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CHAPTER

Managing the Great Depression, Forging the New Deal

1929–1939

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In his inaugural address in March 1933, President Franklin Delano Roosevelt did not hide the country's precarious condition. "A host of unemployed citizens face the grim problem of existence," he said, "and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment." Roosevelt, his demeanor sincere and purposeful, saw both despair and determination as he looked out over the country. "This nation asks for action, and action now." From Congress he would request "broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe." With these words, Roosevelt launched a program of federal activism—that he called the New Deal—that would change the nature of American government.

The New Deal represented a new form of liberalism, a fresh interpretation of the ideology of individual rights that had long shaped the character of American society and politics. Classical nineteenth-century liberals believed that, to protect those rights, government should be small and relatively weak. However, the "regulatory" liberals of the early twentieth century had safeguarded individual freedom and opportunity by strengthening state and federal control over large businesses and monopolies. New Deal activists went much further: their social-welfare liberalism expanded individual rights to include economic security. Beginning in the 1930s and continuing through the 1960s, they increased the responsibility of the national government for the welfare of ordinary citizens. Their efforts did not go unchallenged. Conservative critics of the New Deal charged that its "big government" programs were paternalistic and dangerous, undermining individual responsibility and constraining personal freedom. This division between the advocates and the critics of the New Deal shaped American politics for the next half century.



To see a longer excerpt of Roosevelt's inaugural address, along with other primary sources from this period, see **Sources for America's History**.

Before Roosevelt was elected president, between the onset of the depression in 1929 and November 1932, the "dark realities of the moment" wore down American society. Rising unemployment, shuttered businesses, failing banks, and home foreclosures tore at the nation's social fabric. As crisis piled upon crisis and the federal government's initiatives under President Hoover proved ineffectual, Americans had to reconsider more than the role of government in economic life: they had to rethink many of the principles of individualism and free enterprise that had guided so much of the nation's history.



The New Deal This Federal Arts Project poster from 1936 captured the spirit of the New Deal under President Franklin Roosevelt. Roosevelt and other "New Dealers" hoped to get people working again during the depths of the Great Depression, raise their spirits, and help rebuild the national infrastructure. Library of Congress.

Early Responses to the Depression, 1929–1932

The American economy collapsed between 1929 and 1932. U.S. gross domestic product fell almost by half, from \$103.1 billion to \$58 billion. Consumption dropped by 18 percent, construction by 78 percent, and private investment by 88 percent. Nearly 9,000 banks closed their doors, and 100,000 businesses failed. Corporate profits fell from \$10 billion to \$1 billion. Unemployment rose to 25 percent. Fifteen million people were out of work by 1933, and many who had jobs took wage cuts. “Hoover made a soupbound outa me!” sang jobless harvest hands in the Southwest.

The depression respected no national boundaries. Germany had preceded the United States into economic contraction in 1928, and its economy, burdened by heavy World War I reparations payments, was brought to its knees by 1929. France, Britain, Argentina, Brazil, Poland, and Canada were hard hit as well (America Compared, p. 737). The legacies of World War I made recovery difficult in two respects. First, Britain’s central bank was in no position to resume its traditional role in managing the international financial system. Second, the war disrupted the international gold standard. The United States and most European nations had tied the value of their currencies to the price of gold, and the amount of gold held in reserves, since the late nineteenth century. This system had worked fairly well for a few decades, but it was vulnerable during economic downturns, when large financiers withdrew their investments and demanded gold payments. The gold standard rendered the international monetary system inflexible at a moment that required great flexibility in global finance.

Enter Herbert Hoover

President Herbert Hoover and Congress responded to the downturn by drawing on two powerful American traditions. The first was the belief that economic outcomes were the product of individual character. People’s fate was in their own hands, and success went to

those who deserved it. The second tradition held that through voluntary action, the business community could right itself and recover from economic downturns without relying on government assistance. Following these principles, Hoover asked Americans to

tighten their belts and work hard. After the stock market crash, he cut federal taxes in an attempt to boost private spending and corporate investment. “Any lack of confidence in the economic future or the strength of business in the United States is foolish,” Hoover assured the country in late 1929. Treasury secretary Andrew Mellon suggested that the downturn would help Americans “work harder” and “live a more moral life.”

