CHAPTER 21

THE NEW DEAL

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1932–1940

1931	Scottsboro case
1933	FDR inaugurated
	Bank holiday
	The Hundred Days and the First New Deal
	Twenty-first Amendment ratified
1934	Huey Long launches the Share Our Wealth movement
1934–1940	Height of the Dust Bowl
1935	Second New Deal launched
	Social Security Act
	Supreme Court rules the National Recovery Association unconstitutional
	John L. Lewis organizes the Congress of Industrial Organizations
1936	Supreme Court rules the Agricultural Adjustment Act unconstitutional
	New Deal coalition leads to Democratic landslide
	John Maynard Keynes's *The General Theory of Employment, Interest, and Money*
1936–1937	United Auto Workers sit-down strike
1938	Fair Labor Standards Act passed
	House Un-American Activities Committee established

This panel depicting the construction of a dam was painted in 1939 by William Gropper as part of a mural for the new Department of Interior building in Washington, D.C. Like other artists who found it difficult to obtain work during the Depression, Gropper was hired by the Works Projects Administration to paint murals for government buildings. This one was inspired by the construction of the Grand Coulee Dam on the Columbia River, one of the many New Deal projects that expanded the nation's infrastructure and provided employment to victims of the Depression.

FOCUS QUESTIONS

- *What were the major policy initiatives of the New Deal in the Hundred Days?*
- *Who were the main proponents of economic justice in the 1930s, and what measures did they advocate?*
- *What were the major initiatives of the Second New Deal?*
- *How did the New Deal recast the meaning of American freedom?*
- *How did New Deal benefits apply to women and minorities?*
- *How did the Popular Front influence American culture in the 1930s?*

The Columbia River winds its way on a 1,200-mile course from Canada through Washington and Oregon to the Pacific Ocean. Because of its steep descent from uplands to sea level, it produces an immense amount of energy. Residents of the economically underdeveloped Pacific Northwest had long dreamed of tapping this unused energy for electricity and irrigation. But not until the 1930s did the federal government launch the program of dam construction that transformed the region. The project created thousands of jobs for the unemployed, and the network of dams produced abundant cheap power.

When the Grand Coulee Dam went into operation in 1941, it was the largest man-made structure in world history. It eventually produced more than 40 percent of the nation's hydroelectric power. The project also had less appealing consequences. From time immemorial, the Columbia River had been filled with salmon. But the Grand Coulee Dam made no provision for the passage of fish, and the salmon all but vanished. This caused little concern during the Depression but became a source of controversy later in the century as Americans became more concerned about preserving the natural environment.

The Columbia River project reflected broader changes in American life and thought during the New Deal of the 1930s. Franklin D. Roosevelt believed regional economic development like that in the Northwest would promote economic growth, ease the domestic and working lives of ordinary Americans, and keep control of key natural resources in public rather than private hands. The Roosevelt administration spent far more money on building roads, dams, airports, bridges, and housing than on any other activity.

Roosevelt also oversaw the transformation of the Democratic Party into a coalition of farmers, industrial workers, the reform-minded urban middle class, liberal intellectuals, northern African-Americans, and, somewhat incongruously, the white supremacist South, united by the belief that the federal government must provide Americans with protection against the dislocations caused by modern capitalism. "Liberalism," traditionally understood as limited government and free market economics, took on its modern meaning. Thanks to the New Deal, it now referred to active efforts by the national government to uplift less fortunate members of society.

Freedom, too, underwent a transformation during the 1930s. The New Deal elevated a public guarantee of economic security to the forefront of American discussions of freedom. Regional economic planning reflected this understanding of freedom. So did other New Deal measures, including the Social Security Act, which offered aid to the unemployed and aged, and the Fair Labor Standards Act, which established a national minimum wage.

Yet although the New Deal significantly expanded the meaning of freedom, it did not erase freedom's boundaries. Its benefits flowed to industrial workers but not tenant farmers, to men far more fully than women, and to white Americans more than blacks, who, in the South, still were deprived of the basic rights of citizenship.

THE FIRST NEW DEAL

FDR and the Election of 1932

Franklin Delano Roosevelt

FDR, as he liked to be called, was born in 1882, a fifth cousin of Theodore Roosevelt. After serving as undersecretary of the navy during World War I, he ran for vice president on the ill-fated Democratic ticket of 1920 headed by James M. Cox. In 1921, he contracted polio and lost the use of his legs, a fact carefully concealed from the public in that pre-television era. Very few Americans realized that the president who projected an image of vigorous leadership during the 1930s and World War II was confined to a wheelchair.

In his speech accepting the Democratic nomination for president in 1932, Roosevelt promised a "new deal" for the American people. But his campaign offered only vague hints of what this might entail. He advocated a balanced federal budget and criticized his opponent, President Hoover, for excessive government spending. The biggest difference between the parties during the campaign was the Democrats' call for the repeal of Prohibition, although Roosevelt certainly suggested a greater awareness of the plight of ordinary Americans. Battered by the economic crisis, Americans in 1932 were desperate for new leadership, and Roosevelt won a resounding victory.

THE PRESIDENTIAL ELECTION OF 1932

Party	Candidate	Electoral Vote (Share)	Popular Vote (Share)
Democrat	Roosevelt	472 (88.9%)	22,821,857 (57.7%)
Republican	Hoover	59 (11.1%)	15,761,841 (39.8%)

He received 57 percent of the popular vote, and Democrats swept to a commanding majority in Congress.

The Coming of the New Deal

Roosevelt conceived of the New Deal as an alternative to socialism on the left, Nazism on the right, and the inaction of upholders of unregulated capitalism. He hoped to reconcile democracy, individual liberty, and economic recovery and development. He did not, however, enter office with a blueprint for dealing with the Depression. At first, he relied heavily for advice on a group of intellectuals and social workers who took up key positions in his administration. They included Secretary of Labor Frances Perkins, a veteran of Hull House and the New York Consumers' League; Harry Hopkins, who had headed emergency relief efforts during Roosevelt's term as governor of New York; Secretary of the Interior Harold Ickes, a veteran of Theodore Roosevelt's Progressive campaign of 1912; and Louis Brandeis, who had advised Woodrow Wilson during the 1912 campaign and now offered political advice to FDR while serving on the Supreme Court.

FDR's advisers

Brandeis believed that large corporations not only wielded excessive power but had contributed to the Depression by keeping prices artificially high and failing to increase workers' purchasing power. They should be broken up, he insisted, not regulated. But the "brains trust"—a group of academics that included a number of Columbia University professors—saw bigness as inevitable in a modern economy. Large firms needed to be managed and directed by the government, not dismantled. Their view prevailed during what came to be called the First New Deal.

Presidents Herbert Hoover and Franklin D. Roosevelt on their way to the latter's inauguration on March 4, 1933. The two men strongly disliked one another. They barely spoke during the ride and never saw each other again after that day.

The Banking Crisis

"This nation asks for action and action now," Roosevelt announced on taking office on March 4, 1933. The new president confronted a banking system on the verge of collapse. As bank funds invested in the stock market lost their value and panicked depositors withdrew their savings, bank after bank had closed its doors. By March 1933, banking had been suspended in a majority of the states—that is, people could not gain access to money in their bank accounts. Roosevelt declared a "**bank holiday**," temporarily halting all bank operations, and called Congress into special session.

A "run" on a bank: crowds of people wait outside a New York City bank, hoping to withdraw their money.

On March 9, it rushed to pass the **Emergency Banking Act**, which provided funds to shore up threatened institutions.

The Glass-Steagall Act

Further measures soon followed that transformed the American financial system. The Glass-Steagall Act barred commercial banks from becoming involved in the buying and selling of stocks. Until its repeal in the 1990s, the law prevented many of the irresponsible practices that had contributed to the stock market crash. The same law established the Federal Deposit Insurance Corporation (FDIC), a government system that insured the accounts of individual depositors. Together, these measures rescued the financial system and greatly increased the government's power over it.

