

Discussion Forum Assignment 3:

Evaluating The New Deal and Presidential Leadership in the 1930s

You are members of a conference commission sponsored by The Carnegie Foundation in 1939 to evaluate the effectiveness of U.S. governmental responses to the Great Depression and the leadership of President Franklin Roosevelt.

Your task today is to answer the following questions:

- Was the New Deal a success or failure? In what ways? What were its most significant accomplishments and drawbacks?
- How successful was President Roosevelt's leadership in this era of crisis? What were the principal strengths and weaknesses of Presidential leadership in response to the Depression?

Your assignment is three-fold:

1) Document analysis: Before class: read and take notes on the attached document set, consider how these documents connect to other course materials. Each member should carefully analyze at least three documents from the packet and answer the following questions... and come to class ready to contribute:

- A. Motivations/reliability:** Why was this document created, by and for whom? To what audience(s) was this source intended to speak? How reliable is this document as a source of evidence for answering these questions?
- B. Key ideas/themes:** what **key ideas** about the New Deal and/or Roosevelt's leadership do these documents express? Consider David Kennedy's argument. What **key images, words, situations, actions, etc:** do these documents use to convey these ideas? List them.

Compare the ideas expressed in legislation, political speech, documentary photography, public art, political cartoons, personal recollection. What significant differences do you note? In your opinion, **which ideas/images and which sources were most effective** in conveying the impact of the New Deal and Roosevelt's political leadership? Why?

2) Synthesis and analysis: In class – discuss and write as a group: (30-35 minutes)

Based on your review of these documents and other course materials, **how successful was the New Deal? How successful was President Roosevelt in leading the nation during the Depression? Which aspects were most/least effective? Explain?**

- A. **Write one well-constructed paragraph** that answers these questions and explains your evaluation. Develop at least five concrete examples to support your argument.

3) Synthesis and analysis: In class - discuss and write as a group (30-35 minutes):

- A. **Select and analyze THREE documents** from the packet that best illustrate your evaluation. These will serve as concrete examples for discussion and illustration in the final commission report.
- B. **Write one well-constructed paragraph** that explains how and why these documents illustrate your evaluation. **Why** have you selected these images in particular to appear in the final report? Please develop at least five concrete examples to support your argument.

After class, a member of your group will compile and submit your work in **two documents** (1. Your collected notes, and 2. Your two group paragraphs). Submissions are due at 11:59pm.

responsibility by industry, by business, and the community for its social security and its social welfare.

The evidence of our ability to solve great problems outside of Government action and the degree of moral strength with which we emerge from this period will be determined by whether the individuals and the local communities continue to meet their responsibilities.

Throughout this depression I have insisted upon organization of these forces through industry, through local government and through charity, that they should meet this crisis by their own initiative, by the assumption of their own responsibilities. The Federal Government has sought to do its part by example in the expansion of employment, by affording credit to drought sufferers for rehabilitation, and by cooperation with the community, and thus to avoid the opiate of Government charity and stifling of our national spirit of mutual self-help...

We are going through a period when character and courage are on trial, and where the very faith that is within us is under test. Our people are meeting this test. And they are doing more than the immediate task of the day. They are maintaining the ideals of our American system. By their devotion to these ideals we shall come out of these times stronger in character, in courage, and in faith.

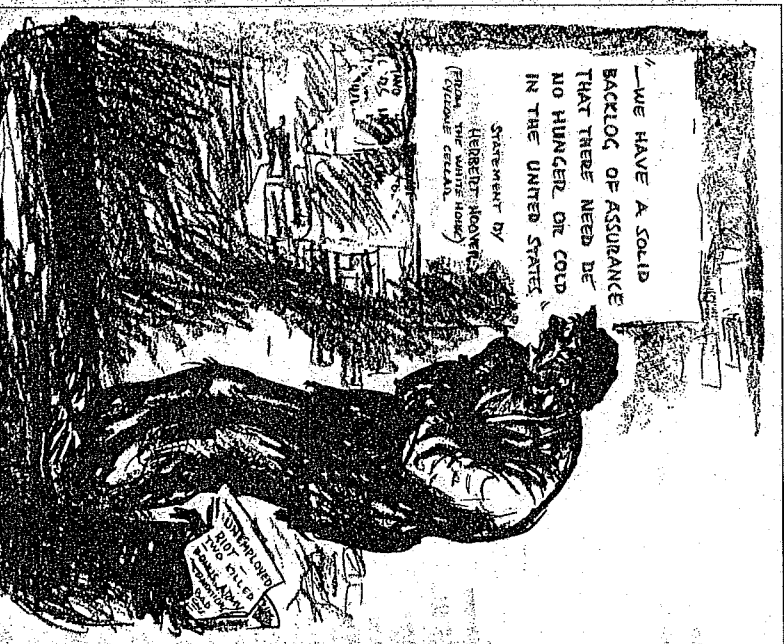
2. *The Nation Asks 'Is It to Be Murder, Mr. Hoover?'* 1932

Is it to be mass murder, Herbert Hoover? Murder by starvation, murder by disease, murder by killing all hope—and the soul? We ask, Mr. President, because this terrible fate is now staring multitudes in the face in the sight of plenty and because the responsibility now rests entirely upon you. Congress has adjourned after voting only \$300,000,000 for direct relief—and that only for the States. No one can call it together again for five months except you. Day by day more cities approach the line of bankruptcy; day by day the plight of the individual States of the Union gets worse. In community after community the authorities and the leading citizens can see no hope whatever of heading off the starvation of innocents. And that is murder, Mr. President, cold-blooded and utterly unnecessary murder, far worse than if the victims were to be stood up against a wall and shot down by firing squads. Every death by starvation today—and there are men, women, and children perishing daily because of plain lack of food and undernourishment—must be charged up against the government of the United States, and in the last analysis against you. That is not merely because you are President, but because you as an individual have from the first set your face against direct federal relief to those who through no fault of their own are without work and food. You are deeply and sincerely convinced that if necessary it is better that some should starve than that multitudes should have their characters wrecked and their initiative killed by a dole.

