a code that raised wages, reduced regional variations in pay, outlawed child labor, established an eight-hour workday, and gave miners the right to select representatives who would ensure that they were properly paid for the weight of the coal they produced. Almost overnight, the UMW had democratized the distribution of power in the coal industry.

NRA codes also aided workers in the garment trades and in trucking; but without an enforcement mechanism, Section 7a proved far less useful to the men and women who labored in the mass production industries of the American heartland. Some frustrated workers began to call the NRA the “National Run Around.” The idea that “employees had the right to representatives of their own choosing” was subject to multiple interpretations, so in August 1933, the Roosevelt administration set up a tripartite National Labor Board to resolve labor conflicts. The board established an important precedent when it ruled that employers were obligated to hold secret ballot elections to determine who would represent workers in negotiations. But many employers, especially in the steel and electrical products industries, set up company-dominated unions run by managers and foremen. Others fired union advocates and used proemployer codes to set wages and hours unilaterally. Employers frequently ignored the NRA and the Labor Board, especially when they confronted unions led by radicals, African Americans, or Mexican Americans.

A Wave of Strikes Under such difficult circumstances, it took courage and political commitment to offer union leadership and even more courage to protest. By the second year of the New Deal, Communists, socialists, and other radical unionists had mobilized whole communities on behalf of labor’s organizing drives and work stoppages. While officials of the AFL usually stood on the sidelines, political radicals proved willing and able to assume leadership, notably in the automobile, shipping, and trucking industries, with a series of sometimes violent strikes that put the nation on notice that a new and militant spirit had infused the union rank and file.

By the 1930s, several changes in American life facilitated the task of organizing workers, who had been long divided along ethnic, racial, gender, craft, and political lines. First, the working class had become more



Street Warfare

A Minneapolis truckers' strike turned violent in May 1934 when an alliance of businessmen, backed by the police and city officials, sought to break union picket lines and run scab trucks. But led by a militant, democratically elected set of officers, the Minneapolis Teamsters local sparked a general strike and organized hundreds of workers into paramilitary groups that fought police. By the end of the 1930s, the Teamsters were one of the fastest-growing unions in the United States. UPI/Bettmann.

homogeneous. Immigration had been slowed for nearly two decades; the proportion of foreign-born men and women in the workforce had declined, while the English-speaking children of immigrants had become an increasingly significant presence. Second, the rise of the assembly line and the emergence of giant mass-production factories reduced the tensions that had long existed between skilled craftsmen and less skilled workers. A new category of worker, the semiskilled machine operator, played a particularly important role in the rise of the new unions. Finally, the difficulty of finding employment during the Depression made workers more

reluctant than they had been in the past to simply quit their jobs when they were dissatisfied with conditions. Increasingly, they saw the solution not in looking for a better job, but in improving the one they had.

A dramatic confrontation unfolded in Minneapolis when a radical Teamster's Union local, several of whose leaders were followers of the dissident, exiled Russian Communist leader Leon Trotsky, organized among the city's truck drivers and warehousemen during the spring of 1934. When employers balked at recognizing their union, 5,000 truck drivers and warehouse workers walked off their jobs, with the support of thousands of the city's unemployed. Pitched warfare soon broke out between strikers, the police, and a business-funded vigilante group, the Citizen's Alliance. Casualties were heavy on all sides, but the militant union carried the day against employers, police, guardsmen, and timid union officials.

In Minneapolis, unionists had discussed escalating their struggles into a general strike, but in San Francisco, a fierce clash on the city's waterfront actually sparked a mass walkout by every worker in the city. Led by Harry Bridges, an Australian-born longshoreman who was close to the Communists, a new West Coast local of the International Longshoremen's Association (ILA) signed up thousands of longshoremen, who hated the humiliating, early morning "shape-up," in which they scrambled for a day's work on the docks. From the start, Bridges and his colleagues had to battle not only employers, but also the corrupt, conservative national leaders of the ILA, who had long negotiated secret deals with the big waterfront companies.