The NRA

A flurry of legislation

The Emergency Banking Act was the first of an unprecedented flurry of legislation during the first three months of Roosevelt's administration, a period known as the **Hundred Days**. Seizing on the sense of crisis and the momentum of his electoral victory, Roosevelt won rapid passage of laws he hoped would promote economic recovery. He persuaded Congress to create a host of new agencies, whose initials soon became part of the language of politics—NRA, AAA, CCC.

The centerpiece of Roosevelt's plan for combating the Depression, the National Industrial Recovery Act, was to a large extent modeled on the government-business partnership established by the War Industries Board of World War I. The act established the **National Recovery Administration**

(NRA), which would work with groups of business leaders to establish industry codes that set standards for output, prices, and working conditions.

Industrial freedom

In effect, FDR had repudiated the older idea of liberty based on the idea that the best way to encourage economic activity and ensure a fair distribution of wealth was to allow market competition to operate, unrestrained by the government. And to win support from labor, section 7a of the new law recognized the workers' right to organize unions—a departure from the "open shop" policies of the 1920s and a step toward government support for what workers called "industrial freedom."

NRA codes

Headed by Hugh S. Johnson, a retired general and businessman, the NRA quickly established codes that set standards for production, prices, and wages in the textile, steel, mining, and auto industries. But the NRA became mired in controversy. Large companies dominated the code-writing process. They used the NRA to drive up prices, limit production, lay off workers, and divide markets among themselves at the expense of smaller competitors. The NRA produced neither economic recovery nor peace between employers and workers. It did, however, combat the pervasive sense that the government was doing nothing to deal with the economic crisis.

Government Jobs

The Hundred Days also brought the government into providing relief to those in need. Roosevelt and most of his advisers shared the widespread fear that direct government payments to the unemployed would undermine individual self-reliance. But with nearly a quarter of the workforce unemployed, spending on relief was unavoidable. In May 1933, Congress created the Federal Emergency Relief Administration, to make grants to local agencies that aided those impoverished by the Depression. FDR, however, much preferred to create temporary jobs, thereby combating unemployment while improving the nation's infrastructure of roads, bridges, public buildings, and parks.

A Civilian Conservation Corps workforce in Yosemite National Park, 1935.

In March 1933, Congress established the **Civilian Conservation Corps** (CCC), which set unemployed young men to work on projects like forest preservation, flood control, and the improvement of national parks and wildlife preserves. By the time the program ended in 1942, more than 3 million persons had passed through CCC camps, where they received government wages of $30 per month.

Public-Works Projects

One section of the National Industrial Recovery Act created the **Public Works Administration** (PWA), with an appropriation of $3.3 billion. Directed by Secretary of the Interior Harold Ickes, it built roads, schools, hospitals, and other public facilities, including New York City's Triborough Bridge and the Overseas Highway between Miami and Key West, Florida. In November, yet another agency, the Civil Works Administration (CWA), was launched. By January 1934, it employed more than 4 million persons in the construction of highways, tunnels, courthouses, and airports. But as the cost spiraled upward and complaints multiplied that the New Deal was creating a class of Americans permanently dependent on government jobs, Roosevelt ordered the CWA dissolved.

The Tennessee Valley Authority (TVA), another product of the Hundred Days, built a series of dams to prevent floods and deforestation along the Tennessee River and to provide cheap electric power for homes and factories in a seven-state region where many families still lived in

A map published by the Public Works Administration in 1935 depicts some of the numerous infrastructure projects funded by the New Deal. Among the most famous public-works projects are the Triborough Bridge in New York City, the Key West Highway in Florida, and the Grand Coulee Dam in Washington. Overall, the New Deal spent $250 billion (in today's money) to construct, among other things, 40,000 public buildings, 72,000 schools, 80,000 bridges, and 8,000 parks.

A map showing the reach of the Tennessee Valley Authority, covering all or parts of seven southeastern states. Numerous reservoirs and power plants dot the landscape.

isolated log cabins. The TVA put the federal government, for the first time, in the business of selling electricity in competition with private companies.

The New Deal and Agriculture

Efforts to raise farm prices

Another policy initiative of the Hundred Days addressed the disastrous plight of American farmers. The Agricultural Adjustment Act (AAA) authorized the federal government to try to raise farm prices by setting production quotas for major crops and paying farmers to plant less. Many crops already in the field were destroyed. In 1933, the government ordered more than 6 million pigs slaughtered as part of the policy, a step critics found strange at a time of widespread hunger.

The AAA succeeded in significantly raising farm prices and incomes. But not all farmers benefited. Benefits flowed to property-owning farmers, ignoring the large number who worked on land owned by others. The AAA policy of paying landowning farmers not to grow crops encouraged the eviction of thousands of poor tenants and sharecroppers. Many joined the rural exodus to cities or to the farms of the West Coast.

The onset in 1930 of a period of unusually dry weather in the nation's heartland worsened the Depression's impact on rural America. By mid-decade, the region suffered from the century's most severe drought. Mechanized agriculture in this semi-arid region had pulverized the topsoil and killed native grasses that prevented erosion. Winds now blew much of the soil away, creating the **Dust Bowl**, as the affected areas of Oklahoma, Texas, Kansas, and Colorado were called. The drought and dust storms displaced more than 1 million farmers.

A giant dust storm engulfs a town in western Kansas on April 14, 1935, known as Black Sunday in the American West.

The New Deal and Housing

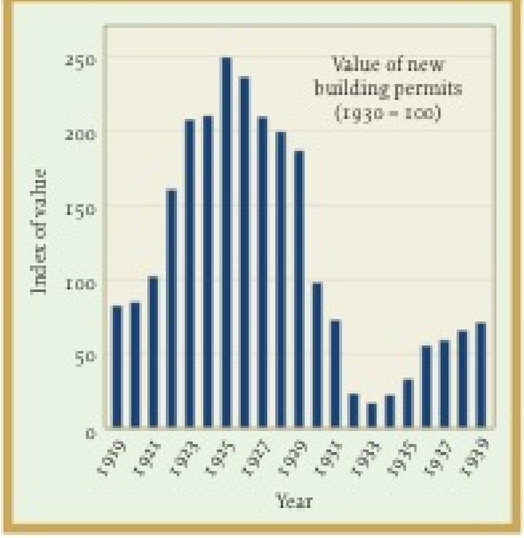
The Depression devastated the American housing industry. The construction of new residences all but ceased, and banks and savings and loan associations that had financed home ownership collapsed or, to remain afloat, foreclosed on many homes (a quarter of a million in 1932 alone). Millions of Americans lived in overcrowded, unhealthy urban slums or in ramshackle rural dwellings. Private enterprise alone, it seemed clear, was unlikely to solve the nation's housing crisis.

Roosevelt spoke of "the security of the home" as a fundamental right. In 1933 and 1934, his administration moved energetically to protect home owners from foreclosure and to stimulate new construction. The Home Owners Loan Corporation and **Federal Housing Administration** (FHA) insured millions of long-term mortgages issued by private banks. At the same time, the federal government itself built thousands of units of low-rent housing. Thanks to the FHA and, later, the Veterans' Administration, home ownership came within the reach of tens of millions of families. It became cheaper for most Americans to buy single-family homes than to rent apartments.

Other important measures of Roosevelt's first two years in office included the ratification of the Twenty-first Amendment to the Constitution, which repealed Prohibition; the establishment

As it did in other sectors of the economy, the Great Depression led to a collapse in the construction industry.

