

25 The Great Depression and the New Deal

1929–1939



Homesteaders Jack and Edith Whinery lived with their five children in Pie Town, New Mexico, where the effects of the Great Depression lingered. This slide, taken by photographer Russell Lee, is part of a larger series of color images captured by government photographers at sites across the country. Does the use of color change our view of the past captured in the photograph?

>> An American Story

LETTERS FROM THE EDGE

Winner, South Dakota, November 10, 1933. “Dammit, I don’t want to write to you again tonight. It’s been a long, long day, and I’m tired.” All the days had been long since Lorena Hickok began her cross-country trek. Four months earlier Harry Hopkins, the new federal relief administrator, hired the journalist to report on the relief efforts of the New Deal. “Talk with the unemployed,”

he told her, “and when you talk to them, don’t ever forget that but for the grace of God you, I, any of our friends might be in their shoes.”

In 1933 and 1934 Hickok found that Roosevelt’s relief program was falling short. Its half-billion-dollar subsidy to states, localities, and charities was still leaving out too many Americans, like the sharecropper Hickok discovered near Raleigh, North Carolina. He and his daughters had been living in a tobacco barn for two weeks on little more than weeds and table scraps. “Seems like we just keep goin’ lower and lower,”

said the 16-year-old. To Hickok’s surprise, hope still flickered in her eyes. Hickok couldn’t explain it until she noticed a pin on the girl’s chest. It was a campaign button from the 1932 election—“a profile of the President.” Hope sprang from the man in the White House.

Before Franklin D. Roosevelt and the New Deal, the White House was



^ In the shantytowns or “Hoovervilles” that sprang up during the Great Depression, housing was makeshift, with the homeless living in crude tin and wood shacks or tents. This young girl uses an abandoned tire as a makeshift seat.

far removed from ordinary citizens. The only federal agency with which they had any contact was the post office. And these days it usually delivered bad news. But as Hickok traveled across the country in 1933, she detected a change. People were talking about government programs. Perhaps it was long-awaited contributions to relief or maybe reforms

in securities and banking or the new recovery programs for industry and agriculture. Just as likely it was Franklin Roosevelt. People, she wrote, were “for the President.”

The message was clear: Franklin Roosevelt and the New Deal had begun to restore national confidence. Though it never brought full recovery, the New Deal did improve economic conditions and provided relief to millions of Americans. It reformed the economic system and committed the federal government to managing its ups and downs. In doing so it extended the progres-

sive drive to soften industrialization and translated decades of growing concern for the disadvantaged into a federal aid program. For the first time, Americans believed Washington would help them through a terrible crisis. The liberal state came of age: active, interventionist, and committed to social welfare. <<

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THE HUMAN IMPACT OF THE GREAT DEPRESSION

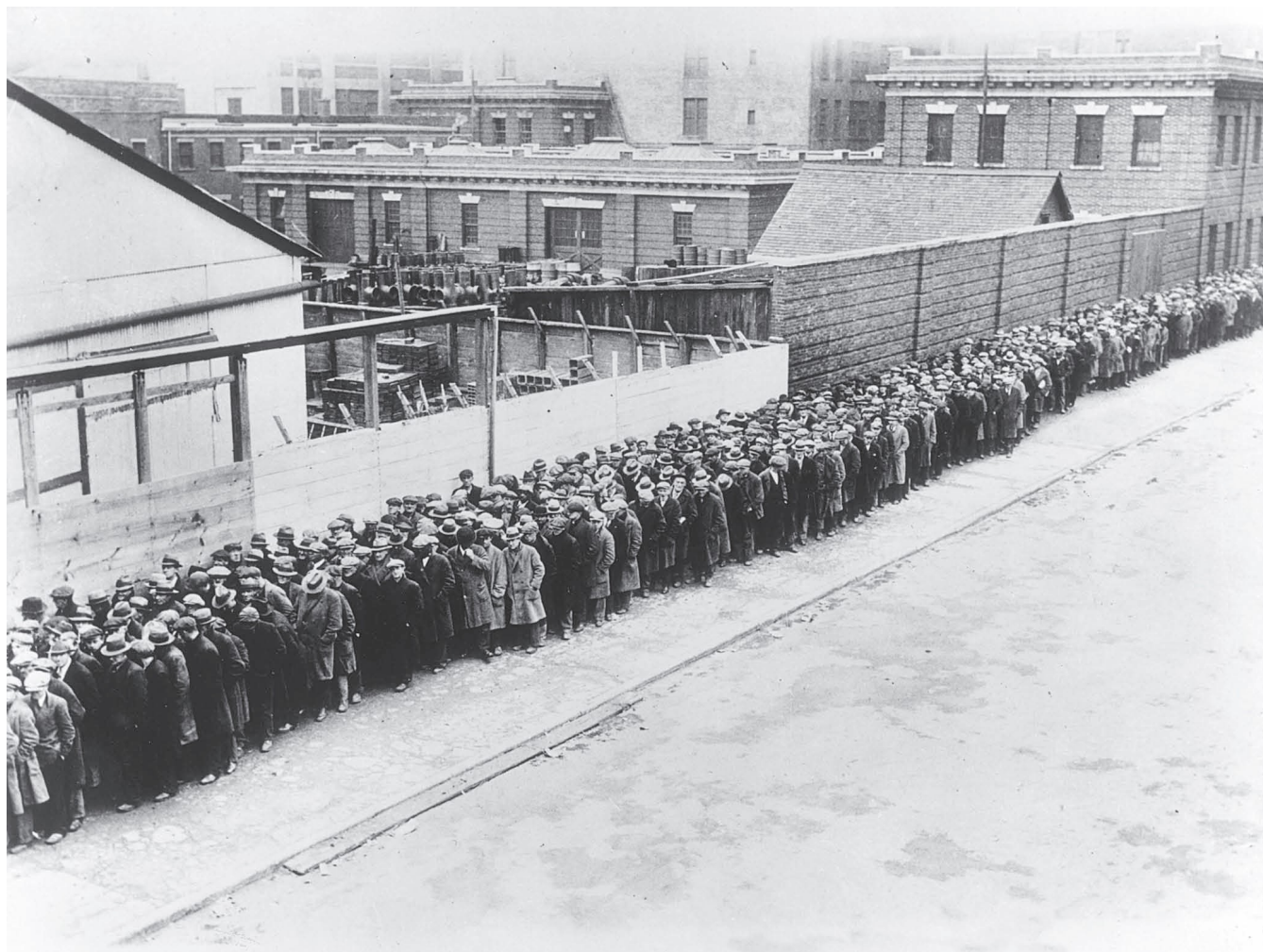
Long breadlines snaked around corners. Vacant-eyed apple-sellers stood shivering in the wind. A man with his hat in his hand came to the back door asking for food in exchange for work. Between 1929 and 1932 an average of 100,000 people lost their jobs every week until some 13 million Americans were jobless. At least one worker in four could find no work at all.

The Great Depression was a great leveler that reduced differences in the face of common want. The New York seamstress without enough piecework to pay her rent felt the same pinch of frustration and anger as the UC Berkeley student whose college education was cut short when the bank let her father go. Not everyone

was devastated. Most Americans survived by cooperating with one another and scrimping to make ends meet. As one Depression victim recalled, “We lived lean.”

Hard Times >> Hard times lasted for a decade. Even before the Great Crash many Americans were having trouble making a living. In 1929 a family of four required \$2,000 a year for the barest necessities—more money than 60 percent of American families earned.

Unable to pay mortgages or rent, many families lived off the generosity of forgiving landlords. Some traded down to smaller quarters or simply lost their homes. By 1932 between 1 and 2 million Americans were homeless wanderers, among them an estimated 25,000 nomadic families. For the first time, emigration out of the country exceeded immigration into it because Americans could find no work at home. Despite official claims that no one died of hunger, the New York City Welfare Council reported 29 victims of starvation and 110 dead of malnourishment in 1932 alone.



^ The unemployed, New York City, 1930.

Marriages and births, symbols of faith in the future, decreased. For the first time in three centuries the curve of population growth began to level, as many young couples postponed having children. Experts worried about an impending “baby crop shortage.” Strong families hung together and grew closer; weak ones languished or fell apart. Although divorce declined, desertion—the “poor man’s divorce”—mushroomed. Under the strain, rates of mental illness and suicide rose as well.

Many fathers, whose lives had been defined by work, suddenly had nothing to do. They grew listless and depressed. Most mothers stayed home and found their traditional roles as nurturer and household manager less disrupted than the breadwinning roles of their husbands. Between 1929 and 1933 living costs dropped 25 percent, but family incomes tumbled by 40 percent.

Homemakers watched household budgets with a closer eye than ever. They canned more food and substituted less expensive fish for meat. When they earned extra money, they often did so within the confines of the “woman’s sphere” by taking in boarders, laundry, and sewing, opening beauty parlors in their kitchens, and selling baked goods.

For those women who worked outside the home, prejudice still relegated them to so-called women’s work. Over half the female labor force continued to work in domestic service or the garment trades, while others found traditional employment as schoolteachers, social workers, and secretaries. Only slowly did the female proportion of the workforce reach pre-Depression levels, until it rose finally to 25 percent by 1940, largely because women were willing to take almost any job.

Whether in the renewed importance of homemaking or the reemergence of home industries, the Great Depression sent ordinary Americans scurrying for the reassuring shelter of past practices and left many of them badly shaken. Shame, self-doubt, and pessimism became epidemic as people blamed themselves for their circumstances. “I would go stand on the relief line [and] bend my head low so nobody would recognize me,” recalled one man. The lasting legacy of humiliation and fear—that you had caused your own downfall; that the bottom would drop out again—was what one writer called an “invisible scar.”

The Golden Age of Radio and Film >> By the end of the decade almost 9 out of 10 families owned radios. People depended on radios for nearly everything—news, sports, and weather; music



▲ Art Deco Radio, 1930. Art Deco, popularized in the 1920s, relied on the geometrical patterns of machines arranged in decorative designs.

and entertainment; advice on how to bake a cake or find God. Some programming helped change national habits. When *The Sporting News* conducted a baseball poll in 1932, editors were surprised to discover that a “new crop of fans has been created by radio . . . the women.” Many women were at home during the day when most games were played, and broadcasters went out of their way to educate these new listeners. Night games soon outran day games in attendance, in part because husbands began taking wives and daughters, whose interest was sparked by radio.

Radio entered a golden age of commercialism. Advertisers hawked their products on variety programs like Major Bowes’s *Amateur Hour* and comedy shows with entertainers such as George Burns and Gracie Allen. Daytime melodramas (called “soap operas” because they were sponsored by soap companies) aimed at women with stories of the personal struggles of ordinary folk.

Radio continued to bind the country together. A teenager in Splendora, Texas, could listen to the same wisecracks from Jack Benny, the same music from Guy Lombardo, as kids in New York City and Los Angeles. In 1938 Orson Welles broadcast H. G. Wells’s classic science fiction tale *The War of the Worlds*. Americans everywhere listened to breathless reports of an “invasion from Mars,” and many believed it. In Newark, New Jersey, cars jammed roads as families rushed to evacuate the city. The nation, bombarded with reports of impending war in Europe and accustomed to responding to radio advertising, was prepared to believe almost anything, even reports of invaders from Mars.

In Hollywood an efficient but autocratic studio system churned out a record number of feature films. Eight motion picture companies produced more than two-thirds of them. Color, first introduced to feature films in *Becky Sharp* (1935), soon complemented sound, which had debuted in the 1927 version of *The Jazz Singer*. Neither alone could keep movie theaters full. As attendance dropped early in the Depression, big studios such as Metro-Goldwyn-Mayer and Universal lured audiences back with films that shocked, titillated, and just plain entertained.

By the mid-1930s more than 60 percent of Americans were going to the movies at least once a week. They saw tamer films as the industry began regulating movie content in the face of growing criticism. In 1933 the Catholic Church created the Legion of Decency to monitor features. To avoid censorship and boycotts, studios stiffened their own regulations.

Producers could not depict homosexuality, abortion, drug use, or sex. (Even the word “sex” was banned, as was all profanity.) Middle-class morality reigned on the screen, and most Depression movies, like most of popular culture, preserved traditional values.