But Mr. President, are you living in the United States? Do you know what is happening? Do you know that it is no longer starvation of a few which is at hand? We ask these questions because your statement to the press on July 17 indicates that you are living entirely detached from the actual situation, that you do not know what is

happening under the flag of which you are the chief guardian. You stated on that day that you would sign the so-called relief bill granting \$300,000,000 for temporary loans by the Reconstruction Finance Corporation. "to such States as are absolutely unable to finance the relief of distress." You then went on to say that, through this provision, "We have a solid back log of assurance that there need be no hunger and cold in the United States." You added that these loans were to be based only upon "absolute need and evidence of financial exhaustion," and concluded with the statement: "I do not expect any State to resort to it except as a last extremity." . . . Is it any wonder that we ask you if you know what is happening in the United States today?

Have you not heard that city authorities in St. Louis and the charitable agencies have just turned adrift 13,000 families which they can no longer support, while the city of Detroit has dropped 18,000 who now have nowhere to turn, no assurance that even a single crust of bread will be forthcoming for their support? Have you not learned that the city of Bridgeport, and other cities and towns in Connecticut have let it be known that if the State does not come to their aid at once they have no hope whatever of caring further for their unemployed, their own resources being entirely exhausted? Did you read that eight hundred men marched into the Indiana State Capitol last week demanding food, declaring that if they were not given help they would return 300,000 strong? Have you learned that the police in St. Louis have already fired on a mob demanding bread? Have you not read of the town of Clinton, Mass., where on July 7 "more than three hundred men, women, and crying children crowded the corridors of the Town Hall appealing for food"—only



'Is It to Be Murder, Mr. Hoover?' by *The Nation's* editors. *The Nation*, Aug. 3, 1932, 96-97. Cartoon by Edmund Tupper. Text and cartoon reproduced with permission.

Franklin D. Roosevelt,
FIRESIDE CHAT -- June 28, 1934

It has been several months since I have talked with you concerning the problems of government. Since January, those of us in whom you have vested responsibility have been engaged in the fulfillment of plans and policies which had been widely discussed in previous months. It seemed to us our duty not only to make the right path clear but also to tread that path.

As we review the achievements of this session of the Seventy-third Congress, it is made increasingly clear that its task was essentially that of completing and fortifying the work it had begun in March, 1933. That was no easy task, but the Congress was equal to it. It has been well said that while there were a few exceptions, this Congress displayed a greater freedom from mere partisanship than any other peace-time Congress since the Administration of President Washington himself. The session was distinguished by the extent and variety of legislation enacted and by the intelligence and good will of debate upon these measures.

I mention only a few of the major enactments. It provided for the readjustment of the debt burden through the corporate and municipal bankruptcy acts and the farm relief act. It lent a hand to industry by encouraging loans to solvent industries unable to secure adequate help from banking institutions. It strengthened the integrity of finance through the regulation of securities exchanges. It provided a rational method of increasing our volume of foreign trade through reciprocal trading agreements. It strengthened our naval forces to conform with the intentions and permission of existing treaty rights. It made further advances towards peace in industry through the labor adjustment act. It supplemented our agricultural policy through measures widely demanded by farmers themselves and intended to avert price destroying surpluses. It strengthened the hand of the Federal Government in its attempts to suppress gangster crime. It took definite steps towards a national housing program through an act which I signed today designed to encourage private capital in the rebuilding of the homes of the Nation. It created a permanent Federal body for the just regulation of all forms of communication, including the telephone, the telegraph and the radio. Finally, and I believe most important, it reorganized, simplified and made more fair and just our monetary system, setting up standards and policies adequate to meet the necessities of modern economic life, doing

justice to both gold and silver as the metal bases behind the currency of the United States.

In the consistent development of our previous efforts toward the saving and safeguarding of our national life, I have continued to recognize three related steps. The first was relief, because the primary concern of any Government dominated by the humane ideals of democracy is the simple principle that in a land of vast resources no one should be permitted to starve. Relief was and continues to be our first consideration. It calls for large expenditures and will continue in modified form to do so for a long time to come. We may as well recognize that fact.... In our administration of relief we follow two principles: First, that direct giving shall, wherever possible, be supplemented by provision for useful and remunerative work and, second, that where families in their existing surroundings will in all human probability never find an opportunity for full self-maintenance, happiness and enjoyment, we will try to give them a new chance in new surroundings.

The second step was recovery, and it is sufficient for me to ask each and every one of you to compare the situation in agriculture and in industry today with what it was fifteen months ago.

At the same time we have recognized the necessity of reform and reconstruction --reform because much of our trouble today and in the past few years has been due to a lack of understanding of the elementary principles of justice and fairness by those in whom leadership in business and finance was placed -- reconstruction because new conditions in our economic life as well as old but neglected conditions had to be corrected. Substantial gains well known to all of you have justified our course. I could cite statistics to you as unanswerable measures of our national progress -- statistics to show the gain in the average weekly pay envelope of workers in the great majority of industries --statistics to show hundreds of thousands reemployed in private industries and other hundreds of thousands given new employment through the expansion of direct and indirect government assistance of many kinds, although, of course, there are those exceptions in professional pursuits whose economic improvement, of necessity, will be delayed. I also could cite statistics to show the great rise in the value of farm products -- statistics to prove the demand for consumers' goods, ranging all the way from food and clothing to automobiles and of late to prove the rise in the demand for durable goods -- statistics to cover the great increase in bank deposits and to

show the scores of thousands of homes and of farms which have been saved from foreclosure.