FIGURE 21.1 The Building Boom and Its Collapse, 1919–1939



of the Federal Communications Commission to oversee the nation's broadcast airwaves and telephone communications; and the creation of the Securities and Exchange Commission to regulate the stock and bond markets. Taken together, the First New Deal was a series of experiments, some of which succeeded and some of which did not. They transformed the role of the federal government, constructed numerous public facilities, and provided relief to millions of needy persons. But they did not end the Depression. Some 10 million Americans—more than 20 percent of the workforce—remained unemployed when 1934 came to an end.

The Illegal Act, a cartoon critical of the Supreme Court's decision declaring the NRA unconstitutional. FDR tells a drowning Uncle Sam, "I'm sorry, but the Supreme Court says I must chuck you back in."

The Court and the New Deal

In 1935, the Supreme Court, still controlled by conservative Republican judges who held to the nineteenth-century understanding of freedom as liberty of contract, began to invalidate key New Deal laws. First came the NRA, declared unconstitutional in May in a case brought by the Schechter Poultry Company of Brooklyn, which had been charged with violating the code adopted by the chicken industry. In a unanimous decision, the Court declared the NRA unlawful because in its codes and other regulations it delegated legislative powers to the president and attempted to regulate local businesses that did not engage in interstate commerce. In January 1936, the AAA fell in *United States v. Butler*, which declared it an unconstitutional exercise of congressional power over local economic activities.

End of the First New Deal

Having failed to end the Depression or win judicial approval, the First New Deal ground to a halt. Meanwhile, pressures were mounting outside Washington that propelled the administration toward more radical departures in policy.

THE GRASSROOTS REVOLT

Labor's Great Upheaval

Industrial labor

The most striking development of the mid-1930s was the mobilization of millions of workers in mass-production industries that had successfully resisted unionization. "Labor's great upheaval," as this era of unprecedented militancy was called, came as a great surprise. Unlike in the past, however, the federal government now seemed to be on the side of labor. American-born children of the new immigrants now dominated the industrial labor force, and organizers no longer had to distribute materials in numerous languages as the IWW had done. And a cadre of militant labor leaders, many of them socialists and communists, had survived the repression of the 1920s. They provided leadership to the labor upsurge.

Conditions in American factories

American factories at the outset of the New Deal were miniature dictatorships in which unions were rare, workers could be beaten by supervisors and fired at will, and management determined the length of the workday and speed of the assembly line. Workers' demands during the 1930s went beyond better wages. They included an end to employers' arbitrary power in the workplace, and basic civil liberties for workers, including the right to picket, distribute literature, and meet to discuss their grievances. All these goals required union recognition.

Roosevelt's inauguration unleashed a flood of poignant letters to the federal government describing what a Louisiana sugar laborer called the "terrible and inhuman condition" of many workers. Labor organizers spread the message that the "political liberty for which our forefathers fought" had been "made meaningless by economic inequality" and "industrial despotism."

A year of strikes

Labor's great upheaval exploded in 1934, a year that witnessed no fewer than 2,000 strikes. Many produced violent confrontations between workers and the local police. San Francisco experienced the country's first general strike since 1919. It began with a walkout of dockworkers led by the fiery communist Harry Bridges. Workers demanded recognition of the International Longshoremen's Association and an end to the hated "shape up" system in which they had to gather en masse each day to wait for work assignments. The year 1934 also witnessed a strike of 400,000 textile workers in states from New England to the Deep South, demanding recognition of the United Textile Workers. Many of these walkouts won at least some of the workers' demands. But the textile strike failed.

The Rise of the CIO

John L. Lewis

The labor upheaval posed a challenge to the American Federation of Labor's traditional policy of organizing workers by craft rather than seeking to mobilize all the workers in a given industry, such as steel manufacturing. In 1934, thirty AFL leaders called for the creation of unions of industrial workers. When the AFL convention of 1935 refused, the head of the United Mine Workers, John L. Lewis, led a walkout that produced a new labor organization, the **Congress of Industrial Organizations** (CIO). It aimed, said Lewis, at nothing less than to secure "economic freedom and industrial democracy" for American workers—a fair share in the wealth produced by their labor, and a voice in determining the conditions under which they worked.

The UAW's sit-down strike

In December 1936, unions, most notably the United Auto Workers (UAW), a fledgling CIO union, unveiled the **sit-down**, a strikingly effective tactic that the IWW had pioneered three decades earlier. Rather than walking out of the Fisher Body Plant in Cleveland, thus enabling management to bring in strikebreakers, workers halted production but remained inside. Sit-downs soon spread to General Motors plants in Flint, Michigan, the nerve center of automobile production. Demonstrating a remarkable spirit of unity, the strikers cleaned the plant, oiled the idle machinery, and settled disputes among themselves. Workers' wives shuttled food into the plant. On February 11, General Motors agreed to negotiate with the UAW. By the end of 1937, the UAW claimed 400,000 members.

The victory in the auto industry reverberated throughout industrial America. Steelworkers had suffered memorable defeats in the struggle for unionization, notably at Homestead in 1892 and in the Great Steel Strike of 1919. But in March 1937, fearing a sit-down campaign and aware that it could no longer count on the aid of state and federal authorities, U.S. Steel, the country's single most important business firm, agreed to recognize the Steel Workers Organizing Committee (forerunner of the United Steelworkers of America). Smaller steel firms, however, refused to follow suit.

Growth in union membership

Union membership nonetheless reached 9 million by 1940, more than double the number in 1930. Workers gained new grievance procedures and seniority systems governing hiring, firing, and promotions. The CIO unions helped to stabilize a chaotic employment situation and offered members a sense of dignity and freedom.

Sit-down strike at a General Motors factory in Flint, Michigan, 1937.

Labor and Politics

Throughout the industrial heartland, the labor upsurge altered the balance of economic power and propelled to the forefront of politics labor's goal of a fairer, freer, more equal America. The CIO put forward an ambitious program for federal action to shield Americans from economic and social insecurity, including public housing, universal health care, and unemployment and old age insurance.

Building on the idea, so prominent in the 1920s, that the key to prosperity lay in an American standard of living based on mass consumption, CIO leaders explained the Depression as the result of an imbalance of wealth and income. The pathbreaking 1937 agreement between the UAW and General Motors spoke of a "rate of pay commensurate with an American standard of living." By mid-decade, many New Dealers accepted the "underconsumptionist" explanation of the Depression, which saw lack of sufficient consumer demand as its underlying cause.

Pennsylvania Steelworkers outside the Local Headquarters of the Steel Workers Organizing Committee, a 1938 photograph by Arnold Rothstein.

Voices of Protest

Other popular movements of the mid-1930s also placed the question of economic justice on the political agenda. In California, the novelist Upton Sinclair won the Democratic nomination for governor in 1934 as the head of the End Poverty in California movement. Sinclair called for the state to use idle factories and land in cooperative ventures that would provide jobs for the unemployed. He lost the election after being subjected to one of the first modern "negative" media campaigns. Sinclair's opponents circulated false newsreels showing armies of unemployed men marching to California to support his candidacy and a fake endorsement from the Communist Party.

The rise to national prominence of Huey Long offered another sign of popular dissatisfaction with the slow pace of economic recovery. Driven by intense ambition and the desire to help uplift Louisiana's "common people," Long won election as governor in 1928 and in 1930 took a seat in the U.S. Senate. From Washington, he dominated every branch of state government. He used his dictatorial power to build roads, schools, and hospitals and to increase the tax burden on Louisiana's oil companies.

In 1934, Long launched the **Share Our Wealth movement**, with the slogan "Every Man a King." He called for the confiscation of most of the wealth of the richest Americans in order to finance an immediate grant of $5,000 and a guaranteed job and annual income for all citizens. He was on the verge of announcing a run for president when the son of a defeated political rival assassinated him in 1935.