In Europe the “mass aspects” of media could cut more than one way politically and culturally. While Hollywood produced films that affirmed popular faith in democratic government, a capitalist economy, and the success ethic, totalitarian Nazi Germany broadcast the fiery rallies and speeches of Adolf Hitler, which seemed bent on encouraging racist fears and inflaming public hysteria. In *Triumph of the Will* (1935), German director Leni Riefenstahl used her cinematic gifts to combine myth, symbol, and documentary into an image of Hitler as the Führer, a national savior with the power of a pagan god and the charisma of cult leader.

“Dirty Thirties”: An Ecological Disaster >>

Each year between 1932 and 1939 an average of nearly 50 dust storms, or “black blizzards,” turned 1,500 square miles between the Oklahoma panhandle and western Kansas into a gigantic “Dust Bowl,” whose baleful effects were felt as far north as the Dakotas and as far south as Texas. It was one of the worst ecological disasters in modern history. Nature played its part, scorching the earth and whipping the winds. But the “dirty thirties” were mostly made by human beings. The semiarid lands west of the 98th meridian were not suitable for agriculture or livestock. Sixty years of intensive farming and grazing had stripped the prairie of its natural vegetation and rendered it defenseless against the elements. When the dry winds came, one-third of the Great Plains simply vanished into the air.



^ “Black blizzards” dwarfed the landscape and everything human in it. The drought that helped bring them about lasted from 1932 to 1936. In a single day in 1934, dust storms dumped 12 million tons of western dirt on Chicago. This automobile flees the approaching clouds on a road stretching across the Texas panhandle.

Some 3.5 million plains people abandoned their farms. Landowners and corporations forced off about half of them as large-scale commercial farming slowly spread into the heartland of America. Commercial farms were more common in California, where 10 percent of the farms grew more than 50 percent of the crops. As in industrial America, the strategy in agricultural America was to consolidate and mechanize. In most Dust Bowl counties people owned less than half the land they farmed. American agriculture was turning from a way of life into an industry. And as the economy contracted, owners cut costs by cutting workers.

Relief offices around the country reported a change in migrant families. Rather than black or brown, more and more were white and native-born, typically a young married couple with one child. Long-distance migrants from Oklahoma, Arizona, and Texas usually set their sights on California. If they were like the Joad family in John Steinbeck's classic novel *The Grapes of Wrath* (1939), they drove west along Route 66 through Arizona and New Mexico, their belongings piled high atop rickety jalopies, heading for the West Coast and the promise of jobs picking fruit and harvesting vegetables.

More than 350,000 Oklahomans migrated to California—so many that “Okie” came to mean any Dust Bowler, even though most of Oklahoma lay outside the Dust Bowl. According to one government study, between 1935 and 1940 only a third of migrants from the Southwest to California had lived on farms before leaving. More than half resided in cities. Unlike the Joads, most ended up in one California city or another.

Wherever they landed, only one in two or three migrants actually found work. The labor surplus allowed growers to cut wages to less than a third the subsistence level. Families that did not work formed wretched enclaves called “little Oklahomas.” The worst were located in the fertile Imperial Valley. There, at the end of the decade, relief officials discovered a family of 10 living in a 1921 Ford.

Mexican Americans and Repatriation >>

The Chávez family lost their family farm in Arizona in 1934. César, barely six years old at the time, remembered only images of their departure: a “giant tractor” leveling the corral; the loss of his room and bed; a beat-up Chevy hauling the family west; his father promising to buy another farm. But the elder Chávez could never keep his promise. Instead, he and his family “followed the crops” in California. In eight years César went to 37 schools. When they found work, his family earned less than \$10 a week. His father joined strikers in the Imperial Valley in the mid-1930s, only to have the strikes crushed. “Some people put this out of their minds,” said César Chávez years later.

“I don’t.” Thirty years later he founded the United Farm Workers of America, the first union of migratory workers in the country.

A deep ambivalence had always characterized American attitudes toward Mexicans and Mexican Americans like the Chávezes, but the Great Depression turned most Anglo communities against them. Cities such as Los Angeles, fearing the burden of relief, found it cheaper to ship Mexicans home. Some migrants left voluntarily. Frustrated officials or angry neighbors drove out others.

Beginning in 1931 the federal government launched a series of deportations, or **repatriations**, of Mexicans back to Mexico. These deportations included the Mexicans’ American-born children, who by law were citizens of the United States.

repatriation act of returning people to their nation of origin. The term often refers to the act of returning soldiers or refugees to their birth country.

During the decade the Latino population of the Southwest dropped by 500,000. In Chicago, the Mexican American community shrank by almost half. Staying in the United States often turned out to be as difficult as leaving. The average income of Mexican American families in the Rio Grande valley of Texas was \$506 a year. Following the harvest made schooling particularly difficult: fewer than two Mexican American children in ten completed five years of school.

For Americans of Mexican descent, the Great Depression only deepened anxiety over identity. Were they Mexicans, as many Anglos regarded them, or were they Americans, as they regarded themselves? In the 1920s, such questions produced several organizations founded to assert the American identity of native-born and naturalized Mexican Americans and to pursue their civil rights. In 1929, on the eve of the Depression, many of these organizations were consolidated into the League of United Latin American Citizens (LULAC). By the early 1940s, “Flying Squadrons” of LULAC organizers had founded 80 chapters nationwide, making it the largest Mexican American civil rights association in the country.

LULAC permitted only those Latinos who were American citizens to join, excluding hundreds of thousands of ethnic Mexicans who nonetheless regarded the United States as their home. It pointedly conducted meetings in English. An assimilated middle class provided its leadership and stressed desegregation of public schools, voter registration, and an end to discrimination in public facilities and on juries.

African Americans in the Depression >>

Hard times were nothing new to African Americans. “The Negro was born in depression,” opined one black man. “It only became official when it hit the white man.” Still, when the Depression struck, black

unemployment surged. By 1932 it reached 50 percent, twice the national level. By 1933 several cities reported between 25 and 40 percent of their black residents with no support except relief payments.

Migration out of the rural South, up 800,000 during the 1920s, dropped by 50 percent in the 1930s. As late as 1940 three of four African Americans still lived in rural areas; yet conditions there were just as bad as in cities. In 1934 one study estimated the average income for black cotton farmers at less than \$200 a year.

Like many African Americans, George Baker refused to be victimized by the Depression. Baker had moved from Georgia to Harlem in 1915. He changed his name to M. J. Divine and founded a religious cult that promised followers an afterlife of full equality. In the 1930s “Father Divine” preached economic cooperation and opened shelters, or “heavens,” for regenerate “angels,” black and white. In Detroit Elijah Poole began calling himself Elijah Muhammad and in 1931 established the Black Muslims, a blend of Islamic faith and black nationalism. He exhorted African Americans to celebrate their African heritage, to live lives of self-discipline and self-help, and to strive for a separate all-black nation.

The Depression inflamed racial prejudice. Lynchings tripled between 1932 and 1933. In 1932 the Supreme Court ordered a retrial in the most celebrated racial case of the decade. A year earlier nine black teenagers had been accused of raping two white women on a train bound for Scottsboro, Alabama. Within weeks all-white juries had sentenced eight of them to death. The convictions rested on the testimony of the

women, one of whom later admitted that the boys had been framed. Appeals kept the case alive for almost a decade. In the end charges against four of the “Scottsboro boys” were dropped. The other five received substantial prison sentences.

✓ REVIEW

What were the human costs of the Great Depression for Anglos, Latinos, and African Americans?

THE TRAGEDY OF HERBERT HOOVER

The presidency of Herbert Hoover began with great promise but soon became a nightmare both personal and professional. “I have no fears for the future of our country,” he announced at his inauguration in March 1929. But within seven months a “depression” struck. (Hoover used the word instead of the traditional “panic” to downplay the emergency.) Despite more effort than any of his predecessors to restore a damaged economy, he failed to turn the economic tide. For all of Hoover’s promise and innovative intelligence, he was a transitional figure, important as a break from the do-nothing policies of past depression presidents and a herald of more-active presidents to come.



^ “Juke joints” like this one in Belle Glade, Florida, provided a temporary haven, and sometimes living quarters, for migratory workers who came to drink and dance to the songs played on a jukebox.

The Failure of Relief >> By the winter of 1931–1932 the picture was bleak: relief organizations with too little money and too few resources to make much headway against the Depression. Once-mighty private charity dwindled to 6 percent of all relief funds.

Ethnic charities tried to stave off disaster for their own. Over the years Mexican Americans and Puerto Ricans turned to *mutualistas*, traditional societies that provided members with social support, life insurance, and sickness benefits. In San Francisco, the Chinese Six Companies offered food and clothing to needy Chinese Americans. But as the head of the Federation of Jewish Charities warned, private efforts were failing. The government would be “compelled, by the cruel events ahead of us, to step into the situation and bring relief on a large scale.”



^ Cities provided little or no aid to the needy, as the Depression had depleted their treasuries and many residents could not afford to pay taxes. This section of tenements was located in Brockton, Massachusetts.

An estimated 30 million needy people nationwide quickly depleted city treasuries, already pressed because nearly 30 percent of city taxpayers had fallen behind in paying what they owed. In Philadelphia relief payments to a family of four totaled \$5.50 a week, the highest in the country. Some cities gave nothing to unmarried people or childless couples, no matter how impoverished they were.

Cities clamored for help from state capitals, but after a decade of extravagant spending and sloppy bookkeeping, many states were already in debt. As businesses and property values collapsed, tax bases shrank and with them state revenues. Until New York established its Temporary Emergency Relief Administration (TERA) in 1931, no state had any agency to handle the unemployed.

The Hoover Depression Program >>Beginning in 1930 President Hoover assumed leadership in combating the depression with more vigor and compassion than any other executive before him had done. It was a mark of his character. Orphaned at nine, he became one of Stanford University's first graduates and, before the age of 40, the millionaire head of one of the most successful mine engineering firms in the world. As a good Quaker, he balanced private gain with public service, saving starving Belgian refugees in 1915 after war broke out in Europe. He worked 14 hours a day, paid his own salary, and convinced private organizations and businesses to donate food,

clothing, and other necessities. In his honor, Finns coined a new word: to "hoover" meant to help.

When the Depression struck, Hoover was no passive president. Past presidents had feared that any intervention by government would upset the natural workings of the economy and that their sole responsibility was to keep the budget balanced. But Hoover understood the vicious cycle in which rising unemployment drove down consumer demand and appreciated the need for stimulating investment. He set in motion an unprecedented program of government activism.

Despite all his work, Hoover's program failed. At first, he rallied business leaders, who pledged to maintain employment, wages, and prices—only to back down as the economy sputtered. He pushed a tax cut through Congress in 1930 in order to increase the purchasing power of consumers.

But when the cuts produced an unbalanced federal budget, Hoover reversed course. At bottom he firmly believed that capitalism would generate its own recovery and that a balanced federal budget was required in order to restore the confidence of business. So he agreed to tax increases in 1932, further undermining investment and consumption.

Equally disastrous, the president endorsed the Smoot–Hawley Tariff (1930) to protect the United States from cheap foreign goods. That bill brought a wave of retaliation from countries abroad, which choked world trade and reduced American sales overseas. Even the \$1 billion that Hoover spent on **public works**—more than the total spent by all his predecessors combined—did not approach the \$10 billion needed to employ only half the jobless. Spending such huge sums seemed unthinkable when the entire federal budget was only \$3.2 billion.

public works government-financed construction projects, such as highways and bridges, for use by the public.

Under pressure from Congress, Hoover took his boldest action to save the banks. Between 1930 and 1932 some 5,100 banks failed as panicky depositors withdrew their funds. Without loans from sound banks for investment, the economy would never recover. Hoover agreed to permit the creation of the Reconstruction Finance Corporation (RFC) in 1932, an agency that could lend money to banks. Modeled on a similar agency created during World War I, the RFC had a capital stock of \$500 million and the

power to borrow four times that amount. Within three months bank failures dropped from 70 a week to 1 every two weeks.