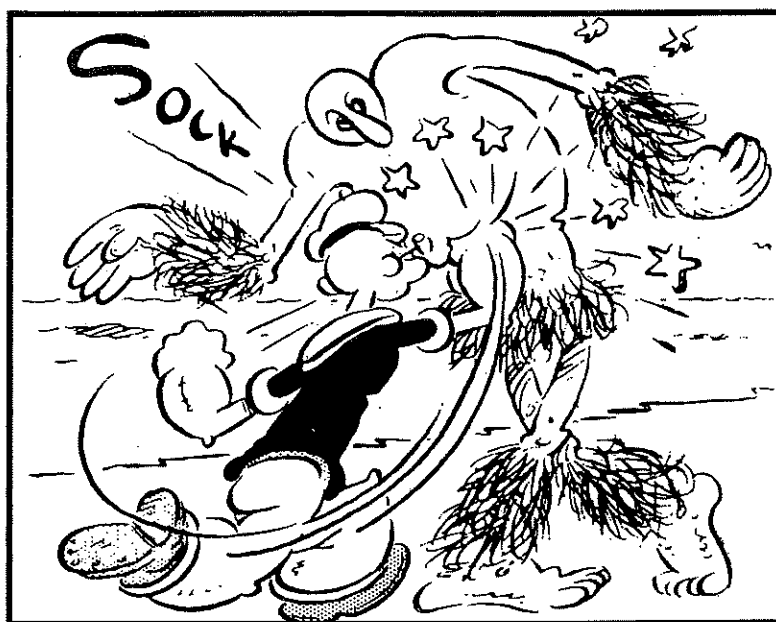
The San Francisco longshoremen struck in May 1934, and dockworkers from Seattle to San Diego soon joined them. Sailors and waterfront

truckers also stopped work in what became the largest maritime strike in the nation's history. The workers maintained a peaceful strike for two months until conservative state officials, backing the shipping companies, decided to retake the waterfront by force. On July 5, "Bloody Thursday," police attacked union picket lines, killing two and injuring scores more.

Outraged longshoremen called for a general strike, soon winning the rest of the Bay Area labor movement to their cause. By July 16, San Francisco was at a virtual standstill, as 130,000 workers—including trolley drivers, construction workers, teamsters, bartenders, and even entertainers—walked off their jobs. For several days, nothing—not even food—moved into or out of Bay Area cities without the approval of the strike committee.

The general strike lasted but a few days. Businessmen, newspapers, and government officials maneuvered furiously to split the ranks of labor, denouncing the longshoremen as dangerous radicals while egging on the vigilante groups that destroyed the offices of the Communist Party and several allied organizations. In a compromise, Bridges and his strike committee called off the general strike on July 19 and accepted federal arbitration, which eventually gave the longshoremen most of what they wanted: union recognition, hiring halls controlled by the union, a thirty-hour workweek, and a pay increase.

The Minneapolis and San Francisco strikes followed a pattern that had been set by other union campaigns. In each case, radicals defied conservative AFL leaders and mobilized thousands of working people in concerted, militant strike action. When employers and police launched attacks to break their picket lines, thousands of sympathetic supporters poured out of working-class neighborhoods to aid the embattled unionists. The strikers won only a partial victory, but in each instance, they laid the groundwork for future gains. The leaders of the Minneapolis insurgency went on to organize long-distance truckers throughout the Midwest, contributing to the phenomenal growth of the International Brotherhood of the Teamsters. And the San Francisco strike led to the formation of the International Longshoremen and Warehousemen's Union and to the growth of maritime unionism all along the Pacific Coast.



Popeye Versus the Goon

During 1933 and 1934, readers of E. C. Segar's *Popeye* comic strip were introduced to the Goons, powerful, mindless servants of the sailor's nemesis, the horrible Sea Hag. The name was soon applied to violent strikebreakers who patrolled the San Francisco waterfront. Elzie Crisler Segar, *Thimble Theatre*, 1934—Reprinted with special permission of King Features Syndicate.

Organized Labor Meets Defeat in the West and South In spite of these dramatic union victories, 1934 also witnessed failures, including unsuccessful

“Labor Was in Control”

Mike Quin, a self-described “rank-and-file journalist,” reported on the 1934 general strike that effectively shut down San Francisco and Oakland, California. Quin presented a sympathetic picture of the striking workers in The Big Strike, a collection of his published articles.

The paralysis was effective beyond all expectations. To all intents and purposes industry was at a complete standstill. The great factories were empty and deserted. No streetcars were running. Virtually all stores were closed. The giant apparatus of commerce was a lifeless, helpless hulk.

Labor had withdrawn its hand. The workers had drained out of the shops and plants like life-blood, leaving only a silent framework embodying millions of dollars worth of invested capital. In the absence of labor, the great machinery loomed as so much idle junk. . . .