Dr. Francis Townsend, a California physician, meanwhile won wide support for a plan by which the government would make a monthly payment of $200 to older Americans, with the requirement that they spend it immediately. This, he argued, would boost the economy. Along with the rise of the CIO, these signs of popular discontent helped spark the Second New Deal.

Huey Long, the "Kingfish" of Louisiana politics, in full rhetorical flight. This photo was probably taken in 1934, when Long was in the Senate but still running the state government.

Religion on the Radio

Religious leaders of various denominations took advantage of the mass media to spread their beliefs. Ironically, many fundamentalists used the most modern techniques of communication, including the radio and

The cover of a songbook to accompany a radio broadcast from the Chicago Gospel Tabernacle. A radio tower dominates the image.

popular entertainment, to promote their anti-modernist message. They found in the radio a way to bypass established churches and their leaders. Aimee Semple McPherson, a Los Angeles revivalist, had her own radio station, which broadcast sermons from the International Church of the Foursquare Gospel she had founded. By the 1940s, national religious broadcast networks emerged, with a reliable and dedicated listening audience.

Also in the mid-1930s, the "radio priest," Father Charles E. Coughlin, attracted millions of listeners with weekly broadcasts attacking Wall Street bankers and greedy capitalists, and calling for government ownership of key industries as a way of combating the Depression. Initially a strong supporter of FDR, Coughlin became increasingly critical of the president for what he considered the failure of the New Deal to promote social justice. His crusade would later shift to anti-Semitism and support for European fascism.

THE SECOND NEW DEAL

Economic security

Buoyed by Democratic gains in the midterm elections of 1934, Roosevelt in 1935 launched the Second New Deal. The First had focused on economic recovery. The emphasis of the Second was economic security—a guarantee that Americans would be protected against unemployment and poverty.

The idea that lack of consumer demand caused the Depression had been popularized by Huey Long, Francis Townsend, and the CIO. By 1935, more and more New Dealers had concluded that the government should no longer try to plan business recovery but should try to redistribute the national income so as to sustain mass purchasing power in the consumer economy. A series of measures in 1935 attacked head-on the problem of weak demand and economic inequality. Congress levied a highly publicized tax on large fortunes and corporate profits—a direct response to the popularity of Huey Long's Share Our Wealth campaign. It created the Rural Electrification Agency (REA) to bring electric power to homes that lacked it—80 percent of farms were still without electricity in 1934—in part to enable more Americans to purchase household appliances.

The Rural Electrification Agency

By 1950, 90 percent of the nation's farms had been wired for electricity, and almost all now possessed radios, electric stoves, refrigerators, and mechanical equipment to milk cows. In addition, the federal government under the Second New Deal tried to promote soil conservation and family farming. This effort resulted from the belief that the country would never achieve prosperity so long as farmers' standard of living lagged well behind that of city dwellers, and that rural poverty resulted mainly from the poor use of natural resources. Thus, farmers received federal assistance in reducing soil loss in their fields. These measures (like those of the AAA) mainly benefited landowners, not sharecroppers, tenants, or migrant workers. In the long run, the Second New Deal failed to arrest the trend toward larger farms and fewer farmers.

A poster by the artist Vera Bock for the Federal Art Project of the Works Progress Administration depicts farmers and laborers joining hands to produce prosperity.

The WPA and the Wagner Act

In 1934, Roosevelt had severely curtailed federal employment for those in need. Now, he approved the establishment of the **Works Progress Administration** (WPA), which hired some 3 million Americans, in virtually every walk of life, each year until it ended in 1943. It constructed thousands of public buildings and bridges, more than 500,000 miles of roads, and 600 airports. It built stadiums, swimming pools, and sewage treatment plants. Unlike previous work relief programs, the WPA employed many out-of-work white-collar workers and professionals, even doctors and dentists.

Perhaps the most famous WPA projects were in the arts. The WPA set hundreds of artists to work decorating public buildings with murals. It hired writers to produce local histories and guidebooks to the forty-eight states and to record the recollections of ordinary Americans, including hundreds of former slaves. Thanks to the WPA, audiences across the

An art exhibit in a New York City alley in 1938. The Works Progress Administration tried to broaden the audience for art by displaying it in unusual venues.

country enjoyed their first glimpse of live musical and theatrical performances and their first opportunity to view exhibitions of American art.

The Wagner Act

Another major initiative of the Second New Deal, the Wagner Act, brought democracy into the American workplace by empowering the National Labor Relations Board to supervise elections in which employees voted on union representation. It also outlawed "unfair labor practices," including the firing and blacklisting of union organizers.

The American Welfare State: Social Security

The centerpiece of the Second New Deal was the **Social Security Act** of 1935. It embodied Roosevelt's conviction that the national government had a responsibility to ensure the material well-being of ordinary Americans. It created a system of unemployment insurance, old age pensions, and aid to the disabled, the elderly poor, and families with dependent children.

Progressive legacy

None of these were original ideas. The Progressive platform of 1912 had called for old age pensions. Assistance to poor families with dependent children descended from the mothers' pensions promoted by maternalist reformers. Many European countries had already adopted national unemployment insurance plans. What was new, however, was that in the name of economic security, the American government would now supervise not simply temporary relief but a permanent system of social insurance.

A 1935 poster promoting the new Social Security system.

The Social Security Act launched the American version of the **welfare state**—a term that originated in Britain during World War II to refer to a system of income assistance, health coverage, and social services for all citizens. Compared with similar programs in Europe, the American welfare state has always been far more decentralized, involved lower levels of public spending, and covered fewer citizens. The original Social Security bill, for example, envisioned a national system of health insurance. But Congress dropped this after ferocious opposition from the American Medical Association, which feared government regulation of doctors' activities and incomes. And the fact that domestic and agricultural workers were not covered by unemployment and old age benefits meant that Social Security at first excluded large numbers of Americans, especially unmarried women and non-whites.

Nonetheless, Social Security represented a dramatic departure from the traditional functions of government. The Second New Deal transformed the relationship between the federal government and American citizens. Before the 1930s, national political debate often revolved around the question of *whether* the federal government should intervene in the economy. After the New Deal, debate rested on *how* it should intervene. In addition, the government assumed a responsibility, which it has never wholly relinquished, for guaranteeing Americans a living wage and protecting them against economic and personal misfortune.

A RECKONING WITH LIBERTY

The Depression made inevitable, in the words of one writer, a "reckoning with liberty." For too many Americans, Roosevelt proclaimed, "life was no longer free, liberty no longer real, men could no longer follow the pursuit of happiness."

Along with being a superb politician, Roosevelt was a master of political communication. At a time when his political opponents controlled most newspapers, he harnessed radio's power to bring his message directly into American homes. By the mid-1930s, more than two-thirds of American families owned radios. They listened avidly to Roosevelt's radio addresses, known as "fireside chats."

FDR's "fireside chats"

Roosevelt adeptly appealed to traditional values in support of new policies. He gave the term "liberalism" its modern meaning. As we have seen, in the nineteenth century, liberalism had been a shorthand for limited government and free-market economics. Roosevelt consciously chose to employ it to describe a large, active, socially conscious state. He reclaimed the word "freedom" from conservatives and made it a rallying cry for the New Deal. In his second fireside chat, Roosevelt juxtaposed his own definition of liberty as "greater security for the average man" to the older notion of liberty of contract, which served the interests of "the privileged few." Henceforth, he would consistently link freedom with economic security and identify entrenched economic inequality as its greatest enemy. "The liberty of a democracy," he declared in 1938, was not safe if citizens could not "sustain an acceptable standard of living."

FDR delivering one of his "fireside chats" in 1938. Roosevelt was the first president to make effective use of the radio to promote his policies.