In spite of this success, Hoover drew criticism for rescuing banks and not people. From the start he rejected the idea of federal relief for the unemployed for fear that a “dole,” or giveaway program, would damage the initiative of recipients, perhaps even produce a permanent underclass. The bureaucracy that would be needed to police recipients would inevitably meddle in the private lives of citizens and bring a “train of corruption and waste,” Hoover said. He assumed that neighborliness and cooperation would be enough.

As unemployment worsened, Hoover softened his stand on federal relief. In 1932 he allowed Congress to pass the Emergency Relief and Construction Act. It authorized the RFC to lend up to \$1.5 billion for “reproductive” public works that paid for themselves—like toll bridges and slum clearance. Another \$300 million went to states as loans for the direct relief of the unemployed. It barely mattered. When the governor

of Pennsylvania requested loans to furnish the destitute with 13 cents a day for a year, the RFC sent only enough for 3 cents a day.

Stirrings of Discontent >> Despite unprecedented action, Hoover could not stem rising discontent. “The word revolution is heard at every hand,” one writer warned in 1932. Some wondered if capitalism itself had gone bankrupt.

In 1932 anger erupted into violence. Wisconsin dairy farmers overturned tens of thousands of milk cans in a fruitless effort to increase prices. A 48-mile-long “Coal Caravan” of striking miners drove through southern Illinois in protest. Three thousand marchers stormed Henry Ford’s plant in Dearborn, only to have Ford police turn power water hoses and guns on them. When it was over, four marchers lay dead and more than 20 more wounded.

For all the stirrings of discontent, revolution was never a danger. In 1932 the Communist Party of the United States had 20,000 members—up from 6,500



^ In the early years of the Depression demonstrations by the unemployed, some organized by Communists and other radicals, broke out all over the country. On March 6, 1930, a Communist-led protest at Union Square in New York City turned into an ugly riot. In 1935 Communist parties, under orders from Moscow, allied with democratic and socialist groups against fascism, proclaiming in the United States that “Communism is twentieth-century Americanism.”

only three years earlier but hardly enough to constitute a political force. Deeply suspicious of Marxist doctrine, most Americans were unsympathetic to their cries for collectivism and an end to capitalism. Fewer than 1,000 African Americans joined the party in the early 1930s, despite its strong support for civil rights.

At first hostile to established politics, the Communists adopted a more cooperative strategy to contain Adolf Hitler when his Nazi Party won control of Germany in 1933. Two years later, the Soviet Union ordered Communist parties in Europe and the United States to join with liberal politicians in a “popular front” against Nazism. Thereafter party membership in the United States peaked in the mid-1930s at about 80,000.

The Bonus Army >> Hoover sympathized with the discontented but as the “Bonus Army” learned in the summer of 1932, his compassion had limits. The army, a scruffy collection of World War I veterans, was hungry and looking to cash in the bonus certificates they had received from Congress in 1924 as a reward for wartime service. By the time they reached Washington, D.C., in June 1932, their numbers had swelled to nearly 20,000, the largest protest in the city’s history. Hoover dismissed them as a special-interest

lobby and refused to see their leaders. When the Senate blocked the bonus bill, most veterans left.

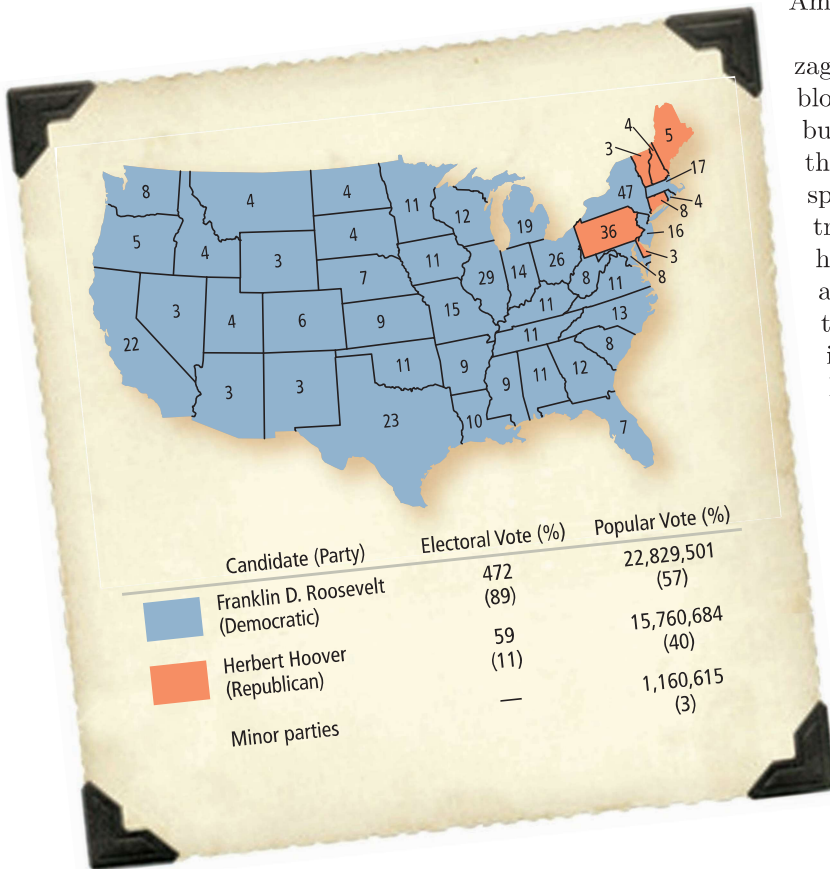
About 2,000 stayed to dramatize their plight, camping with their families and parading peaceably. Despite eviction orders, the protesters refused to leave. By the end of July, the president had had enough. He called in the U.S. Army under the command of Chief of Staff General Douglas MacArthur. MacArthur arrived with four troops of saber-brandishing cavalry, six tanks, and a column of infantry with fixed bayonets. By the time the smoke cleared the next morning, only 300 wounded veterans remained.

Though he had intended that the army only assist the police, Hoover accepted responsibility for the action. And the sight of unarmed and unemployed veterans under attack by American troops soured most Americans. In Albany, New York, Governor Franklin D. Roosevelt exploded at the president’s failure: “There is nothing inside the man but jelly.”

The Election of 1932 >> In 1932 Republicans stuck with Hoover and endorsed his Depression program. Democrats countered with Franklin D. Roosevelt, the charismatic New York governor. As a sign of change, Roosevelt broke precedent by flying to Chicago and addressing the delegates in person. “I pledge you, I pledge myself to a new deal for the American people,” he told them.

Without a national following, Roosevelt zigged and zagged in an effort to appeal to the broadest possible bloc of voters. One minute he called for a balanced budget, the next for costly public works and aid to the unemployed. He promised to help business, then spoke of remembering the “forgotten man” and “distributing wealth and products more equitably.” For his part, Hoover denounced Roosevelt’s New Deal as a “dangerous departure” from time-honored traditions, one that would destroy American values and institutions and “build a bureaucracy such as we have never seen in our history.”

On Election Day, Roosevelt captured a thundering 58 percent of the popular vote and carried with him large Democratic majorities in the Congress. Just as telling as the margin of victory were its sources. Industrial workers in the North, poor farmers in the South and West, immigrants and big-city dwellers everywhere were being galvanized into a broad new coalition. These people had experienced firsthand the savage effects of the boom-and-bust business cycle and wanted change. They turned to Roosevelt and the Democrats, who recognized that in a modern industrial state it was not enough to rally round business and hope that capitalism would right itself. Over 30 years of nearly unbroken Republican rule came to an end.



MAP 25.1: ELECTION OF 1932

✓ REVIEW

What were the shortcomings of Herbert Hoover's Depression program?

THE EARLY NEW DEAL (1933–1935)

On March 4, 1933, as the clocks struck noon, Eleanor Roosevelt wondered if it were possible to “do anything to save America now.” She looked at her husband, who had just been sworn in as thirty-second president of the United States. Franklin faced the audience of over 100,000. “The only thing we have to fear is fear itself,” the new president said. Heeding the nation’s call for “action, and action now,” he promised to exercise “broad Executive power to wage a war against the emergency.” The crowd cheered. Eleanor was terrified: “One has the feeling of going it blindly because we’re in a tremendous stream, and none of us know where we’re going to land.”

The early New Deal unfolded in the spring of 1933 with a chaotic 100-day burst of legislation. It stressed recovery through planning and cooperation with business but also tried to aid the unemployed and reform the economic system. Above all, the early New Deal broke the cycle of despair. With Roosevelt in the White House, most Americans believed that they were in good hands, wherever they landed.

The Democratic Roosevelts >> From the moment they entered it in 1933, Franklin and Eleanor—the Democratic Roosevelts—transformed the White House. No more seven-course meals as Hoover had served in an effort to show that nothing was really wrong. Instead, visitors got fare fit for a boardinghouse. The gesture was symbolic, but it made the president’s point of ending business as usual.

Such belt-tightening was new to Franklin Roosevelt. Born of an old Dutch family in New York, he grew up rich and pampered. He idolized his Republican cousin Theodore Roosevelt and mimicked his career, except as a Democrat. Like Theodore, Franklin graduated from Harvard University (in 1904), won a seat in the New York State legislature (in 1910), secured an appointment as assistant secretary of the navy (in 1913), and ran for the vice presidency (in 1920). Then disaster struck. On vacation in the summer of 1921,



^ Franklin Roosevelt contracted polio in 1921 and remained paralyzed from the waist down for the rest of his life. Out of respect for his politically motivated wishes, photographers rarely showed him wearing heavy leg braces or sitting in a wheelchair. This photograph, snapped outside his New York City brownstone in September 1933 during his first year as president, is one of the few in which Roosevelt’s braces are visible (just below the cuffs of his trousers). Note the wooden ramp constructed especially to help hold him up.

Roosevelt fell ill with poliomyelitis. The disease paralyzed him from the waist down.

Roosevelt emerged from the ordeal to win the governorship of New York in 1928. When the Depression

witness “My Day”: The First Lady in Tennessee

“Johnson City, Tennessee, May 31, 1939—I looked out of the window of the train this morning . . . and saw a little girl, slim and bent over, carrying two heavy pails of water across a field to an unpainted house. How far that water had to be carried, I do not know, but it is one thing to carry it on a camping trip for fun during a summer’s holiday, and it is another thing to carry it day in and day out as part of the routine of living.”

—Eleanor Roosevelt, “My Day” newspaper column (1939)



Dueling DOCUMENTS

TWO VIEWS OF THE “FORGOTTEN MAN”

When President Franklin Roosevelt promised to help the “forgotten man” during the Great Depression, not everyone agreed that such poverty-stricken Americans needed it. Two views of forgotten men and women follow, one from an Indiana farmwoman critical of any form of assistance (Document 1), the other from a reporter stressing the necessity for more aid and the danger of failing to provide it (Document 2).

DOCUMENT 1

Aid Rewards the “Shiftless”

We have always had a shiftless, never-dowell class of people whose one and only aim in life is to live without work. I have been rubbing elbows with this class for nearly sixty years and have tried to help some of the most promising and have seen others try to help them, but it can't be done. We cannot help those who will not try to help themselves and if they do try, a square deal is all they need, and by the way that is all this country needs or ever has needed a square deal for all and then, let each paddle their own canoe, or sink. . . .

The women and children around here have had to work at the fields to help save the crops and several women fainted while at work and at the same time we couldn't go up or down the road without stumbling over some of the relievers, moping around

carrying dirt from one side of the road to the other and back again, or else asleep. I live alone on a farm and have not raised any crops for the last two years as there was no help to be had. I am feeding the stock and have been cutting the wood to keep my home fires burning. There are several relievers around here now who have been kicked off relief, but they refuse to work unless they can get relief hours and wages, but they are so worthless no one can afford to hire them.

As for the clearance of the real slums, it can't be done as long as their inhabitants are allowed to reproduce their kind. I would like for you to see what a family of that class can do to a decent house in a short time. Such a family moved into an almost new, neat, four-room house near here last winter. They even cut down

some of the shade trees for fuel, after they had burned everything they could pry loose. . . . I will not try to describe their filth for you would not believe me. They paid no rent while there and left between two suns [sic] owing everyone from whom they could get nickels worth of anything. They are just a fair sample of the class of people on whom so much of our hard earned tax money is being squandered and on whom so much sympathy is being wasted. . . .