Everything was there, all intact as the workers had left it—instruments, equipment, tools, machinery, raw materials and the buildings themselves. When the men walked out, they took only what belonged to them—their labor. And when they took that they might as well have taken everything, because all the elaborate apparatus they left behind was worthless and meaningless without their hand. The machinery was a mere extension of labor, created by and dependent upon labor.

Labor held the life-blood and energy. The owners remained in possession of the corpse.

Highways leading into the city bristled with picket lines. Nothing moved except by permission of the strike committee. Labor was in control.

Mike Quin, *The Big Strike* (1949).

ful efforts to organize unions in California’s fruit and vegetable fields and in textile mills throughout the Piedmont region of the Carolinas. California’s commercial agriculture depended on a multiethnic workforce. Three of every four of the state’s 200,000 farm laborers were Mexican Americans, but workers of Filipino, Armenian, Chinese, and Japanese descent, as well as “Okie” migrants from middle America, also sweated in the cotton fields and fruit orchards. Many Mexican American workers had been influenced by the emancipatory, nationalist ideas that had spread throughout their homeland following the 1910 revolution there. But these workers, many of whom had been born in the United States, were also inspired by the promise of the New Deal and by the presence of Communist Party organizers in their midst.

Nearly 50,000 workers, the vast majority of them Mexican Americans, conducted more than forty agricultural strikes in 1933. In June, 1,500 berry pickers employed by Japanese ranchers in El Monte, a suburb of Los

Angeles, struck for higher wages. Five thousand celery field workers (including a sizable number of Japanese Americans and Filipino Americans) in small towns near Los Angeles soon joined the berry strikers. In October, 12,000 workers left the cotton fields of the San Joaquin Valley, north of Los Angeles. During these bitter conflicts, whole communities organized for a long and bitter struggle. Led by young Communists from the Cannery and Agricultural Workers Industrial Union, these uprisings of the migrant poor continued in 1934, spreading from the Imperial Valley on the Mexican border to the Santa Clara Valley near San Francisco.

Almost all these work stoppages ended in violence and defeat. Because of the legislative power wielded by southern planters and western growers, the NIRA's Section 7a excluded agricultural workers from federal labor law. So local elites felt no need to restrain their opposition to agricultural unionism. A San Francisco rabbi who observed the activities of armed Anglo vigilante groups during a 1933 strike wrote to the governor, "Gangsterism has been substituted for law and order in the cotton area." The next year, police tear-gassed union meetings in the Imperial Valley, forcibly evicted more than 2,000 families, and burned workers' homes. Many strike leaders were arrested, tried, and jailed under California's draconian criminal syndicalism act, which made it a crime to belong to a group that sought a change in industrial ownership by force. An entire generation would pass before Cesar Chavez and other unionists sought to improve the lot of California agricultural workers.

The East Coast had its share of bitter strikes, most notably a huge textile walkout that closed mills from Maine to Alabama during the early fall of 1934. The Depression had devastated the textile industry, shortening workweeks and lowering wages to such a degree that malnutrition and disease pervaded the mill villages of the South. Child labor was common, and thousands of families lived in flimsy company-owned houses. But the loudest complaint of the mill workers was of "stretch-outs," the assignment of uncompensated additional tasks to each worker until the pace of their labor became unbearable.

The mill owners wrote and administered the NRA textile code, so the shorter hours and higher wages that were put into effect during the summer of 1933 came at a high price: a vicious stretch-out that taxed workers' minds



Cotton Strike, October 1933

Strikers demanded that local police take action after cotton growers in Pixley and Arvin, California, opened fire on unarmed Mexican pickers, killing three people. Instead, authorities issued additional gun permits to growers and appointed many as deputies. Eventually, several growers in the Pixley incident were prosecuted for murder (and later acquitted by a friendly jury), while a strike leader was charged with criminal syndicalism. The Bancroft Library, University of California, Berkeley.

and bodies for weeks and months on end. “Please do something,” wrote thirteen South Carolina mill workers to a federal official. “There is many here that will give you a glad welcome and tell you of the Dirty Deal this eight hour law has given us.” But Section 7a proved of little help. Soon after the passage of the NIRA, hundreds of thousands of mill workers flocked to the United Textile Workers’ Union (UTW), boosting its membership to more than 300,000. But textile executives, especially in the South, refused to negotiate with the UTW and fired some 4,000 union activists while NRA officials stood aside.