Even as Roosevelt invoked the word to uphold the New Deal, "liberty"—in the sense of freedom from powerful government—became the fighting slogan of his opponents. When conservative businessmen and politicians in 1934 formed an organization to mobilize opposition to Roosevelt's policies, they called it the American Liberty League.

The Election of 1936

By 1936, with working-class voters providing massive majorities for the Democratic Party and businesses large and small bitterly estranged from the New Deal, politics reflected class divisions more completely than at any

VOICES OF FREEDOM

From Franklin D. Roosevelt, "Fireside Chat" (1934)

President Roosevelt pioneered the use of the new mass medium of radio to speak directly to Americans in their homes. He used his "fireside chats" to mobilize support for New Deal programs, link them with American traditions, and outline his definition of freedom.

To those who say that our expenditures for public works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make up our minds that in the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. . . .

In our efforts for recovery we have avoided, on the one hand, the theory that business should and must be taken over into an all-embracing Government. We have avoided, on the other hand, the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help. The course we have followed fits the American practice of Government, a practice of taking action step by step, of regulating only to meet concrete needs, a practice of courageous recognition of change. I believe with Abraham Lincoln, that "the legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

I am not for a return to that definition of liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.

From John Steinbeck, The Harvest Gypsies: On the Road to the Grapes of Wrath (1938)

John Steinbeck's popular novel *The Grapes of Wrath* (1939), and the film version that followed shortly thereafter, focused national attention on the plight of homeless migrants displaced from their farms as a result of the Great Depression. Before that book appeared, Steinbeck had published a series of newspaper articles based on eyewitness accounts of the migrants, which became the basis for his novel.

In California, we find a curious attitude toward a group that makes our agriculture successful. The migrants are needed, and they are hated. . . . The migrants are hated for the following reasons, that they are ignorant and dirty people, that they are carriers of disease, that they increase the necessity for police and the tax bill for schooling in a community, and that if they are allowed to organize they can, simply by refusing to work, wipe out the season's crops. . . .

Let us see what kind of people they are, where they come from, and the routes of their wanderings. In the past they have been of several races, encouraged to come and often imported as cheap labor. Chinese in the early period, then Filipinos, Japanese and Mexicans. These were foreigners, and as such they were ostracized and segregated and herded about. . . . But in recent years the foreign migrants have begun to organize, and at this danger they have been deported in great numbers, for there was a new reservoir from which a great quantity of cheap labor could be obtained.

The drought in the middle west has driven the agricultural populations of Oklahoma, Nebraska and parts of Kansas and Texas westward. . . . Thousands of them are crossing the borders in ancient rattling automobiles, destitute and hungry and homeless, ready to accept any pay so that they may eat and feed their children. . . .

The earlier foreign migrants have invariably been drawn from a peon class. This is not the case with the new migrants. They are small farmers who have lost their farms, or farm hands who have lived with the family in the old American way. . . . They have come from the little farm districts where democracy was not only possible but inevitable, where popular government, whether practiced in the Grange, in church organization or in local government, was the responsibility of every man. And they have come into the country where, because of the movement necessary to make a living, they are not allowed any vote whatever, but are rather considered a properly unprivileged class. . . .

As one little boy in a squatter's camp said, "When they need us they call us migrants, and when we've picked their crop, we're bums and we got to get out."

QUESTIONS

1. *What does Roosevelt mean by the difference between the definition of liberty that has existed in the past and his own "broader definition of liberty"?*
2. *According to Steinbeck, how do Depression-era migrant workers differ from those in earlier periods?*
3. *Do the migrant workers described by Steinbeck enjoy liberty as Roosevelt understands it?*

other time in American history. Conceptions of freedom divided sharply as well.

A fight for the possession of "the ideal of freedom," reported the *New York Times*, emerged as the central issue of the presidential campaign of 1936. In his speech accepting renomination, Roosevelt launched a blistering attack against "economic royalists" who, he charged, sought to establish a new tyranny over the "average man." Economic rights, he went on, were the precondition of liberty—poor men "are not free men." Throughout the campaign, FDR would insist that the threat posed to economic freedom by the "new despotism" of large corporations was the main issue of the election.

Economic freedom

As Roosevelt's opponent, Republicans chose Kansas governor Alfred Landon, a former Theodore Roosevelt Progressive. Landon denounced Social Security and other measures as threats to individual liberty. Opposition to the New Deal planted the seeds for the later flowering of an antigovernment conservatism bent on upholding the free market and dismantling the welfare state. But in 1936 Roosevelt won a landslide reelection, with more than 60 percent of the popular vote. His success stemmed from strong backing from organized labor and his ability to unite southern white and northern black voters, Protestant farmers and urban Catholic and Jewish ethnics, industrial workers and middle-class home owners. These groups made up the so-called New Deal coalition, which would dominate American politics for nearly half a century.

The New Deal coalition

The Court Fight

Fall In!, a cartoon commenting on Roosevelt's proposal to "pack" the Supreme Court, from the *Richmond Times-Dispatch*, January 8, 1937.

Roosevelt's second inaugural address was the first to be delivered on January 20. In order to shorten a newly elected president's wait before taking office, the recently ratified Twentieth Amendment had moved inauguration day from March 4. The Depression, he admitted, had not been conquered: "I see one-third of a nation ill-housed, ill-clad, and ill-nourished." Emboldened by his electoral triumph, Roosevelt now made what many considered a serious political miscalculation. On the pretext that several members of the Supreme Court were too old to perform their functions, he proposed that the president be allowed to appoint a new justice for each one who remained on the Court past age seventy (an age that six of the nine had already passed). FDR's aim, of course, was to change the balance of power on a Court that, he feared, might well invalidate Social Security, the Wagner Act, and other measures of the Second New Deal.

Congress rejected the plan. But Roosevelt accomplished his underlying purpose. Coming soon after Roosevelt's landslide victory of 1936, the threat of "**court packing**" inspired an astonishing about-face by key jus-

The about-face for the Court

tices. Beginning in March 1937, the Court suddenly revealed a new willingness to support economic regulation by both the federal government and the states. It turned aside challenges to Social Security and the Wagner Act. In subsequent cases, the Court affirmed federal power to regulate wages, hours, child labor, agricultural production, and numerous other aspects of economic life.

The Court's new attitude marked a permanent change in judicial policy. Having declared dozens of economic laws unconstitutional in the decades leading up to 1937, the justices have rarely done so since.

The End of the Second New Deal

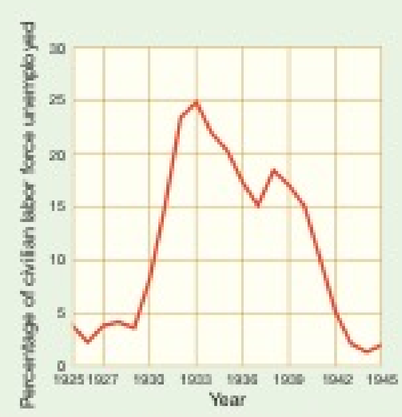
Even as the Court made its peace with Roosevelt's policies, the momentum of the Second New Deal slowed. The landmark United States Housing Act did pass in 1937, initiating the first major national effort to build homes for the poorest Americans. But the Fair Labor Standards bill failed to reach the floor for over a year. When it finally passed in 1938, it banned goods produced by child labor from interstate commerce, set forty cents as the hourly **minimum wage**, and required overtime pay for hours of work exceeding forty per week. This last major piece of New Deal legislation established the practice of federal regulation of wages and working conditions, another radical departure from pre-Depression policies.

The year 1937 also witnessed a sharp downturn of the economy. With economic conditions improving in 1936, Roosevelt had reduced federal funding for farm subsidies and WPA work relief. The result was disastrous. Unemployment, still 14 percent at the beginning of 1937, rose to nearly 20 percent by year's end.