But the simplest way for each of you to judge recovery lies in the plain facts of your own individual situation. Are you better off than you were last year? Are your debts less burdensome? Is your bank account more secure? Are your working conditions better? Is your faith in your own individual future more firmly grounded?

Also, let me put to you another simple question: Have you as an individual paid too high a price for these gains? Plausible self-seekers and theoretical die-hards will tell you of the loss of individual liberty. Answer this question also out of the facts of your own life. Have you lost any of your rights or liberty or constitutional freedom of action and choice? Turn to the Bill of Rights of the Constitution, which I have solemnly sworn to maintain and under which your freedom rests secure. Read each provision of that Bill of Rights and ask yourself whether you personally have suffered the impairment of a single jot of these great assurances. I have no question in my mind as to what your answer will be. The record is written in the experiences of your own personal lives.

In other words, it is not the overwhelming majority of the farmers or manufacturers or workers who deny the substantial gains of the past year. The most vociferous of the doubting Thomases may be divided roughly into two groups: First, those who seek special political privilege and, second, those who seek special financial privilege. About a year ago I used as an illustration the 90% of the cotton manufacturers of the United States who wanted to do the right thing by their employees and by the public but were prevented from doing so by the 10% who undercut them by unfair practices and un-American standards. It is well for us to remember that humanity is a long way from being perfect and that a selfish minority in every walk of life -- farming, business, finance and even Government service itself -- will always continue to think of themselves first and their fellow-being second.

In the working out of a great national program which seeks the primary good of the greater number, it is true that the toes of some people are being stepped on and are going to be stepped on. But these toes belong to the comparative few who seek to retain or to gain position or riches or both by some short cut which is harmful to the greater good.

The Economic Security Program

By HARRY L. HOPKINS

Federal Emergency Relief Administrator

LIKE a lot of other perfectly good things, there has been so much tinkering around of late with the term economic security, that if the people of America have a clear picture of what it means, it's a marvel.

A number of individuals have been making cruel promises and raising useless hopes by noising about several impossible ideas. It's all right for little children to believe in Santa Claus, but when these alleged leaders offer their fantastic schemes to adults under the guise of pension plans and prosperity restoratives, it gets nauseating.

President Roosevelt's economic security program is now before Congress. None of us on the President's Committee on Economic Security pretends to know the last word about economic security. But before the committee took its report over to the White House we did a lot of good, hard labor in getting down to brass tacks on what could and could not be done on a realistic basis in America today.

An Instrument That Will Do the Job

As a result, the President presented to Congress a solid plan. He cut the last vestige of fuzz off the theories and prepared an instrument that will do the job.

Now as I see it, there are three things that can be done for a man or woman who is out of a job and broke. There is relief, and there is employment assurance, and there is unemployment insurance. I think a better name would be unemployment compensation.

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Source: President's Committee on Economic
Security, Toward Economic Security
March, 1935

Unemployment compensation boils down to this simple meaning. If a worker loses his job, there would be a fund from which he would receive a benefit for a certain period of unemployment. The Wagner-Doughton-Lewis bill which embraces President Roosevelt's recommendations for economic security is a realistic piece of legislation. It would not remove the necessity for all measures for unemployment relief, but it would lessen the need within the realm of possibilities.

Now about old age. We have two problems of old age to face. There must be security for the future of those still in their working years and security for those who are already old. Insurance for the future of those still working can be worked out on an actuarial basis. It is not easy, but this old-age insurance problem can be put on a basis of definite figures.

For the people whose job-holding days are over, it is a matter of pensions, not insurance, in the usual sense of the word. The legislation also carries help for widows and children in homes without a breadwinner. That, too, calls for a pension system.

No Untried Principles

One important point about this whole matter of social and economic security is this: No untried principles are included in President Roosevelt's program now before Congress.

When he established the Committee on Economic Security, he said, in effect: "Look into every angle of this problem. Explore everything and find out what has been tried and proven and what will work."

We did that. We studied the experience of Europe which runs back 50 years. And right now I want to point out that European plans are not being recommended for America. Here in this country, too, voluntary social insurance plans among labor organizations and in the more enlightened large industries were studied.

Now, we found out two interesting things: No European system is exactly suited to American needs. Protection must be extended to workers through a uniform law placing industry all over our country on the same unemployment insurance basis.

If you set up the criticisms of the President's program for economic security in two columns, they offset each other and in

themselves indicate that the program is sensibly balanced with careful preparation for what is possible in this year, day, and hour.

I Would Wipe Out Relief

Now, we have had relief for the unemployed for quite a while, and I have no apologies for the system that has provided food, clothing, shelter, and medical care for the millions of workers whose jobs had evaporated from under their feet. But I would wipe out the whole business of relief, if I had my way. It is going to cost the American people far more in the future than the proposed 4 billion dollars; perhaps twice 4 billion dollars, if we keep up this relief.

But if you have nothing else to offer the unemployed, you can't refuse relief. How in this country with its enormous ability to produce necessities and the good things of life can you say to 4,600,000 families—how can you say, "You are not going to have any part of it. You are outside of it."

This proposed work program is something to do the trick now. Unemployment insurance, on the other hand, is the device for protecting against the unemployment needs of the future.

Our figures in the Federal Emergency Relief Administration show that there are now in the country about 4,600,000 families and about 800,000 single persons on relief. Among these people I believe we have about half of the unemployed in America.