Is it any wonder the taxpayers are discouraged by all this penalizing of thrift and industry to reward shiftlessness, or that the whole country is on the brink of checks?

Source: Minnie A. Hardin (Columbus, Ind.) to Mrs. F. D. Roosevelt, December 14, 1937, reprinted in Andrew Carroll, ed., *Letters of a Nation: A Collection of Extraordinary American Letters* (New York, 1997), pp. 196–199.

DOCUMENT 2

Aid Helps the Truly Needy

One hears a good deal about “relief psychology” these days—that if it were all direct relief, with no work, thousands would never apply. No social worker out in the field would deny this. Through work the stigma has to some extent been removed from relief. Into every relief office in the country have come applicants, not for relief, but for jobs. More of them than you would perhaps believe have shaken their heads and turned away when informed that it was really relief. Without doubt there are many thousands of families on work relief in this country who would not have applied had they not been able to call it—to themselves

at any rate—a job.” But when one hears the testimony of clinical doctors, school nurses, teachers, and social workers that the “marginal families”—those who haven't yet come on relief—are really worse off than those on relief, one wonders how long these people could have held out after all. . . . This from a doctor in a mental hygiene clinic in Providence, R. I.: “most people we see are not on relief, but are starving. Many of these are white collar people and people in the skilled labor class who avoid relief, whose pride remains stronger than hunger. The result on the children is malnutrition and a neurotic condition produced by hearing

and being constantly part of parental fear. The child grows obsessed with the material problems of the home and mentally shoulders them, and the nervous system cracks.”

. . . a FERA (Federal Emergency Relief Administration) investigator a few weeks ago sent this poem from a town in Ohio. It was written by an 18-year-old boy:
Prayer of Bitter Men

We are the men who ride the swaying freights,
We are the men whom Life has beaten down,
Leaving for Death nought but the final pain
Of degradation, Men who stand in line
An hour for a bowl of watered soup,

Grudgingly given, savagely received.
We are the Ishmaels, outcasts of the earth,
Who shrink before the sordidness of Life
And before the fitness of Death.
Will there not come a great, a Man,
A radiant leader with a heavier sword
To crush to earth the enemies who crush
Those who seek food and freedom on the roads?

We care not if their flag be white or red,
Come, ruthless Savior, messenger of God,
Lenn or Christ, we follow Thy bright sword.

Source: Report Summary, Lorena Hickok to Harry Hopkins, January 1, 1935, reprinted in Richard Lowitt and Maurine Beasley, eds., *One Third of a Nation: Lorena Hickok Reports on the Great Depression* (Urbana, IL, 1981), pp. 351–365.

THINKING CRITICALLY

What complaints does the woman in the first letter make to the First Lady, and why does she make them? What picture emerges from the field report including the poem of the young man appended to the end of the report? How do you account for the differences between the two views?

struck, he created the first state relief agency in 1931, the Temporary Emergency Relief Administration. Aid to the jobless “must be extended by Government, not as a matter of charity, but as a matter of social duty,” he explained. He considered himself a progressive but moved well beyond the cautious federal activism of most progressives. He adopted no single ideology. He cared little about economic principles. What he wanted were results. Experimentation became a hallmark of the New Deal.

Eleanor Roosevelt redefined what it meant to be first lady. Never had a president’s wife been so visible, so much of a crusader, so cool under fire. She was the first First Lady to hold weekly press conferences. Her column, “My Day,” appeared in 135 newspapers, and her twice-weekly broadcasts made her a radio personality rivaling her husband. She became his eyes, ears, and legs, traveling 40,000 miles a year. Secret Service men code-named her “Rover.”

Eleanor believed she was only a spur to presidential action. But she was active in her own right, as a teacher and social reformer before Franklin became president and afterward as a tireless advocate of the underdog. In the White House, she pressed him to hire more women and minorities but also supported anti-lynching and anti-poll-tax measures, when he would not, and experimental towns for the homeless. By 1939 more Americans approved of her than of her husband.

Saving the Banks >> Before the election Roosevelt had gathered a group of economic advisers called the “Brains Trust.” Out of their recommendations came the early, or “first,” New Deal of government planning, intervention, and experimentation. Although Brains Trusters disagreed over the means, they agreed over ends: economic recovery, relief for the unemployed, and sweeping reform to ward off future depressions. The first step was to save the banks. By the eve of the inauguration, governors in 38 states had temporarily closed their banks to stem the withdrawal of deposits. Without a sound credit structure, there could be no recovery.

On March 5, the day after his inauguration, Roosevelt ordered every bank in the country closed for four days. He shrewdly called it a “bank holiday.” On March 9, the president introduced emergency banking legislation. The House passed the measure, sight unseen, and the Senate endorsed it later in the day. Roosevelt signed it that night.

Rather than nationalizing the banks as radicals wanted, the Emergency Banking Act followed the most course of extending federal assistance to them. Sound banks would reopen immediately with government support. Troubled banks would be handed over to federal “conservators,” who would guide them to solvency. In plain and simple language, Roosevelt explained what was happening in the first of his many informal “fireside chat” radio broadcasts. When banks reopened the next day, deposits exceeded withdrawals.

To guard against another stock market crash, financial reforms gave government greater authority to manage the currency and regulate stock transactions. In April 1933 Roosevelt dropped the gold standard and began experimenting with the value of the dollar to boost prices. Later that spring the Glass–Steagall Banking Act restricted speculation by banks and, more important, created federal insurance for bank deposits of up to \$2,500. Despite Roosevelt’s objections that the Federal Deposit Insurance Corporation would preserve weak banks at the expense of strong ones, fewer banks failed for the rest of the decade than in the year with the fewest failures in the 1920s. The Securities Exchange Act (1934) established a new federal agency, the Securities and Exchange Commission, to oversee the stock market.

Relief for the Unemployed >> Saving the banks and financial markets meant little if human suffering continued. Mortgage relief for the millions who had lost their homes came eventually in 1934 in the Home Owners’ Loan Act. The need to alleviate starvation led Roosevelt to propose a bold new giveaway program. The Federal Emergency Relief Administration (FERA)

of the poorest areas of the country, with a program of regional development and social engineering. The TVA constructed a series of dams along the seven-state basin to control flooding, improve navigation, and generate cheap electric power. In cooperation with state and local officials, it also launched social programs to stamp out malaria, provide library bookmobiles, and create recreational lakes.

Like many New Deal programs, the TVA produced a mixed legacy. It saved 3 million acres from erosion, multiplied the average income in the valley tenfold, and repaid its original investment in federal taxes. Its cheap electricity helped to bring down the rates of private utility companies. But the experiment in regional planning also pushed thousands of families from their land, failed to end poverty, and created an agency that became one of the worst polluters in the country.

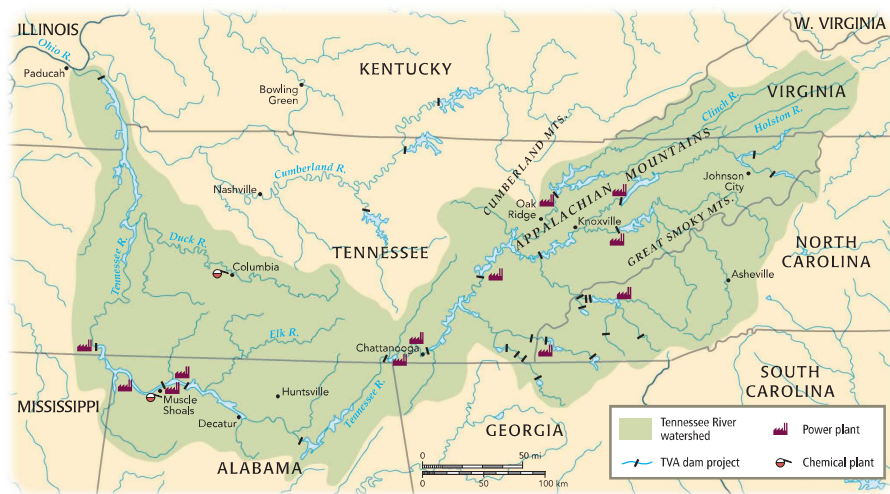
Planning for Industrial Recovery >> Planning, not just for regions but for the whole economy, seemed to many New Dealers the key to recovery. Some held that if businesses planned and cooperated with one another, the ruthless competition that was driving down prices, wages, and employment could be controlled and the riddle of recovery solved. Business leaders had been urging such a course since 1931, and in his fashion Hoover had tried to do as much. In June 1933, under the National Industrial Recovery Act (NIRA), Roosevelt put planning to work for industry.

The legislation created two new agencies. The Public Works Administration (PWA) was designed to boost industrial activity and consumer spending with a \$3.3 billion public-works program. The companies put under contract and unemployed workers hired would help stimulate the economy through their purchases and leave a legacy of capital improvement. Harold Ickes, the prickly interior secretary who headed the PWA, built the Triborough Bridge and Lincoln Tunnel in New York City, the port city of Brownsville, Texas, and two aircraft carriers. But he worried so much about waste and corruption that he could never spend enough money quickly enough to jump-start the economy.

A second federal agency, the National Recovery Administration (NRA), aimed directly at controlling competition. Under NRA chief Hugh Johnson, representatives from government and business (and also from labor and consumer groups) drew up “codes of fair practices.” Industry by industry, the codes established minimum prices, minimum wages, and maximum hours. No company could seek a competitive edge by cutting prices or wages below certain levels or by working a few employees mercilessly and firing the rest. The NRA also required business to accept key demands of labor, including union rights to organize and bargain with management (thus ensuring that if prices jumped, so, too, might wages). And each code promised improved working conditions and outlawed such practices as child labor and sweatshops.

No business was forced to comply because New Dealers feared that government coercion might be ruled unconstitutional. The NRA relied on voluntary participation. A publicity campaign of parades, posters, and public pledges exhorted businesses to join the NRA and consumers to buy only NRA-sanctioned products. More than 2 million employers eventually signed up. In store windows and on merchandise, shiny decals with blue-eagle crests alerted customers that “We Do Our Part.”

For all the hoopla, the NRA failed to bring recovery. Big businesses shaped the codes to their advantage and frequently limited production to maintain or even raise prices. Not all businesses joined, and those that did often found the codes too complicated or costly to follow. Even NRA support for labor tottered. After all, it had no means of enforcing its guarantee of union rights. Business survived under the NRA, but



MAP 25.3: THE TENNESSEE VALLEY AUTHORITY

The Tennessee River basin encompassed parts of seven states. Rivers honeycombed the area, which received some of the heaviest rainfall in the nation. A longtime dream of Senator George Norris, the Tennessee Valley Authority, created in 1933, constructed some 20 dams and improved 5 others over the next 20 years to control chronic flooding and erosion and to produce cheap hydroelectric power and fertilizers.

Why involve the federal government in such a project?

without increasing production there was no incentive for the expansion and new investment needed to end hard times. The NRA was soon spawning little but evasion and criticism.

On May 27, 1935, the Supreme Court struck down the floundering NRA in *Schechter Poultry Corp. v. United States*. The justices unanimously ruled that the NRA had exceeded federal power over commerce among the states by regulating the Schechter brothers' poultry business in a single state, New York. Privately, Roosevelt was relieved to be rid of the NRA. But he and other New Dealers were plainly shaken by the grounds of the decision. Their broad view of the commerce clause to fight the Depression suffered a grave blow. Distress inside the administration only grew when Justice Benjamin Cardozo added a chilling afterthought: the NRA's code-making represented "an unconstitutional delegation of legislative power" to the executive branch. Without the ability to make rules and regulations, all the executive agencies of the New Deal might flounder.