In 1936, in *The General Theory of Employment, Interest, and Money*, John Maynard Keynes had challenged economists' traditional belief in the sanctity of balanced budgets. Large-scale government spending, he insisted, was necessary to sustain purchasing power and stimulate economic activity during downturns. Such spending should be enacted even at the cost of a budget deficit (a situation in which the government spends more money than it takes in). By 1938, Roosevelt was ready to follow this prescription, which would later be known as Keynesian economics. In April, he asked Congress for billions more for work relief and farm aid. The events of 1937–1938 marked a major shift in New Deal philosophy. Public spending would now be the government's major tool for combating unemployment and stimulating economic growth. The Second New Deal had come to an end.

The New Deal did not really solve the problem of unemployment, which fell below 10 percent only in 1941, as the United States prepared to enter World War II.

FIGURE 21.2 Unemployment, 1925–1945



THE LIMITS OF CHANGE

Roosevelt conceived of the Second New Deal, and especially Social Security, as expanding the meaning of freedom by extending assistance to broad groups of needy Americans—the unemployed, elderly, and dependent—as a right of citizenship, not charity or special privilege. But political realities, especially the power of inherited ideas about gender and black disenfranchisement in the South, powerfully affected the drafting of legislation. Different groups of Americans experienced the New Deal in radically different ways.

The New Deal and American Women

Eleanor Roosevelt

The New Deal brought more women into government than ever before in American history. A number of talented women, including Secretary of Labor Frances Perkins, advised the president and shaped public policy. Most prominent of all was Eleanor Roosevelt, FDR's distant cousin, whom he had married in 1905. She transformed the role of First Lady, turning a position with no formal responsibilities into a base for political action. She traveled widely, spoke out on public issues, wrote a regular newspaper column, and worked to enlarge the scope of the New Deal in areas like civil rights, labor legislation, and work relief.

Eleanor Roosevelt transformed the role of First Lady by taking an active and visible part in public life. Here she visits a West Virginia coal mine in 1933.

But even as the New Deal increased women's visibility in national politics, organized feminism, already in disarray during the 1920s, disappeared as a political force. Indeed, the Depression inspired widespread demands for women to remove themselves from the labor market to make room for unemployed men. Because the Depression hit industrial employment harder than low-wage clerical and service jobs where women predominated, the proportion of the workforce made up of women rose. The government tried to reverse this trend. The Economy Act of 1933 prohibited both members of a married couple from holding federal jobs. Until its repeal in 1937, it led to the dismissal of numerous female civil service employees whose husbands worked for the government. Employers from banks to public school systems barred married women from jobs.

Most New Deal programs did not exclude women from benefits (although the CCC restricted its camps to men). But the ideal of the male-headed household powerfully shaped social policy. Since paying taxes on one's wages made one eligible for the most generous Social Security programs—old age pensions and unemployment insurance—they left most women uncovered, because they did not work outside the home. The program excluded the 3 million mostly female domestic workers altogether.

Women and Social Security

The Southern Veto

Roosevelt made the federal government the symbolic representative of all the people, including racial and ethnic groups generally ignored by previous administrations. Yet the power of the Solid South helped to mold the New Deal welfare state into an entitlement of white Americans. After the South's blacks lost the right to vote around the turn of the century, Democrats enjoyed a political monopoly in the region. Democratic members of Congress were elected again and again. Committee chairmanships in Congress rest on seniority—how many years a member has served in office. Thus, beginning in 1933, when Democrats took control of Congress, southerners took the key leadership positions. At their insistence, the Social Security law excluded agricultural and domestic workers, the largest categories of black employment.

The Solid South and the New Deal

Black organizations like the Urban League and the NAACP lobbied strenuously for a system that enabled agricultural and domestic workers to receive unemployment and old age benefits and that established national relief standards. The Social Security Act, however, complained the *Pittsburgh Courier*, a black newspaper, reflected the power of "reactionary elements in the South who cannot bear the thought of Negroes getting pensions and compensations" and who feared that the inclusion of black workers would disrupt the region's low-wage, racially divided labor system.

Blacks and Social Security

The Stigma of Welfare

Because of the "southern veto," the majority of black workers found themselves confined to the least generous and most vulnerable wing of the new welfare state. The public assistance programs established by Social Security, notably aid to dependent children and to the poor elderly, were open to all Americans who could demonstrate financial need. But they set benefits at extremely low levels and authorized the states to determine eligibility standards, including "moral" behavior as defined by local authorities. As a result, public assistance programs allowed for widespread discrimination in the distribution of benefits. Recipients came to bear the humiliating stigma of dependency on government handouts, which would soon come to be known as "welfare."

Public assistance

The situation seemed certain to stigmatize blacks as recipients of unearned government assistance, and welfare as a program for minorities, thus dooming it forever to inadequate "standards of aid." Over time, this is precisely what happened, until the federal government abolished its responsibility for welfare in 1996, during the presidency of Bill Clinton.

The Indian New Deal

Changes in Indian policy

Overall, the Depression and New Deal had a contradictory impact on America's racial minorities. Under Commissioner of Indian Affairs John Collier, the administration launched an **Indian New Deal**. Collier ended the policy of forced assimilation and allowed Indians unprecedented cultural autonomy. He replaced boarding schools meant to eradicate the tribal heritage of Indian children with schools on reservations, and dramatically increased spending on Indian health. He secured passage of the Indian Reorganization Act of 1934, ending the policy, dating back to the Dawes Act of 1887, of dividing Indian lands into small plots for individual families and selling off the rest. Federal authorities once again recognized Indians' right to govern their own affairs.

The New Deal marked the most radical shift in Indian policy in the nation's history. But living conditions on the desperately poor reservations did not significantly improve.

The New Deal and Mexican-Americans

Repatriation of Mexican-Americans

For Mexican-Americans, the Depression was a wrenching experience. With demand for their labor plummeting, more than 400,000 (one-fifth of the population of Mexican origin) returned to Mexico, some voluntarily, others at the strong urging of local authorities in the Southwest. A majority of those "encouraged" to leave the country were recent immigrants, but they included perhaps 200,000 Mexican-American children who had been born in the United States and were therefore citizens. Those who remained mostly worked in grim conditions in California's vegetable and fruit fields, whose corporate farms benefited enormously from New Deal dam construction that provided them with cheap electricity and water for irrigation. The Wagner and Social Security acts did not apply to agricultural laborers.

Mexican-American leaders struggled to develop a consistent strategy for their people. They sought greater rights by claiming to be white Americans—in order not to suffer the same discrimination as African-Americans—but also sought the backing of the Mexican government and promoted a mystical sense of pride and identification with Mexican heritage later given the name *la raza*.