I'm not much for second guessing, but it seems obvious that if there had been a system of unemployment insurance, of old-age insurance, of pensions for widows, we wouldn't be worrying about anything like the relief problem we have now. I can't see how it could have cost us anything like the money we have spent on relief.

I believe we are through temporizing and moralizing about this waste of money and waste of human values and I believe America is ready for sharp-edged thinking and action.

Mr. Williamson She can look after herself better than he can.

Mr. Linton Is that a sociological fact?

Mr. Brown Can a single woman adjust herself to a lower budget on account of the fact that she is used to doing her own housework whereas the single man has to go out to a restaurant?

9. The Wagner Act Allows Workers to Unionize, 1935

... The denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce; or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.

Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.

It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

10. Nelson Rockefeller Lectures Standard Oil on Social Responsibility, 1937

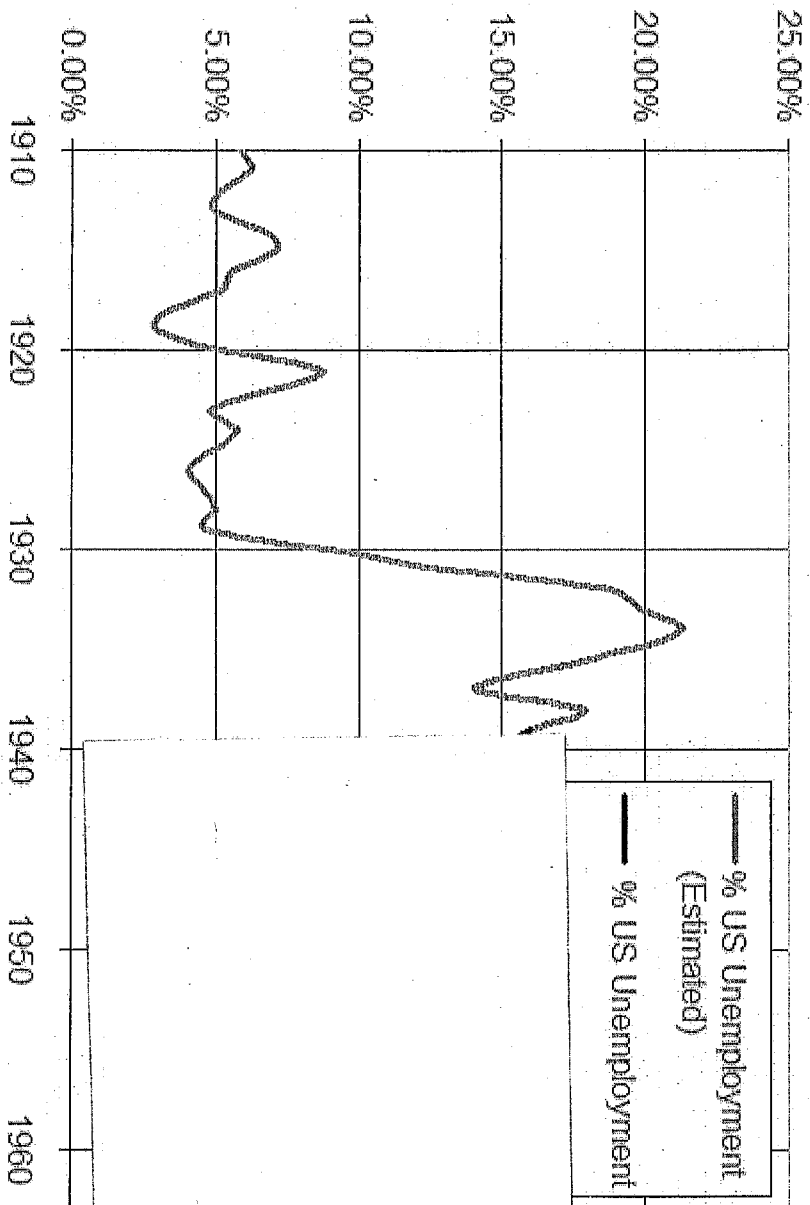
The Standard Oil Company of New Jersey has established a unique record by maintaining its supremacy throughout the world despite constantly changing conditions. The adaptability and elasticity of the various departments in devising improved methods of research, production, refining, transportation, and marketing, with constantly increasing efficiency and lower cost is a wonderful tribute to the ability of the management. Unfortunately, today this is no longer enough. . . .

Throughout the world today the rights of the individual or corporation to possess property are being challenged. In many areas here and abroad these rights have already been destroyed. While their defense may rest in legal process fundamentally the preservation of these property rights will be established only by the demonstration of their value to the people. If, as and when the people become convinced—rightly or wrongly—that the owners have disregarded the responsibilities of their stewardship, they can withdraw through legislative action or otherwise these privileges of private ownership. This can apply to corporations individually or industry as a whole. Therefore, if we wish to continue our present system of individual initiative and private ownership, management must conduct its affairs with a sense of moral and social responsibility in such a way as to contribute to the general welfare of society. . . .

When the collapse came in 1929, industry was not sufficiently established in the good will of the country to receive credit for the constructive things it had done and it became a target for public indignation. President Roosevelt and his administration have taken advantage of this opportunity to enact measures to correct some of the situations which industry should never have permitted to develop. Many of the fundamentally important reforms which have been enacted have been the subject of political regulation but should have come as a natural outgrowth of industry's own recognition and acceptance of economic and social changes. If these reforms are to last and become a permanent part of our democratic system, they must be accepted wholeheartedly by industry and put on a practical and workable basis.