While many factors caused the Great Depression, Hoover’s adherence to the gold standard was a major reason for its length and severity in the United States. Faced with economic catastrophe, both Britain and Germany abandoned the gold standard in 1931; when they did so, their economies recovered modestly. But the Hoover administration feared that such a move would weaken the value of the dollar. In reality, an inflexible money supply discouraged investment and therefore prevented growth. The Roosevelt administration would ultimately remove the United States from the burdens of the gold standard in 1933. By that time, however, the crisis had achieved catastrophic dimensions. Billions had been lost in business and bank failures, and the economy had stalled completely.

Along with their adherence to the gold standard, the Hoover administration and many congressional Republicans believed in another piece of economic orthodoxy that had protected American manufacturing in good economic times but that proved damaging during the downturn: high tariffs (taxes on imported goods designed to encourage American manufacturing). In 1930, Republicans enacted the **Smoot-Hawley Tariff**. Despite receiving a letter from more than a thousand economists urging him to veto it, Hoover approved the legislation. What served American interests in earlier eras now confounded them. Smoot-Hawley triggered retaliatory tariffs in other countries, which further hindered global trade and led to greater economic contraction throughout the industrialized world.

The president recognized that individual initiative, voluntarism, and high tariffs might not be enough, given the depth of the crisis, so he proposed government action as well. He called on state and local governments to provide jobs by investing in public projects. And in 1931, he secured an unprecedented increase of \$700 million in federal spending for public works. Hoover’s most innovative program was the Reconstruction Finance Corporation (RFC), which provided federal loans to railroads, banks, and other businesses. But the RFC lent money too cautiously, and by the end of 1932, after a year in operation, it had loaned out only 20 percent of its \$1.5 billion in funds.

PLACE EVENTS IN CONTEXT

What economic principles guided President Hoover and Congress in their response to the Great Depression?



The Great Depression in England and the United States

In a 1954 book, Denis Brogan, a professor at Cambridge University in England, looked back at the descent into the Great Depression between 1929 and 1932 and explained the significance of Franklin Roosevelt's election from an English perspective. The second selection is from an oral history conducted in the 1970s with an ordinary resident of London, who recalled life in the 1930s.

Denis W. Brogan, "From England"

No event . . . has so colored the European view of the United States as "the Depression." The first news of the crash of 1929 was not ill received. There was not only a marked feeling of *Schadenfreude* at the snub that destiny had given to the overconfident masters of the new world, but also a widespread belief that the extravagant gambling of the New York market was one of the chief causes of our ills. . . . But as the extent, depth, and duration of the American depression began to be appreciated, as its impact on all the world, especially on the dangerously unstable political and economic status quo of Germany and Austria, became more evident, as the old wound of unemployment was made to bleed more deeply in Britain, the tendency to blame the United States became overwhelming. Gone were the illusions about the "secret of high wages." If ever found, it had now been lost.

American politics was seen as not only sterile but positively immoral and dangerous. . . . American business and its political arm, the Republican Party, had been tried in the balance and found wanting. And it is safe to say that the election of F. D. Roosevelt was welcomed in every country of Europe as good news almost overshadowing the nomination of Adolf Hitler as Chancellor of the German Reich.

Gladys Gibson, a Resident of London in the 1930s

Most of the unemployed were genuinely seeking work. A heavy snowfall was a blessing, when men with broken boots earned a little money by sweeping the streets. The Boroughs [a form of local administration in London] took on unemployed, in strict rotation, for thirteen weeks of unskilled work. It sometimes put a man back in benefit and took him off the hated dole. The situation began to change after Munich, when more men found work. Salvation came with the War, when the despised unemployed became valued workers or serving helpers.

Source: Joseph, Franz M., *As Others See Us*. © 1959 Princeton University Press, 1987 renewed PUP. Reprinted by permission of Princeton University Press.

Nigel Gray, *The Worst of Times: An Oral History of the Great Depression in Britain* (Totowa, NJ: Barnes & Noble Books, 1985), 54.

QUESTIONS FOR ANALYSIS

1. Why would Brogan call the United States "overconfident masters of the new world"? What are his criticisms of U.S. economic policy?
2. How does the testimony of Gladys Gibson about the "hated dole" compare with what you have learned about attitudes in the United States in these years?

Like most federal initiatives under Hoover, the RFC was not nearly aggressive enough given the severity of the depression. With federal officials fearing budget deficits and reluctant to interfere with the private market, caution was the order of the day.