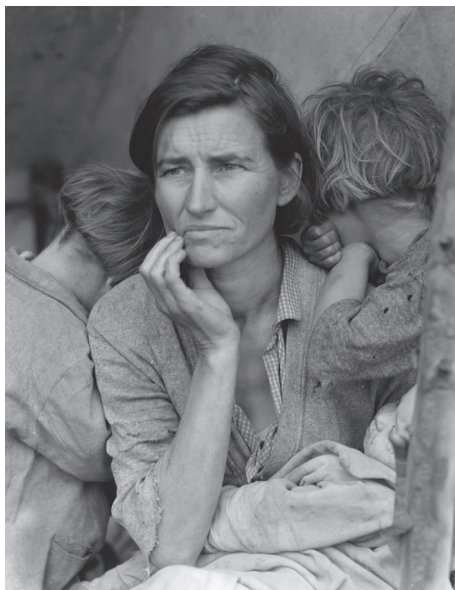
Planning for Agriculture >> Like planning for industry, New Deal planning for agriculture relied on private interests—the farmers—to act as the principal planners. Under the Agricultural Adjustment Act of 1933, farmers limited their own production. The government, in turn, paid them for leaving their fields fallow, while a tax on millers, cotton ginners, and other processors financed the payments. In theory,

production limits would reduce surpluses, demand for farm commodities would rise (as would prices), and agriculture would recover.

In practice, the Agricultural Adjustment Administration (AAA) did help to increase prices. Unlike the code-ridden NRA, the AAA wisely confined coverage to seven basic commodities. As a way to push prices even higher, the new Commodity Credit Corporation gave loans to farmers who stored their crops rather than sold them—a revival of the Populists' old sub-treasury plan (see page 424). Farm income rose from \$5.5 billion in 1932 to \$8.7 billion in 1935.

Not all the gains in farm income were the result of government actions or free from problems. In the mid-1930s dust storms, droughts, and floods helped reduce harvests and push up prices. The AAA, moreover, failed to distribute its benefits equally. Large landowners controlled decisions over which plots would be left fallow. In the South these decisions frequently meant cutting the acreage of tenants and sharecroppers or forcing them out. Even when they reduced the acreage that they themselves plowed, big farmers could increase yields through intensive cultivation.

In 1936 the Supreme Court voided the Agricultural Adjustment Act. In *Butler v. U.S.*, the six-justice majority concluded that the government had no right to regulate agriculture, either by limiting production or by taxing processors. A hastily drawn replacement, the Soil Conservation and Domestic Allotment Act (1936), addressed the complaints. Farmers were now



^ "Look in her eyes" read the caption of the photograph on the left, snapped by photojournalist Dorothea Lange in 1936. Titled "Migrant Mother," the photo became an icon of the era, depicting the anxiety and desperation of so many Americans as well as the perseverance of 32-year-old peapicker Florence Thompson. Her worry-worn face is framed by her children as they turn away from the camera and lean on their mother for support. Lange took at least six photographs of Thompson and her family for the Farm Security Administration. Other poses were less haunting, as can be seen from the photo on the right where the little girl smiles almost reflexively into the camera. FSA administrators chose the more moving photograph to show the human costs of the Depression and to justify the cost of government programs to help the dispossessed.

subsidized for practicing “conservation”—taking soil—depleting crops off the land—and paid from general revenues instead of a special tax. A second Agricultural Adjustment Act in 1938 returned production quotas.

Other agencies tried to help impoverished farmers. The Farm Credit Administration refinanced about a fifth of all farm mortgages. In 1935 the Resettlement Administration gave marginal farmers a fresh start by moving them to better land. Beginning in 1937 the Farm Security Administration furnished low-interest loans to help tenants buy family farms. In no case, however, did the rural poor have enough political clout to obtain sufficient funds from Congress. Fewer than 5,000 families of a projected 500,000 were resettled, and less than 2 percent of tenant farmers received loans.

✓ REVIEW

What measures did the early New Deal take to relieve the Depression, and how successful were they?

A SECOND NEW DEAL (1935–1936)

“Boys—this is our hour,” crowed the president’s closest adviser, Harry Hopkins, in the spring of 1935. A year earlier voters broke precedent by returning the party in power to Congress, giving the Democrats their largest majorities in decades. With the presidential election only a year away, time was short and Hopkins knew it: “We’ve got to get everything we want—a works program, social security, wages and hours, everything—now or never.”

Hopkins calculated correctly. In 1935 politics, swept along by a torrent of protest, led to a “second hundred days” of lawmaking and a “Second New Deal.” The emphasis shifted from planning and cooperation with business to greater regulation of business, broader relief, and bolder reform. A limited welfare state emerged in which the government was finally committed, at least symbolically, to guaranteeing the material well-being of needy Americans.

Dissent from the Deal >> In 1934 a mob of 6,000 stormed the Minneapolis city hall, demanding more relief and higher pay for government jobs. In San Francisco longshoremen walked off the job, setting off a citywide strike. By year’s end, 1.5 million workers had joined in 1,800 strikes throughout the country. Conditions were improving but not quickly enough, and across the country dissenters gathered strength.

From the right came the charges of a few wealthy business executives and conservatives that Roosevelt

was an enemy of private property and a dictator in the making. In August 1934 they founded the American Liberty League. Despite spending \$1 million in anti-New Deal advertising, the league won little support and only helped to convince the president that cooperation with business was failing.

In California discontented voters took over the Democratic Party and turned sharply to the left by nominating novelist Upton Sinclair, a Socialist, for governor. Running under the slogan “End Poverty in California” (EPIC), Sinclair proposed to confiscate idle factories and land and permit the unemployed to produce for their own use. Republicans mounted a no-holds-barred counterattack, including fake newsreels depicting Sinclair as a Bolshevik, atheist, and free-lover. Sinclair lost the election but won nearly 1 million votes.

Huey P. Long, the flamboyant senator from Louisiana, had ridden to power on a wave of rural discontent against banks, corporations, and political machines. As governor of Louisiana he pushed through reforms regulating utilities, building roads and schools, even distributing free schoolbooks. Opponents called him a “dictator”; most Louisianans simply called him the “Kingfish.” Breaking with Roosevelt in 1933, Long pledged to bring about recovery by making “every man a king.” “Share Our Wealth” was a drastic but simple plan: the government would limit the size of all fortunes and confiscate the rest. Every family would then be guaranteed an annual income of \$2,500 and an estate of \$5,000, enough to buy a house, an automobile, and a radio (over which Long had already built a national following).

By 1935, one year after its founding, Long’s Share Our Wealth organization boasted 27,000 clubs with files containing nearly 8 million names. Democratic National Committee members shuddered at polls showing that Long might capture up to 4 million votes in 1936, enough to put a Republican in the White House. But late in 1935, in the corridors of the Louisiana Capitol, Long was shot to death by a disgruntled constituent whose family had been wronged by the Long political machine.

Father Charles Coughlin was Long’s urban counterpart. Where Long explained the Depression as the result of bloated fortunes, Coughlin blamed the banks. In weekly broadcasts from the Shrine of the Little Flower in suburban Detroit, the “Radio Priest” told his working-class, largely Catholic audience of the international bankers who had toppled the world economy by manipulating gold-backed currencies.

Coughlin promised to end the Depression with simple strokes: nationalizing banks, inflating the currency with silver, spreading work. (None would have worked, because each would have dampened investment, the key to recovery.) Across the urban North, 30 to 40 million Americans—the largest audience in the world—huddled around their radios to listen. In 1934 Coughlin organized

the National Union for Social Justice to pressure both parties. As the election of 1936 approached, the Union loomed on the political horizon.

A less ominous challenge came from Dr. Francis Townsend. The 67-year-old physician had recently retired in California from the public health service. Moved by the plight of elderly Americans without pension plans or medical insurance, Townsend set up Old Age Revolving Pensions, Limited, in 1934. He proposed to have the government pay \$200 a month to those 60 years or older who quit their jobs and spent the money within 30 days. By 1936 Townsend clubs counted 3.5 million members, most of them small businesspeople and farmers at or beyond retirement age.

For all their differences, Sinclair, Long, Coughlin, Townsend, and other critics struck similar chords. Although the solutions they proposed were simplistic, the problems they addressed were serious: a maldistribution of goods and wealth, inadequacies in the money supply, the plight of the elderly. They attacked the growing control of corporations, banks, and government over individuals and communities. And they created mass political movements based on social as well as economic dissatisfaction. When Sinclair supporters pledged to produce for their own use and Long's followers swore to "share our wealth," when Coughlinites damned the "monied interests" and elderly Townsendites bemoaned foul-ups in Washington, they were also trying to protect their freedom and their communities from the intrusion of big business and big government.

The Second Hundred Days >> By the spring of 1935, the forces of discontent were pushing Roosevelt to more action. So was Congress. With Democrats accounting for more than two-thirds of both houses, they were prepared to outspend the president in extending the New Deal. A "second hundred days" produced a legislative barrage that moved the New Deal toward Roosevelt's ultimate destination—"a little to the left of center," where government could soften the impact of industrialism, protect the needy, and compensate for the boom-and-bust business cycle.

To help the many Americans who were still jobless, Roosevelt proposed the Emergency Relief Appropriation Act of 1935, with a record \$4.8 billion for relief and employment. Some of the money went to the new National Youth Administration (NYA) for more than



▲ Anti-Roosevelt cartoonists had a field day with the New Deal's many agencies created to provide relief during the Depression. Here the president, attended by a willing congressional nursemaid, supplies an overabundance of patent medicines, which Dr. "FDR" cheerfully acknowledges may not work. How many bottles of the medicine can you decipher? Are any of the agencies still in existence today? Why is the largest bottle marked NRA?

4.5 million jobs for young people. But the lion's share went to the new Works Progress Administration (WPA), where Harry Hopkins mounted the largest work-relief program in history. Before its end in 1943, the WPA employed at least 8.5 million people. Constrained from competing with private industry and committed to spending 80 percent of his budget on wages, Hopkins showed remarkable ingenuity. WPA workers taught women to sew in West Virginia and psychiatric patients to draw in Cincinnati. They built the Griffith Observatory in California and near the peak of Mount Hood in Oregon erected the spectacular Timberline Lodge, log by log.

The ambitious Social Security Act, passed in 1935, sought to help those who could not help themselves: the aged poor, the infirm, dependent children. In this commitment to the destitute it laid the groundwork for the modern welfare state. But Social Security also acted as an economic stabilizer by furnishing pensions for retirees and insurance for those who lost their jobs. A payroll tax on both employer and employee underwrote pensions after age 65, while an employer-financed system of insurance made possible government payments to unemployed workers.

Social Security marked a historic reversal in American political values. A new social contract between the government and the people replaced the gospel of

self—help and the older policies of laissez faire. At last government acknowledged a broad responsibility to protect the social rights of citizens. The welfare state, foreshadowed in the aid given veterans and their families after the Civil War, was institutionalized, though its coverage was limited. To win the votes of southern congressmen hostile to African Americans, the legislation excluded farmworkers and domestic servants, doubtless among the neediest Americans but often black and disproportionately southern.

Roosevelt had hoped for social insurance that would cover Americans “from cradle to grave.” Congress whittled down his plan, but its labor legislation pushed the president well beyond his goal of providing paternalistic aid for workers, such as establishing pension plans and unemployment insurance. New York senator Robert Wagner, the son of a janitor, wanted workers to fight their own battles. In 1933 he had included union recognition in the NRA. When the Supreme Court killed the NRA in 1935, Wagner introduced what became the National Labor Relations Act. (So important had labor support become to Roosevelt that he gave the bill his

belated blessing.) The Wagner Act created a National Labor Relations Board (NLRB) to supervise the election of unions and ensure union rights to bargain. Most vital, the NLRB had the power to enforce these policies. By 1941 the number of unionized workers had doubled.

Roosevelt responded to the growing hostility of business by turning against the wealthy and powerful in 1935. The popularity of Long’s tirades against the rich and Coughlin’s against banks sharpened his points of attack. The Revenue Act of 1935 (called the “Wealth Tax Act”) threatened to “soak the rich.” By the time it worked its way through Congress, however, it levied only moderate taxes on high incomes and inheritances. The Banking Act of 1935 centralized authority over the money market in the Federal Reserve Board and reduced the power of banks. By controlling interest rates and the money supply, government increased its ability to compensate for swings in the economy. The Public Utilities Holding Company Act (1935) limited the size of utility empires. Long the target of progressive reformers, the giant holding companies produced nothing but higher profits for speculators and higher prices for consumers. Diluted like the wealth tax, the utility law was still a political victory for New Dealers.