The September 1934 textile strike was therefore a massive protest by almost 400,000 textile workers against the brutality of the mill owners and betrayal by New Deal officials. Whole communities supported the work stoppage, especially in the Piedmont South, where squadrons in automobiles quickly spread the insurgency to the most remote mill villages. In response, the mill owners evicted strikers from company housing, enlisted the support of the police and county sheriffs, and persuaded state officials to call out the National Guard to intimidate workers and arrest thousands of strikers. Violence erupted, and the police killed at least a dozen picketers.

To help settle the strike, President Roosevelt appointed a board of inquiry. The UTW, whose leadership was based in the North, used the federal initiative as an excuse to end the strike, much to the surprise and anger of southern mill workers. The mill owners did not rehire 15,000 strikers and blacklisted many key union activists. Those who did return had to “humble down,” acting apologetic and meek to supervisors before they could resume work. In the South, textile unionism collapsed and, with it, the prospect that New Deal liberalism might secure a firm foothold in the region. Textile workers continued to live in misery, and southern labor remained without a voice when industrial unionism swept across the North and West.

Whatever their outcomes, the strike battles of 1934 demonstrated that the New Deal and the new unions had polarized the nation. Progressives, liberal Democrats, and trade unionists demanded new legislation to make the New Deal’s promise a social and economic reality. But conservatives were just as alarmed—at labor violence, radical influence, and the growth of government power—and they had just begun to mobilize their forces.

The Counteroffensives Against the New Deal

By the end of 1934, the New Deal had acquired a powerful set of enemies. Since FDR’s inauguration, national income had risen by one-quarter, unemployment had dropped by two million, and total factory wages had leapt upward. But the nation’s annual output remained only slightly more than half of what it had been in 1929. Ten million workers tried to survive without jobs, and almost twice that many depended, at least partially on

relief. The recovery had stalled, and Secretary of the Treasury Henry Morgenthau, Jr., frankly admitted that “we are not making any headway.” On the right, many businessmen and bankers had become alarmed with the growth of federal power and the rise of a militant labor movement, while on the left, impatient new voices clamored for the New Deal to do even more to put Americans back to work and ensure a fair distribution of wealth and income.

Resurgence on the Right The NIRA came under particularly fierce attack in part because the process of writing and enforcing industry codes brought to the surface sharp conflicts among competing interests. Many farmers, small businessmen, and consumer groups argued that NRA price and production controls had been written primarily by and for large corporations; their effect was to prop up prices, stifle competition, and retard economic expansion. Even corporate leaders doubted the value of the NIRA. Section 7a, weak as it was, had spurred union organizing, and the NRA codes seemed an open invitation to more government regulation of the corporations.

Business criticism of the NIRA spilled over into a more general conservative criticism of the New Deal. Most businessmen feared that federal jobs programs would lead to higher taxes and a spirit of working-class defiance. “Five negroes on my place in South Carolina refused to work this spring,” complained retired DuPont vice president R. R. M. Carpenter. “A cook on my houseboat at Fort Myers,” he continued, “quit because the government was paying him a dollar an hour as a painter.”

As time went on, more and more business leaders blamed the economy’s ills on government functionaries, labor leaders, and individual “chisellers.” Government power and budgets, they insisted, should be reduced drastically, and business should be given a greater voice in setting national policy. To promote this view, DuPont executive John J. Raskob, Pierre DuPont, and General Motors chairman Alfred P. Sloan founded the American Liberty League in 1934. Well financed and influential, the league soon

“The Square Deal”

Most nationally syndicated comic strips avoided politics, but a conservative political agenda consistently shaped the characters and stories in the popular *Little Orphan Annie*. Debuting in 1924, the comic strip reached the height of its popularity in the 1930s, even though the adventures of its spunky orphan hero conveyed a faith in self-reliance that was at odds with the cooperative spirit of the New Deal. But it was Annie’s benefactor, the industrialist Oliver “Daddy” Warbucks, who epitomized cartoonist Harold Gray’s beliefs. Warbucks was a self-made, inventive, and generous millionaire who invariably arrived in the nick of time to save the day. Harold Gray, *New York Daily News*, July 11, 1935—Copyright Tribune Media Services, Inc. All rights reserved. Reprinted with permission.



came to represent the most reactionary wing of the business community. It campaigned in the courts, the newspapers, and the political arena against the New Deal and its labor-liberal supporters. In California, meanwhile, opponents of Roosevelt and the labor movement organized under the leadership of the Associated Farmers, a powerful statewide organization that provided money, manpower, and influence to all those who were opposed to unions, social reform, and civil liberties in the Golden State.