Few chief executives could have survived the downward economic spiral of 1929–1932, but Hoover's reluctance to break with the philosophy of limited government and his insistence that recovery was always just around the corner contributed to his unpopularity.

By 1932, Americans perceived Hoover as insensitive to the depth of the country's economic suffering. The nation had come a long way since the depressions of the 1870s and 1890s, when no one except the most radical figures, such as Jacob Coxey, called for direct federal aid to the unemployed (Chapter 20). Compared with previous chief executives — and in contrast to his popular image as a "do-nothing" president — Hoover had responded to the national emergency with unprecedented government action. But the nation's needs



Hooverville

The depression cast hundreds of thousands of Americans out of their homes. Most found shelter with relatives, but those with little choice had to make do as they could. Encampments such as this one south of downtown Seattle, Washington—places where the homeless crafted makeshift lodging out of whatever materials were at hand—became known as Hoovervilles. The name reflected Americans' attitudes toward President Hoover, whose popularity plummeted as the depression deepened. University of Washington Libraries, Special Collections, UW2129.

were even more unprecedented, and Hoover's programs failed to meet them (Map 23.1).

Rising Discontent

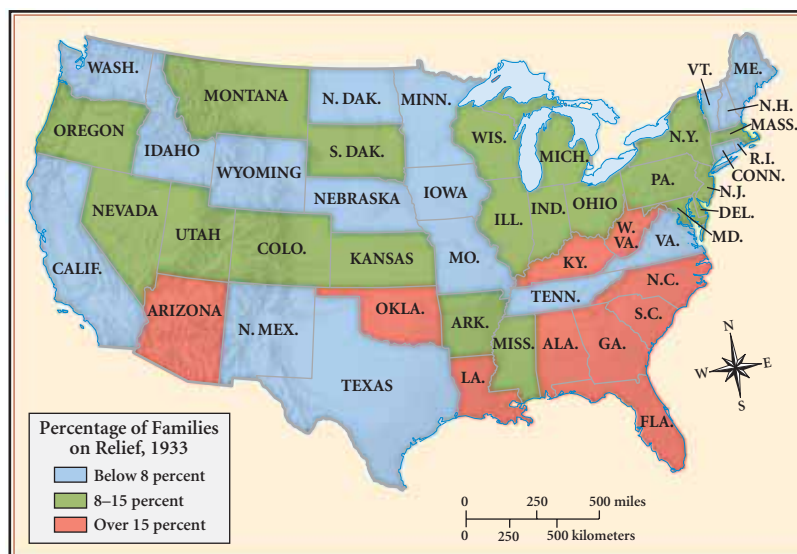
As the depression deepened, the American vocabulary now included the terms *Hoovervilles* (shantytowns where people lived in packing crates) and *Hoover blankets* (newspapers). Bankrupt farmers banded together to resist the bank agents and sheriffs who tried to evict them from their land. To protest low prices for their goods, in the spring of 1932 thousands of midwestern farmers joined the Farmers' Holiday Association, which cut off supplies to urban areas by barricading roads and dumping milk, vegetables, and other foodstuffs onto the roadways. Agricultural prices were so low that the Farmers' Holiday Association favored a government-supported farm program.

In the industrial sector, layoffs and wage cuts led to violent strikes. When coal miners in Harlan County, Kentucky, went on strike over a 10 percent wage cut in 1931, the mine owners called in the state's National Guard, which crushed the union. A 1932 confrontation between workers and security forces at the Ford Motor Company's giant River Rouge factory outside Detroit left five workers dead and fifty with serious injuries. A photographer had his camera shot from his hands, and fifteen policemen were clubbed or stoned. Whether on farms or in factories, those who produced the nation's food and goods had begun to push for a more aggressive response to the nation's economic troubles.

Veterans staged the most publicized—and most tragic—protest. In the summer of 1932, the **Bonus Army**, a determined group of 15,000 unemployed World War I veterans, hitchhiked to Washington to demand

MAP 23.1**The Great Depression: Families on Relief**

Although the Great Depression was a nationwide crisis, some regions were hit harder than others. Economic hardship was widespread in the agricultural-based southern and Appalachian states of the Northeast and Midwest. As the depression worsened in 1931 and 1932, local and state governments, as well as charitable organizations, could not keep up with the demand for relief. After Franklin D. Roosevelt assumed the presidency in 1933, the national government began a massive program of aid through the Federal Emergency Relief Administration (FERA).



immediate payment of pension awards that were due to be paid in 1945. “We were heroes in 1917, but we’re bums now,” one veteran complained bitterly. While their leaders unsuccessfully lobbied Congress, the Bonus Army set up camps near the Capitol building. Hoover called out regular army troops under the command of General Douglas MacArthur, who forcefully evicted the marchers and burned their main encampment to the ground. When newsreel footage showing the U.S. Army attacking and injuring veterans reached movie theaters across the nation, Hoover’s popularity plunged. In another measure of how the country had changed since the 1890s, what Americans had applauded when done to Coxe in 1894 was condemned in 1932.