The Election of 1936 >> In June 1936 Roosevelt traveled to Philadelphia to accept the Democratic nomination for a second term as president. “This generation of Americans has a rendezvous with destiny,” he told a crowd of 100,000. Whatever destiny had in store for his generation, Roosevelt knew that the coming election would turn on a single issue: “It’s myself.”

Roosevelt ignored his Republican opponent, Governor Alfred Landon of Kansas. Despite a bulging campaign chest of \$14 million, Landon lacked luster as well as issues. He favored the regulation of business, a balanced budget, and much of the New Deal. For his part Roosevelt turned the election into a contest between haves and have-nots. The forces of “organized money are unanimous in their hate for me,” he told a roaring crowd at New York’s Madison Square Garden, “and I welcome their hatred.”

The strategy deflated Republicans, discredited conservatives, and stole the thunder of the newly formed Union Party of Townsendites, Coughlinites, and old Long supporters. The election returns shocked even experienced observers. Roosevelt won the largest electoral victory ever—523 to 8—and a whopping 60.8 percent of the popular vote. The margin of victory came from those at the bottom of the economic ladder, grateful for help furnished by the New Deal.

A dramatic political realignment was now clearly in place, as important as the Republican rise to power in 1896. The Democrats reigned as the new majority party for the next 30 years. The “Roosevelt coalition” rested on three pillars: traditional Democratic



^ Social Security poster, 1935.

support in the South; citizens of the big cities, particularly ethnics and African Americans; and labor, both organized and unorganized. The minority Republicans became the party of big business and small towns.

✓ REVIEW
 What were the differences between the “first” and “second” New Deals?

THE NEW DEAL AND THE AMERICAN PEOPLE

Before 1939 farmers in the Hill Country of Texas spent their evenings in the light of 25-watt kerosene lamps. Their wives washed eight loads of laundry a week, all by hand. Every day they hauled home 200 gallons—about 1,500 pounds—of water from nearby wells. Farms had no milking machines, no washers, no automatic pumps or water heaters, no refrigerators, and no radios.

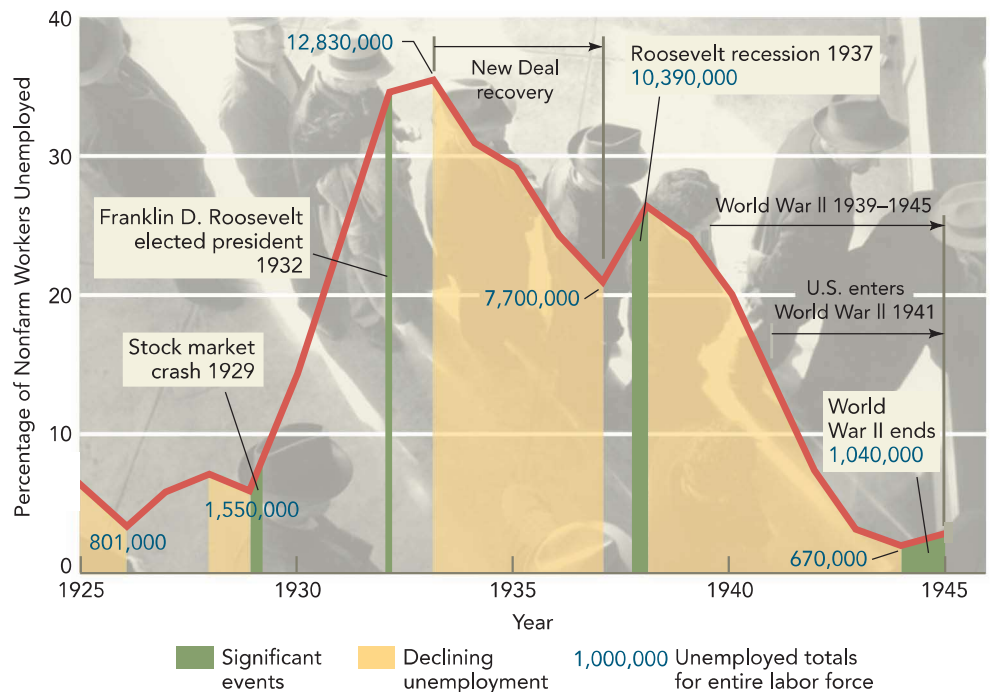
The reason for this limited life was simple: the Hill Country had no electricity. Thus no agency of the Roosevelt administration changed the way people lived more dramatically than the Rural Electrification Administration (REA), created in 1935. At the time less than 10 percent of American farms had electricity. Six years later 40 percent did, and by 1950, 90 percent. The New Deal did not always have such a marked impact, and its overall record was mixed. But time and again it changed the lives of ordinary people as government never had before.

The New Deal and Western Water >> In September 1936 President Roosevelt pushed a button in Washington, D.C., and sent electricity pulsing westward from the towering Hoover Dam in Colorado

(begun under the Hoover Administration) to cities as far away as Los Angeles. The waters thus diverted irrigated 2.5 million acres, while the dam’s floodgates protected millions of people in southern California, Nevada, and Arizona. In its water management programs, the New Deal further extended federal power, literally across the country.

The Hoover Dam was one of several multipurpose dams completed under the New Deal in the arid West. The aim was simple: to control whole river systems for regional use. Buchanan Dam on the lower Colorado River, the Bonneville and Grand Coulee dams on the Columbia, and many smaller versions curbed floods, generated cheap electricity, and developed river basins from Texas to Washington State. Beginning in 1938, the All-American Canal channeled the Colorado River to irrigate the Imperial Valley in California.

The environmental price of such rewards soon became evident. The once-mighty Columbia River, its surging waters checked by dams, flowed sedately from human-made lake to lake, but without the salmon whose spawning runs were also checked. Blocked by the All-American Canal from its path to the sea, the Colorado River slowly turned salty, until by 1950 its waters were unfit for drinking or irrigation.



UNEMPLOYMENT, 1925–1945

Unemployment mushroomed in the wake of the stock market crash of 1929. It did not drop to 1929 levels until American entry into the Second World War in 1941. The yellow bands indicate periods of declining unemployment. Note that unemployment begins to rise in 1945 as the military services begin to stand down, wartime industries begin the slow shift to peacetime production, and returning veterans begin to flood the labor force.

The Limited Reach of the New Deal >>>

In the spring of 1939 the Daughters of the American Revolution refused to permit the black contralto Marian Anderson to sing at Constitution Hall in Washington, D.C. Eleanor Roosevelt quit the DAR in protest, and Interior Secretary Harold Ickes began looking for another site. On a nippy Easter Sunday, in the shadow of the Lincoln Memorial, Anderson finally stepped to the microphone and sang to a crowd of 7,500. Lincoln himself would not have missed the irony.

In 1932 most African Americans cast their ballots as they had since Reconstruction—for Republicans, the party of Abraham Lincoln and emancipation. But disenchantment with decades of broken promises was spreading, and by 1934 African Americans were voting for Democrats. “Let Jesus lead you and Roosevelt feed you,” a black preacher told his congregation on the eve of the 1936 election. When the returns were counted, three of four black voters had cast their ballots for Roosevelt.

The New Deal accounted for this voting revolution. Sympathetic but never a champion, Roosevelt regarded African Americans as one of many groups whose interests he brokered. Even that was an improvement. Federal offices had been segregated since Woodrow Wilson’s day, and in the 1920s black leaders called Hoover “the man in the lily—White House.” Under Roosevelt racial integration slowly returned to government. Supporters of civil rights such as Eleanor Roosevelt and Harold Ickes brought economist Robert C. Weaver and other black advisers into the administration, forming a “Black Cabinet” to help design federal policy. Mary McLeod Bethune, a sharecropper’s daughter and founder of Bethune-Cookman College, ran a division of the National Youth Administration.

Outside of government the Urban League continued to lobby for economic advancement, and the NAACP pressed to make lynching a federal crime. (Though publicly against lynching and privately in favor of an antilynching bill, Roosevelt refused to make it “must” legislation to avoid losing the white southern members of Congress he needed “to save America.”) In New York’s Harlem, the Reverend John H. Johnson organized the Citizens’ League for Fair Play in 1933 to persuade white merchants to hire black clerks. After picketers blocked storefronts, hundreds of African Americans got jobs with Harlem retailers and utility companies. Racial tension over

employment and housing continued to run high, and in 1935 Harlem exploded in the only race riot of the decade.

Discrimination persisted under the New Deal. Black newspapers reported hundreds of cases of NRA codes resulting in jobs lost to white workers or wages lower than white rates of pay. Disgusted editors renamed the agency “Negroes Ruined Again.” Federal efforts to promote grassroots democracy often gave control of New Deal programs to local governments, where discrimination went unchallenged. New Deal showplaces like the TVA’s model town of Norris, Tennessee, and the homestead village of Arthurdale, West Virginia, were closed to African Americans.

African Americans reaped some benefits from the New Deal. The WPA hired black workers for almost 20 percent of its jobs, even though African Americans made up less than 10 percent of the population. When it was discovered that the WPA was paying black workers less than whites, Roosevelt issued an executive order to halt the practice. Public Works administrator Ickes established the first quota system for hiring black Americans. By 1941 the percentage of African Americans working for the government exceeded their proportion of the population.

Civil rights never became a serious aspect of the New Deal, but for the nearly 1 million Mexican Americans in the United States, Latino culture sometimes frustrated meager federal efforts to help. Mexican folk traditions of self-help inhibited some from seeking aid; others remained unfamiliar with claim procedures. Still others failed to meet residency requirements. Meanwhile, low voter turnout hampered their political influence, and discrimination limited economic advancement.

In the Southwest and California, the Civilian Conservation Corps and the Works Progress



Opinion

Historians rank Franklin D. Roosevelt, George Washington, and Abraham Lincoln as the three greatest presidents in American history. Based only on his responses to the Great Depression, does Roosevelt deserve the honor?

Administration furnished some jobs, though fewer and for less pay than average. On Capitol Hill, Dennis Chávez of New Mexico, the only Mexican American in the Senate, channeled what funds he could into Spanish-speaking communities. But like African Americans, most Latinos remained mired in poverty. The many Mexican Americans who worked the fields as migratory laborers lay outside the reach of most New Deal programs.

Tribal Rights >> The New Deal renewed federal interest in Indians. Among the most disadvantaged Americans, Indian families on reservations rarely earned more than \$100 a year. Their infant mortality rate was the highest in the country; their life expectancy, the shortest; their education level the lowest. Their rate of unemployment was three times the national average.

In the 1930s Indians had no stronger friend in Washington than John Collier. For years he had fought as a social worker among the Pueblos to restore tribal culture. As the new commissioner of Indian affairs, he reversed the decades-old policy of assimilation and promoted tribal life. Under the Indian Reorganization Act of 1934, elders were urged to celebrate festivals, artists to work in native styles, children to learn the old languages. A special Court of Indian Affairs removed Indians from state jurisdiction. Tribal governments ruled reservations. Perhaps most important, tribes regained control over Indian land. Since the Dawes Act of 1887, the land had been allotted to

individual Indians, who were often forced by poverty to sell to whites. By the end of the 1930s, Indian land-holding had increased.

Indians split over Collier's policies. The Pueblos, with a strong communal spirit and already functioning communal societies, favored them. The tribes of Oklahoma and the Great Plains tended to oppose them. Individualism, the profit motive, and an unwillingness to share property with other tribe members fed resistance. So did age-old suspicion of all government programs. And some Indians such as the Navajos genuinely desired assimilation and saw tribal government as a step backward.

A New Deal for Women >> As the tides of change washed across the country, a new deal for women was unfolding in Washington. The New Deal's welfare agencies offered unprecedented opportunity for social workers, teachers, and other women who had spent their lives helping the downtrodden. They were already experts on social welfare. Several were friends with professional ties, and together they formed a network of activists in the New Deal promoting women's interests and social reform. Women served on the consumers' advisory board of the NRA, helped to administer the relief program, and won appointments to the Social Security Board.