Populist Critics of the New Deal Class divisions were also polarizing American politics. While some in business and big agriculture denounced the Roosevelt administration for its intrusive reform of the economy, a majoritarian, populist quest for even more far-reaching reforms became evident in the 1934 congressional elections. The Democrats won a two-thirds majority in the Senate and over three-quarters of the seats in the House. Most of the newly elected Democrats strongly backed the New Deal or stood to its left, seeking to implement an even more radical legislative agenda.

So as the nation moved to the left, the New Deal came under attack from all sides. Its most prominent southern critic, Huey Long of Louisiana, rose to power by attacking corporate interests and portraying himself as a champion of the common man. Elected governor in 1928, he completely dominated Louisiana's government. Under Long, Louisiana built hundreds of schools, hospitals, and bridges; paved thousands of miles of roads; distributed free textbooks; and increased taxes on oil and gas interests.

Long supported Roosevelt in 1932, when he himself won election to the Senate, but he soon criticized the New Deal both for creating huge bureaucracies that interfered in local affairs and for failing to curb the power of the rich. In 1934, Long proposed the "Share Our Wealth Plan," a system of confiscatory taxes on large fortunes and incomes that would enable the government to provide every family with "enough for a home, an automobile, a radio, and the ordinary convenience," plus a guaranteed annual income. Long set up thousands of Share Our Wealth Clubs and developed a large national following.

Other critics of the New Deal took their cues from Charles E. Coughlin, a Catholic priest from the suburbs of Detroit whose weekly radio broadcasts sometimes reached an audience of forty-five million listeners. Like Long, Coughlin at first supported Roosevelt but quickly grew disillusioned. Like so many other Catholic clergymen, Coughlin was a vehement anticommunist, but he nevertheless blamed the Depression on "Wall Street" and "international bankers." Inflationary monetary policy, he believed, would spark a recovery. More broadly, Coughlin promoted "social Catholicism" — a call for class harmony, "living wages," and social legislation to combat the evils of industrialism. Increasingly influenced by European fascists and anti-Semites, Coughlin began to denounce Jews, trade unions, and FDR.



Inauguration

This illustration of Huey Long taking the presidential oath of office appeared in his book *My First Days in the White House*. In his fantasy presidency, Long instituted a range of social and fiscal reforms, aided by a National Share Our Wealth Committee composed of co-operative bankers and industrialists. Long also fantasized about assembling a distinguished cabinet—including Franklin Delano Roosevelt as secretary of the navy. The book was published in 1935, shortly after Long's assassination. Cleanthe, Huey P. Long, *My First Days in the White House* (1935)—American Social History Project.

Coughlin and Long capitalized on popular discontent with the Depression and the unequal distribution of wealth and power. But in spite of their attacks on the rich, they firmly rejected collective ownership of the means of production, the basic tenet of socialism. Instead, they combined nostalgia for an older, community-based way of life with simple plans that they claimed would solve all social ills. The possibility that these populist anti-Roosevelt movements might join forces and enter national politics in 1936 deeply worried Roosevelt and his advisers.

The impressive electoral achievements of left-liberal alliances in several states also concerned the Administration. In California, novelist Upton Sinclair resigned from the Socialist Party in 1933 to form the End-Poverty-in-California (EPIC) movement and run for governor within the Democratic Party. Sinclair proposed that the state turn idle farmland and factories into self-sustaining cooperatives of the unemployed and impose high taxes on corporations and the rich. Attacked as a Communist and a crackpot, Sinclair lost the governorship but received well over one-third of the votes,

helping twenty-three EPIC-backed candidates to win election to the state legislature.

In Washington State, EPIC sympathizers helped to elect a U.S. senator and to form the Washington Commonwealth Federation, which became a powerful force in that state's politics. In Minnesota, the labor-backed, left-wing Farmer-Labor Party took control of the state's governorship for most of the 1930s. Behind the scenes, the Communist Party—which in 1935 adopted a “popular front” strategy of building broad alliances with liberals and moderates—gained considerable influence in both organizations. Meanwhile, in Wisconsin, Senator Robert M. La Follette, Jr., and his brother Phil, a former governor, left the Republican Party to revive the old Progressive Party. The possibility that a national, left-leaning third party might form in time for the 1936 presidential election seemed plausible.