Last Hired, First Fired

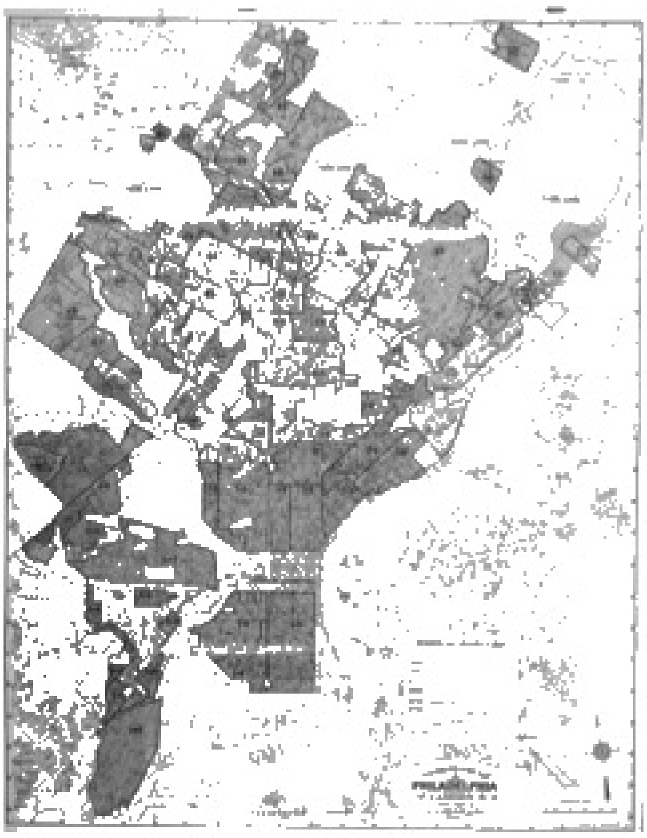
As the "last hired and first fired," African-Americans were hit hardest by the Depression. Even those who retained their jobs now faced competition from unemployed whites who had previously considered positions like waiter and porter beneath them. With an unemployment rate double that of whites, blacks benefited disproportionately from direct government relief and, especially in northern cities, jobs on New Deal public-works projects. Half of the families in Harlem received public assistance during the 1930s. Demonstrations in Harlem demanded jobs in the neighborhood's white-owned stores, with the slogan "Don't Buy Where You Can't Work."

Unemployment for blacks

Although Roosevelt seems to have had little personal interest in race relations or civil rights, he appointed Mary McLeod Bethune, a prominent black educator, as a special adviser on minority affairs and a number of other blacks to important federal positions. Key members of his administration, including his wife, Eleanor, and Secretary of the Interior Harold Ickes, a former president of the Chicago chapter of the NAACP, directed national attention to the injustices of segregation, disenfranchisement, and lynching. In 1939, Eleanor Roosevelt resigned from the Daughters

Future congressman Adam Clayton Powell, Jr. (at center with billboard) taking part in a "Don't Buy Where You Can't Work" demonstration in Harlem during the Depression. The campaign targeted stores that served black customers but refused to hire black employees.

A map of Philadelphia prepared by the Home Owners' Loan Corporation illustrates how federal agencies engaged in "redlining" of neighborhoods containing blue-collar and black residents. The colors correspond to the agency's perception of an area's real-estate prospects. Wealthy neighborhoods, colored green and given the best credit ratings, were expected to be racially and ethnically homogenous. White-collar districts, in blue, were second best. Red districts, the worst, had an "undesirable population." The Corporation prepared maps like this for many cities and shared them with private lenders and the Federal Housing Administration, resulting in massive disinvestment in "red" neighborhoods, whose residents found it almost impossible to obtain housing loans.



of the American Revolution when the organization refused to allow the black singer Marian Anderson to present a concert at Constitution Hall in Washington. The president's wife arranged for Anderson to sing on the steps of the Lincoln Memorial and for the concert to be broadcast nationally on the radio.

The decade witnessed a historic shift in black voting patterns. In the North and West, where they enjoyed the right to vote, blacks in 1934 and 1936 abandoned their allegiance to the party of Lincoln and emancipation in favor of Democrats and the New Deal. But despite a massive lobbying campaign, southern congressmen prevented passage of a federal antilynching law. FDR offered little support. Because of the exclusion of agricultural and domestic workers, Social Security's old age pensions and unemployment benefits and the minimum wages established by the Fair Labor Standards Act left uncovered 60 percent of all employed blacks and 85 percent of black women.

Federal Discrimination

Federal housing policy, which powerfully reinforced residential segregation, revealed the limits of New Deal freedom. As in the case of Social Security, local officials put national housing policy into practice in a way that reinforced existing racial boundaries. Nearly all municipalities, North as well as South, insisted that housing built or financially aided by the federal government be racially segregated. The Federal Housing Administration, moreover, had no hesitation about insuring mortgages that contained clauses barring future sales to non-white buyers, and it refused to channel money into integrated neighborhoods. Along with discriminatory practices by private banks and real estate companies, federal policy became a major factor in further entrenching housing segregation in the United States.

Federal employment practices also discriminated on the basis of race. As late as 1940, of the 150,000 blacks holding federal jobs, only 2 percent occupied positions other than clerk or custodian. In the South, many New Deal construction projects refused to hire blacks at all. The New Deal began the process of modernizing southern agriculture, but tenants, black and white, footed much of the bill. Tens of thousands of sharecroppers, as noted earlier, were driven off the land as a result of the AAA policy of raising crop prices by paying landowners to reduce cotton acreage.

Not until the Great Society of the 1960s would those left out of Social Security and other New Deal programs—racial minorities, many women, migrants and other less privileged workers—win inclusion in the American welfare state.

A NEW CONCEPTION OF AMERICA

But if the New Deal failed to dismantle the barriers that barred non-whites from full participation in American life, the 1930s witnessed the absorption of other groups into the social mainstream. With Catholics and Jews occupying prominent posts in the Roosevelt administration and new immigrant voters forming an important part of its electoral support, the New Deal made ethnic pluralism a living reality in American politics.

Ethnic pluralism

Thanks to the virtual cutoff of southern and eastern European immigration in 1924; the increasing penetration of movies, chain stores, and mass advertising into ethnic communities; and the common experience of economic crisis, the 1930s witnessed an acceleration of cultural assimilation. For the children of the new immigrants, labor and political activism became agents of a new kind of Americanization. "Unionism is Americanism" became a CIO rallying cry.

The Heyday of American Communism

The left

In the mid-1930s, for the first time in American history, the left—an umbrella term for socialists, communists, labor radicals, and many New Deal liberals—enjoyed a shaping influence on the nation's politics and culture. The CIO and Communist Party became focal points for a broad social and intellectual impulse that helped to redraw the boundaries of American freedom. An obscure, faction-ridden organization when the Depression began, the Communist Party experienced remarkable growth during the 1930s. The party's membership never exceeded 100,000, but several times that number passed through its ranks.

It was not so much the party's ideology as its vitality—its involvement in a mind-boggling array of activities, including demonstrations by the unemployed, struggles for industrial unionism, and a renewed movement for black civil rights—that for a time made it the center of gravity for a broad democratic upsurge. At the height of the **Popular Front**—a period during the mid-1930s when the Communist Party sought to ally itself with socialists and New Dealers in movements for social change, urging reform of the capitalist system rather than revolution—Communists gained an unprecedented respectability.

Respectability for Communists

Redefining the People

In theater, film, and dance, the Popular Front vision of American society sank deep roots and survived much longer than the political moment from which it sprang. In this broad left-wing culture, social and economic radicalism, not support for the status quo, defined true Americanism. Ethnic and racial diversity was the glory of American society, and the "American way of life" meant unionism and social citizenship, not the unbridled pursuit of wealth.

During the 1930s, artists and writers who strove to create socially meaningful works eagerly took up the task of depicting the daily lives of ordinary farmers and city dwellers. Art about the people—such as Dorothea Lange's photographs of migrant workers and sharecroppers—and art created by the people—such as black spirituals—came to be seen as expressions of genuine Americanism. Films celebrated populist figures who challenged and defeated corrupt businessmen and politicians, as in *Mr. Deeds Goes to Town* (1936) and *Mr. Smith Goes to Washington* (1939). Earl Robinson's song "Ballad for Americans," a typical expression of Popular Front culture that celebrated the religious, racial, and ethnic diversity of American society, became a national hit and was performed in 1940 at the Republican national convention.

History of Southern Illinois, a mural sponsored by the Illinois Federal Art Project, illustrates the widespread fascination during the 1930s with American traditions and the lives of ordinary Americans. On the left, a man strums a guitar, while workers labor on the waterfront.