The 1932 Election

Despite rising discontent, the national mood was mixed as the 1932 election approached. Many Americans had internalized the ideal of the self-made man and blamed themselves for their economic hardships. Despair, not anger, characterized their mood. Others, out of work for a year or more, perhaps homeless, felt the deeper stirrings of frustration and rage. Regardless of their circumstances, most Americans believed that something altogether new had to be tried—whatever that might be. The Republicans, reluctant to dump an incumbent president, unenthusiastically renominated Hoover. The Democrats turned to New York governor Franklin Delano Roosevelt, whose state had initiated innovative relief and unemployment programs.

Roosevelt, born into a wealthy New York family, was a distant cousin to former president Theodore

Roosevelt, whose career he emulated. After attending Harvard College and Columbia University, Franklin Roosevelt served as assistant secretary of the navy during World War I (as Theodore Roosevelt had done before the War of 1898). Then, in 1921, a crippling attack of polio left both of his legs permanently paralyzed. Supported by his wife, Eleanor, he slowly returned to public life and campaigned successfully for the governorship of New York in 1928 and again in 1930. Running for the presidency in 1932, Roosevelt pledged vigorous action but gave no indication what that action might be, arguing simply that “the country needs and, unless I mistake its temper, the country demands bold, persistent experimentation.” He won easily, receiving 22.8 million votes to Hoover’s 15.7 million.

Elected in November, Roosevelt would not begin his presidency until March 1933. (The Twentieth Amendment, ratified in 1933, set subsequent inaugurations for January 20.) Meanwhile, Americans suffered through the worst winter of the depression. Unemployment continued to climb, and in three major industrial cities in Ohio, it shot to staggering levels: 50 percent in Cleveland, 60 percent in Akron, and 80 percent in Toledo. Private charities and public relief agencies reached only a fraction of the needy. The nation’s banking system was so close to collapse that many state governors closed banks temporarily to avoid further withdrawals. Several states were approaching bankruptcy, their tax revenues too low to pay for basic services. By March 1933, the nation had hit rock bottom.

UNDERSTAND POINTS OF VIEW

What did the depression look like when seen from the vantage of ordinary Americans?

The New Deal Arrives, 1933–1935

The ideological differences between Herbert Hoover and Franklin Roosevelt were not vast. Both leaders wished to maintain the nation's economic institutions and social values, to save capitalism while easing its worst downturns. Both believed in a balanced government budget and extolled the values of hard work, cooperation, and sacrifice. But Roosevelt's personal charm, political savvy, and willingness to experiment made him far more effective and more popular than Hoover. Most Americans felt a kinship with their new president, calling him simply FDR. His New Deal would put people to work and restore hope for the nation's future.

Roosevelt and the First Hundred Days

A wealthy patrician, Roosevelt was an unlikely figure to inspire millions of ordinary Americans. But his close rapport with the American people was critical to his political success. More than 450,000 letters poured into the White House in the week after his inauguration. The president's masterful use of the new medium of radio, especially his evening radio addresses to the American public known as **fireside chats**, made him an intimate presence in people's lives. Thousands of citi-

EXPLAIN CONSEQUENCES

What specific new roles did the American government take up as a result of the legislation passed during the first hundred days?

zens felt a personal relationship with FDR, saying, "He gave me a job" or "He saved my home" (American Voices, p. 742).

Citing the national economic emergency, Roosevelt further expanded the presidential powers that Theodore Roosevelt and Woodrow Wilson had increased previously. To draft legislation and policy, he relied heavily on financier Bernard Baruch and a "Brains Trust" of professors from Columbia, Harvard, and other leading universities. Roosevelt also turned to his talented cabinet, which included Harold L. Ickes, secretary of the interior; Frances Perkins at the Labor Department; Henry A. Wallace at Agriculture; and Henry Morgenthau Jr., secretary of the treasury. These intellectuals and administrators attracted hundreds of highly qualified recruits to Washington. Inspired by New Deal idealism, many of them would devote their lives to public service and the principles of social-welfare liberalism.