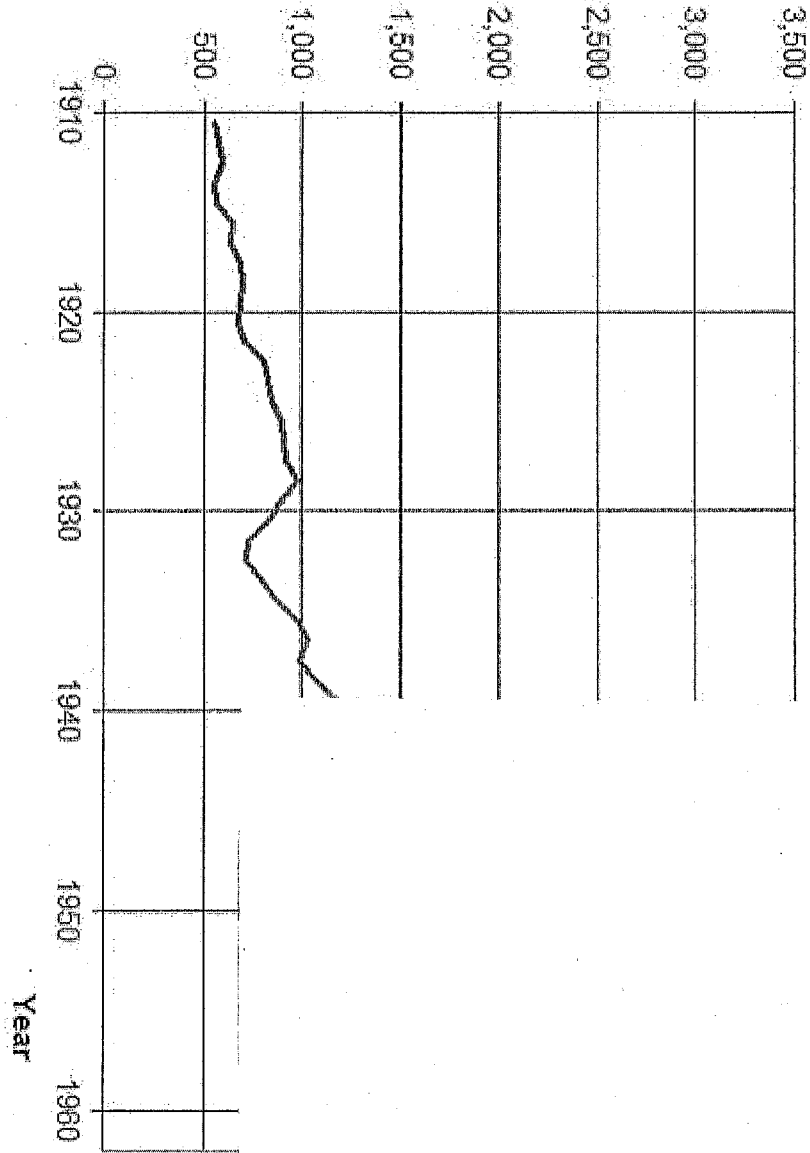
E S S A Y S

Franklin D. Roosevelt excited both admirers and detractors in his own day, and still does. Herbert Hoover called him a "chameleon on plaid," implying that Roosevelt adjusted his temperament and policies as the situation dictated, without regard to any core values or personal vision. David M. Kennedy of Stanford University, whose book on this era won the Pulitzer Prize, describes a man of immense complexity, whose own experience of crippling disease gave him exceptional fortitude and empathy for others' plight. Roosevelt's leadership, Kennedy states, contrasted markedly with that of Hoover and made the New Deal what it was. Barton Bernstein, also of Stanford University, mostly ignores Roosevelt's personal role. Bernstein's essay is sharply critical of the New Deal. He argues that the New Deal served capitalism better than it served laborers.



1910 1920 1930 1940 1950 1960

Real GDP (billions of constant \$ 2005)



3. Frances Perkins Describes Roosevelt's Ideology, 1946

A superficial young reporter once said to Roosevelt in my presence, "Mr. President, are you a Communist?"

"No."

"Are you a capitalist?"

"No."

"Are you a Socialist?"

"No," he said, with a look of surprise as if he were wondering what he was being cross examined about.

The young man said, "Well, what is your philosophy then?"

"Philosophy?" asked the President, puzzled. "Philosophy? I am a Christian and a Democrat—that's all."

Those two words expressed, I think, just about what he was. They expressed the extent of his politi-

cal and economic radicalism. He was willing to do experimentally whatever was necessary to promote the Golden Rule and other ideals he considered to be Christian, and whatever could be done under the Constitution of the United States and under the principles which have guided the Democratic party. . . .

He believed in leadership from the office of the President, a leadership based upon the immense sources of information and analysis which the Executive Department had and which were available to the President. He fully recognized, however, the importance of Congress and the desirability of maintaining the strength of our congressional system. . . .

Roosevelt was not very familiar with economic theory. He thought of wealth in terms of the basic wealth in agriculture, transportation, and services

which were the familiar pattern of his youth. He recognized or took for granted the changes that had come about in our economy in his own lifetime: the shift in emphasis from agriculture to industry and distribution, the importance of the financial elements. Honorable methods in all business matters seemed to him imperative and to be insisted upon, by changes in the law if necessary. And under "honorable" he instinctively included wages and working conditions of the best, together with friendly, fair industrial relations. But, he had, I am sure, no thought or desire to impose any overall economic or political change on the United States. . . .

The objective of all these plans was to make human life on this planet in this generation more decent. "Decent" was the word he often used to express what he meant by a proper, adequate, and intelligent way of living.