Conclusion: Collapse of the First New Deal

By the spring of 1935, the New Deal was in a state of disarray, and its main industrial recovery agency, the NRA, was falling apart. The final blow came on May 27, when, in *Schechter v. United States*, the Supreme Court declared the NIRA unconstitutional. The Court ruled that in allowing the NRA to write legally enforceable codes, Congress had unlawfully delegated its own authority and, by applying the codes to local businesses, had unconstitutionally extended the federal power to regulate interstate commerce. This decision signaled that the Court would strike down much of the New Deal's most far-reaching legislation. Roosevelt, whose first two years in office had raised so many hopes, now faced an uncertain future. The structures of government, politics, and labor relations had proved inadequate, as they had during the Gilded Age, for dealing with profound economic and social crisis. By the middle of the decade, most Americans agreed that basic economic and political changes were necessary. But the questions remained: What sort of changes, and in whose interest?

The Years in Review

1929

- Herbert Hoover is sworn in as president in March, after having decisively defeated Democrat Al Smith in the fall election.
- The stock market crashes on Black Thursday, October 24.

1930

- Communists rally thousands on International Unemployment Day (March 6) to demand government action in the face of mounting joblessness.

- The protectionist Smoot-Hawley Tariff Act sharply raises tariffs on imported goods to the highest levels in U.S. history.

1931

- Nine African American youths are falsely accused of rape in the Scottsboro case, which will attract international attention.
- Japanese troops occupy the Chinese province of Manchuria.
- European banks collapse as the economic crisis spreads internationally.
- Seattle's unemployed create the Unemployed Citizens' League, one of many self-help organizations of the jobless.

1932

- Twenty thousand World War I veterans stage a Bonus March to the Capitol, demanding that their war bonuses be distributed immediately; U.S. troops led by General Douglas MacArthur use force to disperse the protesters.
- More than 3,000 protesters march on the main Ford plant in Dearborn, Michigan, demanding jobs for the unemployed; four marchers are killed, and many more are wounded.
- Hoover establishes the Reconstruction Finance Corporation, which proves an inadequate response to the Depression.
- Franklin Delano Roosevelt is elected president, promising a "New Deal."
- New Yorkers boycott Chinese launderers, who refuse to adhere to a minimum price scheme.

1933

- Nazi leader Adolf Hitler is appointed chancellor of Germany.
- Unemployment peaks at fifteen million; the U.S. gross national product has fallen 29 percent since 1929.
- The Twenty-first Amendment nullifies Prohibition.
- In his first hundred days in office, President Roosevelt declares a bank holiday and establishes the Federal Emergency Relief Administration (FERA), Civilian Conservation Corps (CCC), Tennessee Valley Authority (TVA), Agricultural Adjustment Administration (AAA), and National Recovery Administration (NRA).
- Section 7a of the National Industrial Recovery Act (NIRA), which (on paper) gives workers right to organize, sparks a nationwide upsurge of labor activism.
- The Civil Works Administration puts four million people to work.

1934

- Democrats sweep the fall elections and gain overwhelming dominance in Congress—a sign of the popularity of the New Deal.
- A “New Deal for Indians,” centered on the Indian Reorganization Act, alters the relationship between the federal government and Native Americans and ends the allotment of tribal lands to individuals.
- Black and white Arkansas sharecroppers organize the Southern Tenant Farmers’ Union to stop evictions of tenants and croppers.
- A wave of militant strikes sweeps the nation, with particularly dramatic confrontations in Toledo, Minneapolis, and San Francisco; strikes in East Coast textile mills and California farm fields have little success.
- Drought hits the Great Plains; terrifying dust storms create the Dust Bowl in Kansas, Oklahoma, Colorado, New Mexico, and Texas.
- Senator Huey Long of Louisiana proposes the “Share Our Wealth Plan,” a system of confiscatory taxes on large fortunes and incomes that would enable the government to provide Americans with a guaranteed annual income, old-age pensions, and universal education for children.
- Novelist Upton Sinclair wins one-third of the votes in his run for governor of California as the leader of the radical End Poverty in California movement.
- The Securities Act of 1933 establishes the Securities and Exchange Commission to regulate the nation’s stock exchanges.
- Corporate leaders form the American Liberty League to campaign against New Deal reforms.

1935

- The U.S. Supreme Court declares the NIRA unconstitutional, setting off warnings that much of the New Deal legislation will be declared unconstitutional.

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