Roosevelt could have done little, however, without a sympathetic Congress. The 1932 election had swept Democratic majorities into both the House and Senate, giving the new president the lawmaking allies he needed. The first months of FDR's administration produced a whirlwind of activity on Capitol Hill. In a legendary session, known as the **Hundred Days**, Congress enacted fifteen major bills that focused primarily on four problems: banking failures, agricultural overproduction, the business slump, and soaring unemployment. Derided by some as an "alphabet soup" because of their many abbreviations (CCC, WPA, AAA, etc.), the new policies and agencies were more than bureaucracies: they represented the emergence of a new American state.

Banking Reform The weak banking system hobbled the entire economy, curtailing consumer spending and business investment. Widespread bank failures had reduced the savings of nearly nine million families, and panicked account holders raced to withdraw their funds. On March 5, 1933, the day after his inauguration, FDR declared a national "bank holiday" — closing all the banks — and called Congress into special session. Four days later, Congress passed the Emergency Banking Act, which permitted banks to reopen if a Treasury Department inspection showed that they had sufficient cash reserves.

In his first Sunday night fireside chat, to a radio audience of sixty million, the president reassured citizens that their money was safe. When the banks reopened on March 13, calm prevailed and deposits exceeded withdrawals, restoring stability to the nation's basic financial institutions. "Capitalism was saved in eight days," quipped Roosevelt's advisor Raymond Moley. Four thousand banks had collapsed in the months prior to Roosevelt's inauguration; only sixty-one closed their doors in all of 1934 (Table 23.1). A second banking law, the **Glass-Steagall Act**, further restored public confidence by creating the Federal Deposit Insurance Corporation (FDIC), which insured deposits up to \$2,500 (and now insures them up to \$250,000). The act also prohibited banks from making risky, unsecured investments with the deposits of ordinary people. And in a profoundly important economic and symbolic gesture, Roosevelt removed the U.S. Treasury from the gold standard in June 1933, which allowed the Federal Reserve to lower interest rates; since 1931, it had been raising rates, which had only deepened the downturn. Saving the banks and leaving the gold standard led to a mild and, it would turn out, brief recovery.

TABLE 23.1

American Banks and Bank Failures, 1920–1940

Year	Total Number of Banks	Total Assets (\$ billion)	Bank Failures
1920	30,909	53.1	168
1929	25,568	72.3	659
1931	22,242	70.1	2,294
1933	14,771	51.4	4,004
1934	15,913	55.9	61
1940	15,076	79.7	48

SOURCE: *Historical Statistics of the United States: Colonial Times to 1970* (Washington, DC: U.S. Government Printing Office, 1975), 1019, 1038–1039.

Agriculture and Manufacturing Roosevelt and the New Deal Congress next turned to agriculture and manufacturing. In those sectors, a seeming paradox was evident: the depression led to overproduction in agriculture and underproduction in manufacturing. Reversing both problematic trends was critical. The **Agricultural Adjustment Act** (AAA) began direct governmental regulation of the farm economy for the first time. To solve the problem of overproduction, which lowered prices, the AAA provided cash subsidies to farmers who cut production of seven major commodities: wheat, cotton, corn, hogs, rice, tobacco, and dairy products. Policymakers hoped that farm prices would rise as production fell.

By dumping cash in farmers' hands, the AAA briefly stabilized the farm economy. But the act's benefits were not evenly distributed. Subsidies went primarily to the owners of large and medium-sized farms, who often cut production by reducing the amount of land they rented to tenants and sharecroppers. In Mississippi, one plantation owner received \$26,000 from the federal government, while thousands of black sharecroppers living in the same county received only a few dollars in relief payments.

In manufacturing, the New Deal attacked declining production with the National Industrial Recovery Act. A new government agency, the **National Recovery Administration** (NRA), set up separate self-governing private associations in six hundred industries. Each industry — ranging from large corporations producing coal, cotton textiles, and steel to small businesses making pet food and costume jewelry — regulated itself by agreeing on prices and production quotas. Because large companies usually ran these associations, the NRA solidified their power at the expense of smaller enterprises and consumer interests.