If the application of these and similar ideas constitute revolution, then the phrase "Roosevelt revolution," used half in jest, may be correct. If such it was, it was a social revolution—a revolution in living—not an economic or a political revolution.

Radicals were always getting angry at Roosevelt for not being interested in overall economic and political changes. For him, the economic and political measures were not the end but the means. He was not even a vigorous anti-monopolist. Big enterprises, if morally and socially responsible, seemed entirely all right. Efficiency interested him only as it produced more comforts for more people and a better standard of living. Bigness did not frighten him as it did many people. He would insist on moral and social responsibility for all the institutions of human life; for the school, for the family, for business and industry, for labor, for professional services, for money management, for government—yes, even for the Church. . . .

What he cared about was improvement in people's lives. If economic changes were necessary, he would make them, but only to do a specific task. When he said of himself that he was "a little to the left of center" he described accurately his thinking and feeling in political and economic matters.

Frances Perkins,
The Roosevelt I Knew
(1946)
(—chronology...?)

2. Raymond Moley Expresses Reservations on the New Deal, 1939

Roosevelt's administration has achieved much. It has outlawed many abuses. It has readjusted some of our lopsided economic relationships. It has established

firmly in the nation's consciousness the principle of economic interdependence. There will remain, after Roosevelt has left office, a vastly changed philosophy

of business enterprise, an improvement in the methods of social-welfare activities. Many of the New Deal measures, even those that have failed, have had an important educational value, for they have shown what will not work. These gains are incontestable.

But it is difficult to reconcile them with what they have cost. It is not alone that immense treasure has been spent for economic rehabilitation that has not materialized, that, after seven years, investment remains dormant, enterprise is chilled, the farmers' problem has not yet been solved, unemployment is colossal. It is that thousands of devoted men and women, who felt, as sincerely as Roosevelt, that we must redefine the aims of democratic government in terms of modern needs, have been alienated. They asked only that the repair work done upon the structure of policy follow a consistent pattern of architecture. They pointed out only that unskillful combinations of Gothic, Byzantine, and Le Corbusier defy the law of gravity, and invite ultimate collapse.

These men and women have been told that they are "yes-but" liberals, that they are "copperheads," that they must subscribe to either all or nothing. Their position on such perversions of progressive doctrine as the Court-packing plan has been made a test of personal loyalty. Often the fact of their employment as the managers of businesses has automatically subjected them to the suspicion of self-interest. Their enthusiasm and their energies have been lost.

They have been told, in these latter days, that their collaboration is no longer wanted.

Even the submerged third, whose interests the President has so persistently championed, have been thoughtlessly injured. Extravagant promises have raised expectations far beyond any reasonable hope of realization. Disillusionment must ultimately be the bitter harvest of such planting.

But perhaps the most serious injury that has been done the cause of orderly progress has been the impairment of the nation's unity by the repeated suggestion that benefits can come to one group only at the expense of others. Progressivism depends upon cooperation, not upon conflict. It looks to the creation of an increasingly large number of shared values, not to the establishment of "an economy of maintenance" which can do no more than redistribute the wealth that already exists.

Roosevelt has never condemned businessmen or newspaper publishers as a whole. He has always qualified his denunciations with reference to the "small, bad" minority in those groups. But the fact that he has limited himself to denunciation of the "small, bad" minority in these specific groups and ignored the "small, bad" minority in all other groups has been just as effective in developing class antagonism as a general denunciation. An administration that leaves more rather than less consciousness of class has done the country a disservice.

Raymond Moley, After Seven Years
(1939).

4. Huey P. Long's Criticism of the Roosevelt Program, 1936

Now, my friends, when this condition of distress and suffering among so many millions of our people began to develop in the Hoover administration, we knew then what the trouble was and what we would have to do to correct it. I was the first man to say publicly—but Mr. Roosevelt followed in my tracks a few months later and said the same thing. We said that all of our trouble and woe was due to the fact that too few of our people owned too much of our wealth. We said that in our land, with too much to eat, and too much to wear, and too many houses to live in, too many automobiles to be sold, that the only trouble was that the people suffered in the land of abundance because too few controlled the money and the wealth and too many did not have money with which to buy the things they needed for life and comfort.

So I said to the people of the United States in my speeches which I delivered in the United States Senate in the early part of 1932 that the only way by which we could restore our people to reasonable life and comfort was to limit the size of the big man's fortune

and guarantee some minimum to the fortune and comfort of the little man's family.

I said then, as I have said since, that it was inhuman to have food rotting, cotton and wool going to waste, houses empty, and at the same time to have millions of our people starving, naked, and homeless because they could not buy the things which other men had and for which they had no use whatever. So we convinced Mr. Franklin Delano Roosevelt that it was necessary that he announce and promise to the American people that in the event he were elected President of the United States he would pull down the size of the big man's fortune and guarantee something to every family—enough to do away with all poverty and to give employment to those who were able to work and education to the children born into the world.

Mr. Roosevelt made those promises; he made them before he was nominated in the Chicago convention. He made them again before he was elected in November, and he went so far as to remake those promises after he was inaugurated President of the United States. And I thought for a day or two after he

took the oath as President, that maybe he was going through with his promises. No heart was ever so saddened; no person's ambition was ever so blighted, as was mine when I came to the realization that the

President of the United States was not going to undertake what he had said he would do, and what I knew to be necessary if the people of America were ever [to be] saved from calamity and misery.

New York Times, Jan 26, 1936

7. Social Security Advisers Consider Male and Female Pensioners, 1938

Mr. Myers One very good solution would be to require that the woman must be married to an annuitant for at least five years before she receives any benefits. If a man who is 65 retires and he has been married for three years, he receives 110% for the next two years and following that they will be married five years and they will receive 150% thereafter. Under the plan as it is here they are supposed to be married five years and would receive 100%. Under the plan she would have to be married five years before he retired. He would receive nothing for two years and after that he would receive 150%. Under this plan he would receive 100% for the two-year period and then 150%....