Women also became part of the Democratic Party machinery. Under the leadership of social worker Mary W. "Molly" Dewson, the Women's Division of the Democratic National Committee played a critical role in the election of 1936. Thousands of women mounted a "mouth-to-mouth" campaign, traveling from door to door to drum up support for Roosevelt and other Democrats. When the ballots were tallied, women formed an important part of the new Roosevelt coalition.

Federal appointments and party politics broke new ground for women, but in general the New Deal abided by existing social standards. Gender equality, like racial equality, was never high on its agenda. One-quarter of all NRA codes permitted women to



<< John Collier (*right*) was the Roosevelt administration's chief advocate for Indian affairs. Here he met with Hopi Chief Loma Haftowa and Chief Kol Chaf Towa in a ceremony held at the new Interior Department building.



▲ During the wave of agricultural strikes in California in 1933, Mexican and Mexican American laborers who had been evicted from their homes settled in camps such as this one in Corcoran. The camp held well over 3,000 people, each family providing an old tent or burlap bags for habitation. Makeshift streets were named in honor of Mexican towns and heroes. By chance the field had been occupied previously by a Mexican circus, the Circo Azteca, which provided nightly entertainment.

be paid less than men for comparable work, while WPA wages averaged \$2 a day more for men. The New Deal gave relatively few jobs to women, and when it did, they were often in gender-segregated trades such as sewing. Government employment patterns for women fell below even those in the private sector.

Reflecting old conceptions of reform, New Dealers placed greater emphasis on aiding and protecting women than on employing them. The Federal Emergency Relief Administration built 17 camps for homeless women in 11 states. Social Security furnished subsidies to mothers with dependent children, and the WPA established emergency nursery schools (which also became the government's first foray into early childhood education). But even federal protection fell short. Social Security, for example, did not cover domestic servants, most of whom were women.

The Rise of Organized Labor >> Although women and minorities discovered that the New Deal had limits to the changes it promoted, a powerful union movement arose in the 1930s by taking full advantage of the new climate. At the outset of the Depression, barely 6 percent of the labor force belonged to unions. By the end of the decade, nearly a third were union members.

Though the New Deal left farmworkers outside its coverage, its promise of support encouraged them to act on their own. In California, where large agribusinesses employed migrant laborers to pick crops, some 37 strikes involving over 50,000 workers swept the state after Roosevelt took office. The most famous strike broke out in the cotton fields of the San Joaquin Valley under the auspices of the Cannery and Agricultural Workers Industrial Union (CAWIU). Most of the strikers were Mexican, supported more by a complex network of families, friends, and coworkers than by the weak CAWIU. The government finally stepped in to arbitrate a wage settlement. The strike ended but at a fraction of the pay the workers sought.

Such government support was not enough to embolden the cautious American Federation of Labor, the nation's premier union. Historically bound to skilled labor and organized on the basis of craft, it ignored unskilled workers, who made up most of the industrial labor force, and virtually ignored women and black workers. The AFL also avoided major industries like rubber, automobiles, and steel, long hostile to unions and employing many workers with few skills.

In 1935 John L. Lewis of the United Mine Workers and the heads of seven other AFL unions announced the formation of the Committee for Industrial Organization (CIO). The AFL suspended the rogue unions

in 1936. The CIO, later rechristened the Congress of Industrial Organizations, turned to unskilled workers. CIO representatives concentrated on the mighty steel industry, which had clung to the “open,” or nonunion, shop since 1919.

In other industries the rank and file did not wait. Emboldened by the recent passage of the Wagner Act, a group of rubber workers in Akron, Ohio, simply sat down on the job in early 1936. Since the strikers occupied the plants, managers could not replace them with strikebreakers. Nor could the rubber companies call in the military or police without risk to their property. The leaders of the United Rubber Workers Union opposed the “sit-downs,” but when the Goodyear Tire & Rubber Company laid off 70 workers, 1,400 rubber workers struck on their own. An 11-mile picket line sprang up outside. Eventually, Goodyear settled by recognizing the union and accepting its demands on wages and hours.

The biggest strikes erupted in the automobile industry. A series of spontaneous strikes at General Motors plants in Atlanta, Kansas City, and Cleveland spread to Fisher Body No. 2 in Flint, Michigan, late

in December 1936. Singing the unionists’ anthem, “Solidarity Forever,” workers took over the plant while wives, friends, and fellow union members handed food and clothing through the windows. Local police tried to break up supply lines, only to be driven off by a hail of nuts, bolts, coffee mugs, and bottles.

In the wake of this “Battle of Running Bulls” (a reference to the retreating police), Michigan governor Frank Murphy finally called out the National Guard, not to arrest but to protect strikers. General Motors surrendered in February 1937. Less than a month later U.S. Steel capitulated without a strike. By the end of the year every automobile manufacturer except Henry Ford had negotiated with the UAW.

Bloody violence accompanied some drives. On Memorial Day 1937, 10 strikers lost their lives when Chicago police fired on them as they marched peacefully toward the Republic Steel plant. And sit-down strikes often alienated an otherwise sympathetic middle class. (In 1939 the Supreme Court outlawed the tactic.) Yet a momentous transfer of power had taken place. Union membership swelled, and the unskilled now had a powerful voice in the form of the CIO. Women’s membership in unions tripled between 1930 and 1940, and African Americans also made gains. Independent unions had become a significant part of industrial America.

“Art for the Millions” >>

No agency of the New Deal touched more Americans than Federal One, the bureaucratic umbrella of the WPA’s arts program. For the first time, thousands of unemployed writers, musicians, painters, actors, and photographers went on the federal payroll. Public projects—from massive murals to tiny guidebooks—would make “art for the millions.”

A Federal Writers Project (FWP) produced about a thousand publications. Its 81 state, territorial, and city guides were so popular that commercial publishers happily printed them. A Depression-bred interest in American history prompted the FWP to collect folklore, study ethnic



^ The wives of workers at a General Motors auto plant in Flint, Michigan, march past windows broken in a battle the day before. The windows were smashed not by the strikers inside the plant but by women who had established an “Emergency Brigade.” Rumors had spread that the men inside were being gassed. Women played a vital role in supporting the strikes, collecting and distributing food to strikers and their families, setting up a first-aid station, and furnishing day care. Women of the Emergency Brigade wore red tams and armbands with the initials “EB” as shown here.



^ California's multiethnic workforce is captured in this detail from one of the murals that adorn Coit Tower, built in 1933 on San Francisco's Telegraph Hill. Like other American muralists, John Langley Howard drew on the work of Mexican artists such as Diego Rivera and David Alfaro Siqueiros to paint murals and frescoes with political themes. Here, Howard shows resolute workers rallying on May Day, an international labor holiday commemorating, among other things, the Haymarket Square Riot of 1886.

groups, and record the reminiscences of 200 former slaves. Meanwhile, the Federal Music Project (FMP) employed some 15,000 out-of-work musicians. For a token charge Americans could hear the music of Bach and Beethoven. In the Federal Art Project (FAP), artists taught sculpture, painting, and carving while watercolorists and drafters painstakingly prepared the Index of American Design with elaborate illustrations of American material culture, from skillets to cigar-store Indians.

The most notable contribution of the FAP came in the form of murals. Under the influence of Mexican muralists Diego Rivera and José Clemente Orozco, American artists covered the walls of thousands of airports, post offices, and other government buildings with wall paintings glorifying local life and work. (See, for example, the nearby mural.) The rare treatment of class conflict later opened the FAP to charges of communist infiltration, but most of the murals stressed the enduring qualities of American life: family, work, community.

The Federal Theater Project (FTP) reached the greatest number of people—some 30 million—and aroused the most controversy. As its head, Hallie Flanagan made government-supported theater vital, daring, and relevant. *Living Newspapers* dramatized headlines of the day. Occasionally, frank depictions of class conflict riled congressional conservatives, and beginning in 1938, the House Un-American Activities Committee investigated the FTP as “a

branch of the Communistic organization.” A year later Congress slashed its budget and brought government-sponsored theater to an end.

The documentary impulse to record life permeated the arts in the 1930s. Novels such as Erskine Caldwell's *Tobacco Road*, feature films such as John Ford's *The Grapes of Wrath*, and such federally funded documentaries as Pare Lorentz's *The River* stirred the social conscience of the country. Photographers produced an unvarnished pictorial record of the Great Depression. Their raw and haunting photographs turned history into both propaganda and art. New Dealers had practical motives for promoting documentary realism: they wanted to blunt criticism of New Deal relief measures by documenting the distress.

✓ REVIEW

How did the New Deal help minorities and workers?

THE END OF THE NEW DEAL (1937–1940)

“I see one-third of a nation ill-housed, ill-clad, ill-nourished,” the president lamented in his second inaugural address on January 20, 1937 (the first January inauguration under a new constitutional amendment). Industrial output had doubled since 1932; farm income had almost quadrupled. But full recovery remained elusive. More than 7 million Americans were still out of work, and national income was only half again as large as it had been in 1933, when Roosevelt took office. At the height of his popularity, with bulging majorities in Congress, Roosevelt planned to expand the New Deal. Within a year, however, the New Deal was largely over, drowned in a sea of economic and political troubles—many of them Roosevelt's own doing.

Packing the Courts >> As Roosevelt's second term began, only the Supreme Court clouded the political horizon. A conservative majority spearheaded a new judicial activism. It rested on a narrow view of

the constitutional powers of Congress and the president. As the New Deal broadened those powers, the Supreme Court let loose a torrent of nullifications.

In 1935 the Court wiped out the NRA on the grounds that manufacturing was not involved in interstate commerce and thus lay beyond federal regulation. In 1936 it canceled the AAA, arguing that the Constitution did not permit the government to tax one group (processors) to pay another (farmers). In *Moorehead v. Tipaldo* (1936) the Court ruled that a New York minimum-wage law was invalid because it interfered with the right of workers to negotiate a contract. A frustrated Roosevelt complained that the Court had created a “no-man’s land, where no government—State or Federal” could act.

Roosevelt was the first president since James Monroe to serve four years without making a Supreme Court appointment. Among federal judges, Republicans outnumbered Democrats by more than two to one in 1933. Roosevelt intended to redress the balance with legislation that added new judges to the federal bench, including the Supreme Court. The federal courts were overburdened and too many judges “aged or infirm,” he declared in February 1937. In the interests of efficiency, he proposed to “vitalize” the judiciary with new members. When a 70-year-old federal court judge who had served at least 10 years failed to retire, the president could add another, up to 6 justices to the Supreme Court and 44 judges to the lower federal courts.

Roosevelt badly miscalculated. He regarded courts as political, not sacred, institutions and had ample precedent for altering even the Supreme Court. As recently as 1869, Congress had increased its size to nine. But in the midst of the Depression—spawned crisis, most Americans clung to the courts as symbols of stability. Few accepted Roosevelt’s efficiency argument, and no one on Capitol Hill—with its share of 70-year-olds—believed that seven decades of life necessarily made one too infirm to work. Worse still, the proposal ignited conservative—liberal antagonisms within the Democratic Party, where many conservatives abandoned him.

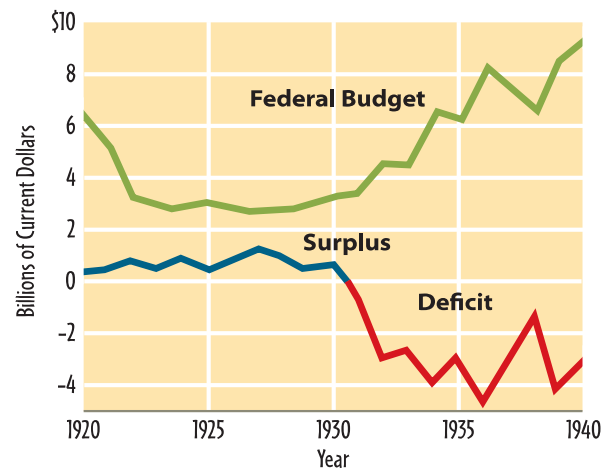
Suddenly the Court reversed itself. In April, *N.L.R.B. v. Jones and Laughlin Steel Corporation* upheld the Wagner Act by one vote. A month later the justices sustained the Social Security Act as a legitimate exercise of the commerce power. And when Justice Willis Van Devanter, the oldest and most conservative justice, retired later that year, Roosevelt at last made his first appointment to the Supreme Court.