Challenging the Color Line

A Dorothea Lange photograph of a sharecropper and his family outside their modest home.

It was fitting that "Ballad for Americans" reached the top of the charts in a version performed by the magnificent black singer Paul Robeson. Popular Front culture moved well beyond New Deal liberalism in condemning racism as incompatible with true Americanism. In the 1930s, groups like the American Jewish Committee and the National Conference of Christians and Jews actively promoted ethnic and religious tolerance, defining pluralism as "the American way." But whether in Harlem or East Los Angeles, the Communist Party was the era's only predominantly white organization to make fighting racism a top priority. Communist influence spread even to the South. The Communist-dominated International Labor Defense mobilized popular support for black defendants victimized by a racist criminal justice system. It helped to make the Scottsboro case an international cause célèbre. The case revolved around nine young black men arrested for the rape of two white women in Alabama in 1931. Despite the weakness of the evidence against the "**Scottsboro boys**" and the fact that one of the two accusers recanted, Alabama authorities three times put them on trial and three times won convictions. Landmark Supreme Court decisions overturned the first two verdicts and established legal principles that greatly expanded the definition of civil liberties—that defendants have a constitutional right to effective legal representation and that states cannot systematically exclude blacks from juries. But the Court allowed the third set of convictions to stand, which led to prison sentences for five of the defendants.

The CIO brought large numbers of black industrial workers into the labor movement for the first time and ran extensive educational campaigns to persuade white workers to recognize the interests they shared with their black counterparts. Black workers, many of them traditionally hostile to unions because of their long experience of exclusion, responded with enthusiasm to CIO organizing efforts.

The "Scottsboro boys," flanked by two prison guards, with their lawyer, Samuel Liebowitz.

Labor and Civil Liberties

Another central element of Popular Front public culture was its mobilization for civil liberties, especially the right of labor to organize. The struggle to launch industrial unions encountered sweeping local restrictions on freedom of speech as well as repression by private and public police forces.

Labor militancy

Labor militancy helped to produce an important shift in the understanding of civil liberties. Previously conceived of as individual rights that must be protected against infringement by the government, the concept now expanded to include violations of free speech and assembly by powerful private groups. As a result, just as the federal government emerged as a guarantor of economic security, it also became a protector of freedom of expression.

By the eve of World War II, civil liberties had assumed a central place in the New Deal understanding of freedom. In 1939, Attorney General Frank Murphy established a Civil Liberties Unit in the Department of Justice. Meanwhile, the same Supreme Court that in 1937 relinquished its role as a judge of economic legislation moved to expand its authority over civil liberties. The justices insisted that constitutional guarantees of free thought and expression were essential to "nearly every other form of freedom" and therefore deserved special protection by the courts. Since 1937, the large majority of state and national laws overturned by the courts have been those that infringe on civil liberties, not the property rights of business.

Free expression

The new appreciation of free expression was hardly universal. In 1938, the House of Representatives established an **Un-American Activities Committee** to investigate disloyalty. Its expansive definition of "un-American" included communists, labor radicals, and the left of the Democratic Party, and its hearings led to the dismissal of dozens of federal employees on charges of subversion. Two years later, Congress enacted the **Smith Act**, which made it a federal crime to "teach, advocate, or encourage" the overthrow of the government.

The End of the New Deal

By then the New Deal, as an era of far-reaching social reform, had already begun to recede. One reason was that more and more southern Democrats were finding themselves at odds with Roosevelt's policies. In 1938, the administration released a "Report on Economic Conditions in the South," along with a letter by the president referring to the region as "the nation's No. 1 economic problem." The document revealed that the South lagged far behind other parts of the country in industrialization and investment in education and public health. Also in 1938, a new generation of home-grown radicals—southern New Dealers, black activists, labor leaders, communists, even a few elected officials—founded the Southern

Southern leaders and the New Deal

Conference for Human Welfare to work for unionization, unemployment relief, and racial justice.

Southern business and political leaders feared that continuing federal intervention in their region would encourage unionization and upset race relations. Roosevelt concluded that the enactment of future New Deal measures required a liberalization of the southern Democratic Party. In 1938, he tried to persuade the region's voters to replace conservative congressmen with ones who would support his policies. The South's small electorate dealt him a stinging rebuke.

A period of political stalemate followed the congressional election of 1938. For many years, a conservative coalition of southern Democrats and northern Republicans dominated Congress. Further reform initiatives became almost impossible, and Congress moved to abolish existing ones. It repealed an earlier tax on corporate profits and rejected a proposed program of national medical insurance. The administration, moreover, increasingly focused its attention on the storm gathering in Europe. Even before December 1941, when the United States entered World War II, "Dr. Win the War," as Roosevelt put it, had replaced "Dr. New Deal."

"Dr. Win the War"

The New Deal in American History

Given the scope of the economic calamity it tried to counter, the New Deal seems in many ways limited. Compared with later European welfare states, Social Security remained restricted in scope and modest in cost. The New Deal failed to address the problem of racial inequality, which in some ways it actually worsened.

Failures and accomplishments of the New Deal

Yet even as the New Deal receded, its substantial accomplishments remained. It greatly expanded the federal government's role in the American economy and made it an independent force in relations between industry and labor. The government influenced what farmers could and could not plant, required employers to deal with unions, insured bank deposits, regulated the stock market, loaned money to home owners, and provided payments to a majority of the elderly and unemployed. It transformed the physical environment through hydroelectric dams, reforestation projects, rural electrification, and the construction of innumerable public facilities. It restored faith in democracy and made the government an institution directly experienced in Americans' daily lives and directly concerned with their welfare. It redrew the map of American politics. It helped to inspire, and was powerfully influenced by, a popular upsurge that recast the idea of freedom to include a public guarantee of economic security for ordinary citizens and that identified economic inequality as the greatest threat to American freedom.

Legacy of the New Deal

The New Deal certainly improved economic conditions in the United States. But it did not generate sustained prosperity. More than 15 percent of the workforce remained unemployed in 1940. Only the mobilization of the nation's resources to fight World War II would finally end the Great Depression.

CHAPTER REVIEW AND ONLINE RESOURCES

REVIEW QUESTIONS

1. *Discuss how regional development such as the Tennessee Valley Authority and the Columbia River project reflected broader changes in American life during the New Deal.*
2. *What actions did President Roosevelt and Congress take to help the banking system recover as well as to reform how it operated in the long run?*
3. *How did the actions of the AAA benefit many farmers, injure others, and provoke attacks by conservatives?*
4. *Explain what labor did in the 1930s to secure "economic freedom and industrial democracy" for American workers.*
5. *How did the emphasis of the Second New Deal differ from that of the First New Deal?*
6. *How did the entrenched power of southern white conservatives limit African-Americans' ability to enjoy the full benefits of the New Deal and eliminate racial violence and discrimination? Why did African-Americans still support the Democratic Party?*
7. *Analyze the effects of the Indian Reorganization Act of 1934 on Native Americans.*
8. *Explain how New Deal programs contributed to the stigma of blacks as welfare dependent.*
9. *How did the New Deal build on traditional ideas about the importance of homeownership to Americans, and how did it change Americans' ability to own their own homes?*
10. *What were the major characteristics of liberalism by 1939?*

KEY TERMS

"bank holiday" (p. 642)
Emergency Banking Act (p. 643)
Hundred Days (p. 643)
National Recovery Administration (p. 643)
Civilian Conservation Corp. (p. 644)
Public Works Administration (p. 645)
Dust Bowl (p. 647)
Federal Housing Administration (p. 647)
Congress of Industrial Organizations (p. 649)
sit-down strike (p. 650)
Share Our Wealth movement (p. 651)
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court-packing plan (p. 658)
minimum wage (p. 659)
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House Un-American Activities Committee (p. 668)
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