Mr. Mowbray It seems to me that the restriction on the marital period and the period of waiting is only desirable to keep out the designing woman. That wouldn't affect things at all. I made the remark that I thought a two-year period was long enough in a life insurance policy, but I was not at all sure that a five-year period was long enough as a defense against a designing woman.

Mr. Brown How far should those in need be kept in need to protect the system against designing women and old fools? Do you think it ought to be longer than five years?....

Miss Dewson I am confused about one point. The single man or single person gets less than the married person. Supposing that the man who is married, say at 66, loses his wife and becomes a single man, would that change his annuity?

Mr. Brown He would drop back. He drops back to the 100%. He no longer gets wife allowance, whereas if the wife survives him it would drop back to the 75%.

Miss Dewson That is what makes it more for the married man?

Mr. Brown Yes, on the principle that it is more costly for the single man to live than for the single woman if she is able to avail herself of the home of the child. A woman is able to fit herself into the economy of the home of the child much better than the single man; that is, the grandmother helps in the raising of the children and helps in home affairs, whereas the aged grandfather is the man who sits out on the front porch and can't help much in the home....

Mr. Brown Are there any other points? In regard to the widows' benefits at 75% of the base we could put in a corollary as to whether 75% of the base is proper.

Mr. Linton I wonder why we didn't make the widows' benefit the regular individual annuity without cutting it down 25%.... Why not cut it 50%. Why should you pay the widow less than the individual himself gets if unmarried?

Mr. Williamson She can look after herself better than he can.

Mr. Linton Is that a sociological fact?

Mr. Brown Can a single woman adjust herself to a lower budget on account of the fact that she is used to doing her own housework whereas the single man has to go out to a restaurant?

E S S A Y S

These essays suggest both the promises and limits of New Deal reform. In the first essay, Colin Gordon argues that New Deal labor policy was shaped by the demands of workers' actions (see Chapter 12), by the desire of some business interests to regulate wages and buttress consumption, and by the political and legal constraints imposed by the Supreme Court when it struck down the National Recovery Act in 1935. In the second essay, Patricia Sullivan traces the ambivalent impact and intent of the New Deal in the South. In some respects, as Sullivan suggests, the New Deal accommodated itself to the demands of Southern conservatives and (through uneven standards and deference to local authorities) countenanced continued discrimination; in other respects, the mere fact of the federal presence in the South gave African Americans and Southern liberals a powerful foundation from which to demand equity and full citizenship. In the third essay, Linda Gordon shows how the political and ideological influence of the family wage pressed welfare reformers (and their opponents) to create a bifurcated welfare system; the first, male, track was financed by the contributions of workers and granted pensions and unemployment insurance as entitlements; the second, female, track relied on general revenues and, as a consequence, supported a relatively meager and increasingly stigmatized range of assistance programs for single women and the elderly.

From the National Industrial Recovery Act to the Wagner Act

COLIN GORDON

In late May [1933], the Roosevelt administration sent the National Industrial Recovery Act [NRA] up the hill.

The NRA was an ad hoc synthesis of disparate industrial or trade association recovery plans, most of which were concerned less with strengthening the economy than with long-standing patterns of competition and disorganization in their respective industries. Few seemed troubled by the act's economic inconsistencies, the legal portent of its intentionally vague anticompetitive and labor provisions, or the looming problem of administration—although one New Deal adviser wrote... that the "multifarious authorship" of the NRA had produced "an omnibus enabling act" which, "instead of a synthesis [seemed] a conglomeration of purposes, an obfuscation of ends and a stultification of methods." The only common goal was antitrust reform, although this was more a rallying cry than an end in itself. "We had widely varying ideas as to the form and method" of trade regulation, admitted one trade association official, but "to the average trade association secretary, having gone through a period of membership starvation, the National Industrial Recovery Act appeared as a gift from the gods."

The NRA, as one business lobbyist marveled, had "the most widespread and splendid support from industrial groups throughout the country." Important proponents included trade associations in the steel, rubber, textile, paper, lumber, clothing,

will enable younger workers, with the aid of their employers, to build up gradually their rights to annuities in their old age. Without such a contributory system the cost of pensions would, in the future, be overwhelming. Contributory annuities are unquestionably preferable to noncontributory pensions. They come to the workers as a right, whereas the noncontributory pensions must be conditioned upon a "means" test. Annuities, moreover, can be ample for a comfortable existence, bearing some relation to customary wage standards, while gratuitous pensions can provide only a decent subsistence. . . .

Instead of Government subsidy to the contributory annuity system it may be advisable to supplement the earned annuities of people now old (and whose earned annuities are, therefore small) by granting them assistance under noncontributory old-age pension laws, on a more liberal basis than in the case of persons who have accumulated no rights under the contributory annuity system. Thus, one of the required provisions of a State old-age pension law might be that in no event, prior to the year 1960, shall an annuity to which a person is entitled under the contributory annuity system be taken into account in determining the need of such person for assistance.

In considering the costs of the contributory system, it should not be overlooked that old-age annuities are designed to prevent destitution and dependency. Destitution and dependency are enormously expensive, not only in the initial cost of necessary assistance but in the disastrous psychological effect of relief upon the recipients, which, in turn, breeds more dependency.