With Democrats deserting him, the president accepted a substitute measure that utterly ignored his proposal to appoint new judges. Roosevelt nonetheless claimed victory. After all, the Court shifted course. And

eventually he appointed nine Supreme Court justices. But victory came at a high price. The momentum of the 1936 election was squandered and the unity of the Democratic party destroyed. Opponents learned that Roosevelt could be beaten. A conservative coalition of Republicans and rural Democrats had come together around the first of several anti-New Deal causes.

The Demise of the Deal >> As early as 1936 Secretary of the Treasury Henry Morgenthau began to plead for fiscal restraint. With productivity rising and unemployment falling, it was time to reduce spending, balance the budget, and permit business to lead the recovery. “Strip off the bandages, throw away the crutches,” and let the economy “stand on its own feet,” he said.

Morgenthau was preaching to the converted. Although the president had been willing to run budget deficits in the crisis, he was never comfortable with them. Still, some experts believed he was on the right track. In a startling new theory, British economist John Maynard Keynes called on government not to balance the budget but to spend its way out of depression, even if it meant running in the red. When prosperity returned, Keynes argued, government could pay off its debts through taxes. This deliberate policy of “countercyclical” action (spending in bad times, taxing in good) would compensate for swings in the economy.



FEDERAL BUDGET AND SURPLUS/DEFICIT, 1920–1940

During the 1920s the federal government ran a modest surplus as spending dropped back sharply after World War I. Deficits grew steadily as Franklin Roosevelt’s New Deal spent boldly and as revenues from taxes and tariffs continued to sink. In 1937 federal spending cuts to balance the budget reduced the deficit but brought on a recession that was quickly followed by renewed federal spending and increasing deficits.

Keynes's theory was precisely the path chosen by several industrial nations that recovered more quickly than the United States. Germany for one built its rapid recuperation on spending. When Adolf Hitler and his National Socialist (Nazi) Party came to power in 1933, they went on a spending spree, constructing huge highways called *Autobahns*, enormous government buildings, and other public works. Later they spent lavishly and ran up deficits as they armed for war. Between 1933 and 1939 the German national debt almost quadrupled, while in the United States it rose by barely 50 percent. For Germans, the price in lost freedoms was incalculable, but by 1936, their depression was over.

Not all nations relied on military spending. Many of them, such as Great Britain and France, had not shared in the economic boom of the 1920s, which meant their economies had a shorter distance to rise in order to reach pre-Depression levels. Yet spending of one kind or another helped light the path to recovery in country after country. In Great Britain, for example, low interest rates plus government assistance to the needy ignited a housing boom, while government subsidies to the automobile industry and to companies

willing to build factories in depressed areas slowed the slide. By 1937 Britain had halved unemployment.

In the United States, Roosevelt ordered cuts in federal spending early in 1937. Within six months, the economy sputtered. At the end of the year, unemployment stood at 10.5 million as the "Roosevelt recession" deepened. Finally, spenders convinced him to propose a \$3.75-billion omnibus measure in April 1938. Facing an election, Congress happily reversed spending cuts, quadrupled farm subsidies, and embarked on a new shipbuilding program. The economy revived but never recovered. Keynesian economics was vindicated, though it would take decades before becoming widely accepted.

With Roosevelt vulnerable, conservatives in Congress struck. They trimmed public housing programs and minimum-wage guarantees in the South. The president's few successes came where he could act alone, principally in a renewed attack on big business. At his urging the Justice Department opened investigations of corporate concentration. Even Congress responded by creating the Temporary National Economic Committee to examine corporate abuses and recommend revisions in the antitrust laws. These were

What the New Deal Did . . .

	Relief	Recovery	Reform
For the Farmer	Rural Electrification Administration (1936) Farm Security Administration (1937)	Agriculture Adjustment Act (1933)	
For the Worker		National Industrial Recovery Act (1933)	National Labor Relations Act (1935) Fair Labor Standards Act (1938)
For the Middle Class	Home Owners Loan Act (1934)		Revenue ("Wealth Tax") Act (1935) Public Utilities Holding Company Act (1935)
For the Needy	Federal Emergency Relief Act (1933) Civilian Conservation Corps (1933) Civil Works Administration (1933) National Public Housing Act (1937) Emergency Relief Appropriation Act (1935)		
For Protection Against Future Depressions			Federal Deposit Insurance Corporation (1933) Securities Exchange Act (1934) Social Security Act (1935)

small consolations. The president, wrote Interior Secretary Harold Ickes in August 1938, “is punch drunk from the punishment.”

Vainly Roosevelt fought back in the arena of campaign politics. In the off-year elections of 1938, he tried to purge Democrats who had deserted him. The five senators he targeted for defeat all won. Republicans posted gains in the House and Senate and won 13 governorships. Democrats still held majorities in both houses, but conservatives now had the votes to block new programs. The New Deal passed into history.

The Legacy of the New Deal >> The New Deal lasted only five years, from 1933 to 1938, and it never spent enough to end the Depression. Though it pledged itself to the “forgotten” Americans, it failed the neediest among them: sharecroppers, tenant farmers, migrant workers. In many ways, it was quite conservative. It left capitalism intact and overturned few cultural conventions. Even its reforms followed the old progressive formula of softening industrialism by strengthening the state.

Yet for all its conservatism and continuities, the New Deal left a legacy of change. Under it, government assumed a broader role in the economy. To regulation was now added the complicated task of maintaining economic stability—compensating for swings in the business cycle. In its securities and banking regulations, unemployment insurance, and requirements for wages and hours, the New Deal created stabilizers to avoid future breakdowns.

Franklin Roosevelt modernized the presidency. He turned the White House into the heart of government. Americans looked to the president to set the public agenda, spread new ideas, initiate legislation, and assume responsibility for the nation. The power of Congress diminished, but the scope of government grew. In 1932 there were 605,000 federal employees; by 1939 there were nearly a million (and by 1945, after World War II, some 3.5 million). The many programs of the New Deal touched the lives of ordinary Americans as never before, made them more secure, bolstered the middle class, and formed the outlines of the new welfare state.

At a time when dictators and militarists came to power in Germany, Italy, Japan, and Russia, the New Deal strengthened democracy in America. Roosevelt acted as a political broker, responding first to one group, then to another. And his “broker state” embraced groups previously spurned: unions, farm organizations, ethnic minorities, women. In short, during the 1930s the United States found a middle way avoiding the extremes of communism and fascism. The broker state also had limits. The unorganized, whether in city slums or in sharecroppers’ shacks, too often found themselves ignored.

Under the New Deal the Democratic Party dominated politics. In a quiet revolution African Americans came into the party’s fold, as did workers and farmers. Political attention shifted to bread-and-butter issues. In 1932 people had argued about Prohibition and European war debts. By 1935 they were debating social security, labor relations, tax reform, public housing, and the TVA. Perhaps most important, Americans now assumed that in hard times government would come to their aid. With remarkable speed, the New Deal became a vital part of American life.

✓ REVIEW

What did the New Deal accomplish, and what did it fail to accomplish?

The Depression shook both the political and material pillars of democratic culture—even more turbulently around the world than at home. By 1939, on the eve of World War II, the Soviet Union, Germany, and Italy were firmly under the control of dictators bent on expanding both their powers and their nations’ territory. The number of European democracies shrank from 27 to 10. Latin America was ruled by a variety of dictators and military juntas, little different from the new despots of Europe. China suffered not only from invasion by Japan’s militarists but also from the corrupt and ineffectual one-party dictatorship of Chiang Kai-shek.

The New Deal attempted to combat the Depression through the methods of parliamentary democracy, expanding government to humanize industrial society and generate prosperity. New Dealers from the president down nonetheless recognized that the federal government could not do everything. But “it bought us time to think,” commented Eleanor Roosevelt in 1939. Even as she spoke those words a measure of doubt crept into her voice. “Is it going to be worthwhile?” With war looming, only future generations could tell.

CHAPTER SUMMARY

The Great Depression of the 1930s was the longest in the history of the nation; it forced virtually all Americans to live leaner lives, and it spawned Franklin Roosevelt’s New Deal.

- The Great Depression acted as a great leveler that reduced differences in income and status and left many Americans with an “invisible scar” of shame, self-doubt, and lost confidence.

- ▶ Unemployment and suffering were especially acute among agricultural migrants, African Americans, Latinos, and American Indians.
- ▶ Rates of marriage and birth declined in all social classes, and many women found themselves working additional hours inside and outside the home to supplement family incomes.
- ▶ Popular culture rallied to reinforce basic tenets of American life: middle-class morality, family, capitalism, and democracy.
- President Herbert Hoover represented a transition from the old, do-nothing policies of the past to the interventionist policies of the future. In the end his program of voluntary cooperation and limited government activism failed, and in 1932 he lost the presidency to Franklin Roosevelt.
- Roosevelt's New Deal attacked the Great Depression along three broad fronts: recovery for the economy, relief for the needy, and reforms to ward off future depressions.
- The New Deal failed to achieve full recovery but did result in lasting changes:
 - ▶ The creation of economic stabilizers such as federal insurance for bank deposits, unemployment assistance, and greater control over money and banking that were designed to compensate for swings in the economy.
 - ▶ The establishment of a limited welfare state to provide minimum standards of well-being for all Americans.
 - ▶ The revitalization of the Democratic Party and the formation of a powerful new political coalition of labor, urban ethnics, women, African Americans, and the South.
 - ▶ The modernization of the presidency.

(1966), remains one of the most sensitive treatment of the human impact of the Great Depression, but it should not be read without Studs Terkel, *Hard Times: An Oral History of the Great Depression* (1970); and Robert McElvaine, *The Great Depression: America, 1929–1941* (1984), which are especially good on Depression culture and values. Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (1975), traces Hoover's progressive impulses before and during his presidency.

Frank Freidel, *Franklin D. Roosevelt: A Rendezvous with Destiny* (1990), is the best single-volume biography of Roosevelt; and William Leuchtenburg, *Franklin D. Roosevelt and the New Deal, 1932–1940* (1963), is the best single-volume study of the New Deal. Both fall within the liberal tradition of New Deal scholarship and are admirably critical of Roosevelt's use of power. Jean Edward Smith's *FDR* (2007) offers a positive, if critical, reinterpretation of FDR with greater emphasis on his personal life than found in earlier biographies. For sharp criticism of New Left historians, see Paul Conkin, *The New Deal* (1967). Stephen Lawson's *A Commonwealth of Hope: The New Deal Response to Crisis* (2006) argues that the New Deal was less a makeshift reaction to the Great Depression and more a part of a longer tradition of planning and reform. Amity Shlaes, *The Forgotten Man: A New History of the Great Depression* (New York, 2007), provides a conservative critique of the New Deal that rests on stories of "forgotten" men and women and argues that its policies actually prolonged the Great Depression.

Eleanor Roosevelt is analyzed in rich detail and from a frankly feminist viewpoint in Blanche Wiesen Cook, *Eleanor Roosevelt* (1999). Susan Ware, *Beyond Suffrage: Women and the New Deal* (1981), locates a women's political network within the New Deal; and Harvard Sitkoff, *A New Deal for Blacks* (1978), studies a similar network of blacks and whites. The culture and politics of working men and women during the Great Depression are the subject of Lisabeth Cohen, *Making a New Deal: Industrial Workers in Chicago, 1919–1939* (1990). For a probing analysis of New Deal liberalism and its retreat from reform, see Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War* (1995).

Additional Reading

The best overall examination of the period encompassing the Great Depression and the Second World War is David M. Kennedy's *Freedom from Fear: The American People in Depression and War, 1929–1945* (1999). For a comparative look at responses to the Great Depression, see John A. Garraty, *The Great Depression* (1987); and Wolfgang Schivelbusch, *Three New Deals: Reflections on Roosevelt's America, Mussolini's Italy, and Hitler's Germany, 1933–1939* (2006). Robert Sobel, *The Great Bull Market: Wall Street in the 1920s* (1968), is a brief, evenhanded study of the stock market and Republican fiscal policies in the 1920s. Caroline Bird, *The Invisible Scar*