The contributions required from employers and employees have an equally good justification. Contributions by the employees represent a self-respecting method through which workers make their own provision for old age. In addition many workers themselves on the verge of dependency will benefit through being relieved of the necessity of supporting dependent parents on reduced incomes, and at the expense of the health and well-being of their own families. To the employers, contributions toward old-age annuities are very similar to the revenues which they regularly set aside for depreciation on capital equipment. There can be no escape from the costs of old age, and, since these costs must be met, an orderly system under which employers, employees, and the Government will all contribute appears to be the dignified and intelligent solution of the problem.

6. An Architect of Social Security Recalls the Southern Concession, 1935

In the congressional hearings and in the executive sessions of the Committee on Ways and Means, as well as in the House debate, the major interest was in old age assistance. Very important changes were made in this part of the bill, principally by the House committee.

Title I of the original bill was very bitterly attacked, particularly by Senator Byrd, on the score that it vested in a federal department the power to dictate to the

states to whom pensions should be paid and how much. In this position, Senator Byrd was supported by nearly all of the southern members of both committees, it being very evident that at least some southern senators feared that this measure might serve as an entering wedge for federal interference with the handling of the Negro question in the South. The southern members did not want to give authority to anyone in Washington to deny aid to any state because it discriminated against Negroes in the administration of old age assistance.

It was my position in the prolonged questioning which I underwent from Senator Byrd that there was no intention of federal dictation. The fact is that it had never occurred to any person connected with the Committee on Economic Security that the Negro question would come up in this connection. After the first days of the committee hearings, however, it was apparent that the bill could not be passed as it stood and that it would be necessary to tone down all clauses relating to supervisory control by the federal government.

The principal changes which were made by the Ways and Means Committee to this end were the following:

1. The conditions for the approval of state plans for old age assistance were stated negatively, with the effect that states might impose other conditions for old age assistance than those dealt with in the bill. Under the original bill, states could not impose any income or property restrictions, nor bar from old age assistance persons with criminal records or any other group of persons. Under the House bill, states were free to impose any conditions they saw fit, with the limitation that if they prescribed conditions as to age, residence, citizenship, etc., their restrictions might not be more stringent than those stipulated in the bill.
2. The House bill eliminated the provision that states must furnish assistance sufficient to provide, "when added to the income of the aged recipient, a reasonable subsistence compatible with decency and health." This provision was copied from the Massachusetts and New York laws and was very objectionable to southern members of Congress. The elimination of this provision left the states free to pay pensions of any amount, however small, and yet recover 50 per cent of their costs from the federal government.
3. The provision that the methods of administration in the states must be satisfactory to the federal department was toned down by adding the qualification, "other than those relating to selection, tenure of office and compensation of personnel." This limitation was inserted because it was feared that the federal administrative agency would require the states to select their personnel on a merit basis, as had been done by the United States Employment Service. The members of Congress did not want any dictation by the federal government in this respect and inserted this limitation for the express purpose of allowing the states to appoint whomever they wished to administer old age assistance.
4. The provisions relating to the withdrawal of approval of state plans were somewhat toned down by inserting provisions to the effect that withdrawal of approval may occur only after notice to the state authorities, a fair hearing, and a finding that "in a substantial number of cases" the requirements of the federal act were being violated.

HOME OWNERS Loan
 Corporation - City Survey
 Detroit, 1939

AREA DESCRIPTION

Security Map of Detroit, Michigan

1. POPULATION: a. Increasing..... Decreasing..... Static Yes
- b. Class and Occupation..... Labor \$700-\$1500
- c. Foreign Families No % Nationalities..... Negro concentration..... d. Negro 90%
- e. Shifting or Infiltration.....

2. BUILDINGS:

	PREDOMINATING 90 %	OTHER TYPE 10 %
a. Type and Size	Singles	2-Flats
b. Construction	Frame & garage type	Frame
c. Average Age	8-15 years	8-15 years
d. Repair	Poor	Poor
e. Occupancy	100%	95%
f. Owner-occupied	40%	30%
g. 1935 Price Bracket	\$2000-\$3900 % change	\$3400-\$5000 % change
h. 1937 Price Bracket March 1,	\$2700-\$3800 +25 %	\$4500-\$6600 +25 %
i. 1939 Price Bracket	\$2400-\$3500 -10 %	\$4000-\$6000 -10 %
j. Sales Demand	\$1500-\$3500	\$4000-\$6000
k. Predicted Price Trend (next 6-12 months)	Firm	Firm
l. 1935 Rent Bracket	\$12-\$30 % change	\$12-\$25 % change
m. 1937 Rent Bracket March 1,	\$16.50-\$38 +25 %	\$16.50-\$33 +25 %
n. 1939 Rent Bracket	\$15-\$35 -10 %	\$15-\$30 -10 %
o. Rental Demand	\$15-\$25	\$15-\$25
p. Predicted Rent Trend (next 6-12 months)	Firm	Firm

3. NEW CONSTRUCTION (past yr.) No. 0 Type & Price..... How Selling.....

4. OVERHANG OF HOME PROPERTIES: a. HOLC 2 % b. Institutions 2 Singles 4 Singles

5. SALE OF HOME PROPERTIES (2...yr.) a. HOLC 0 b. Institutions 2 Flats

6. MORTGAGE FUNDS: Very limited 7. TOTAL TAX RATE PER \$1000 (1938) \$32.71 Assess. 1939 fair

8. DESCRIPTION AND CHARACTERISTICS OF AREA:

35% improved. Unpaved and poorly graded streets. Gas, light, water, sewers. Stores on 8 Milo Road. This area extends 3 blocks north of the city limits.

*See Explanation sheet for Area Descriptions.

9. LOCATION 8 mile wyom Detroit SECURITY GRADE 4th AREA NO. D-7 DATE 3/1/39