The AAA and the NRA were designed to rescue the nation's productive industries and stabilize the economy. The measures had positive effects in some regions, but most historians agree that, overall, they did little to end the depression.

Unemployment Relief The Roosevelt administration next addressed the massive unemployment problem. By 1933, local governments and private charities had exhausted their resources and were looking to Washington for assistance. Although Roosevelt wanted to avoid a budget deficit, he asked Congress to provide relief for millions of unemployed Americans. In May, Congress established the Federal Emergency Relief Administration (FERA). Directed by Harry Hopkins, a hard-driving social worker from New York, the FERA provided federal funds for state relief programs.

Roosevelt and Hopkins had strong reservations about the “dole,” the nickname for government welfare payments. As Hopkins put it, “I don't think anybody can go year after year, month after month, accepting relief without affecting his character.” To support the traditional values of individualism, the New Deal put people to work. Early in 1933, Congress established the **Public Works Administration** (PWA), a construction program, and several months later, Roosevelt created the Civil Works Administration (CWA) and named Hopkins its head. Within thirty days, Hopkins had put 2.6 million men and women to work; at its peak in 1934, the CWA provided jobs for 4 million Americans repairing bridges, building highways, and constructing public buildings. A stopgap measure to get the country through the winter of 1933–1934, the CWA lapsed in the spring, when Republican opposition compelled New Dealers to abandon it. A longer-term program, the **Civilian Conservation Corps** (CCC), mobilized



Ordinary People Respond to the New Deal

Franklin Roosevelt's fireside chats and his relief programs prompted thousands of ordinary Americans to write directly to the president and his wife, Eleanor. Taken together, their letters offer a vivid portrait of depression-era America that includes popular support for, and opposition to, the New Deal.

Mrs. M. H. A.

Mrs. M. H. A. worked in the County Court House in Eureka, California.

June 14, 1934

Dear Mrs. Roosevelt:

I know you are overburdened with requests for help and if my plea cannot be recognized, I'll understand it is because you have so many others, all of them worthy. . . .

My husband and I are a young couple of very simple, almost poor families. We married eight years ago on the proverbial shoe-string but with a wealth of love. . . . We managed to build our home and furnish it comfortably. . . . Then came the depression. My work has continued and my salary alone has just been sufficient to make our monthly payments on the house and keep our bills paid. . . . But with the exception of two and one-half months work with the U.S. Coast and Geodetic Survey under the C.W.A. [Civil Works Administration], my husband has not had work since August, 1932.

My salary could continue to keep us going, but I am to have a baby. . . . I can get a leave of absence from my job for a year. But can't you, won't you do something so my husband can have a job, at least during that year? . . .

As I said before, if it were only ourselves, or if there were something we could do about it, we would never ask for help.

We have always stood on our own feet and been proud and happy. But you are a mother and you'll understand this crisis.

Very sincerely yours,

Mrs. M. H. A.

Unsigned Letter

This unsigned letter came from a factory worker in Paris, Texas.

November 23, 1936

Dear President,

[N]ow that we have had a land Slide [in the election of 1936] and done just what was best for our country . . .

I do believe you Will Strain a point to help the ones who helped you mostly & that is the Working Class of People I am not smart or I would be in a different line of work & better up in ever way yet I will know you are the one & only President that ever helped a Working Class of People. . . .

I am a White Man American age, 47 married wife 2 children in high School am a Finishing room foreman I mean a Working foreman & am in a furniture Factory here in Paris Texas where thaire is 175 to 200 Working & when the NRA [National Recovery Administration] came in I was Proud to See my fellow workmen Rec 30 Per hour in Place of 8 cents to 20 cents Per hour. . . .

I can't see for my life President why a man must toil & work his life out in Such factories 10 long hours ever day except Sunday for a small sum of 15 cents to 35 cents per hour & pay the high cost of honest & deason living expences. . . .

please see if something can be done to help this one Class of Working People the factories are a man killer not venelated or kept up just a bunch of Republickins Grafters 90/100 of them Please help us some way I Pray to God for relief. I am a Christian . . . and a truthful man & have not told you wrong & am for you to the end.

[not signed]

R. A.

R. A. was sixty-nine years old and an architect and builder in Lincoln, Nebraska.

May 19/34

Dear Mrs Roosevelt:

In the Presidents inaugural address delivered from the capitol steps the afternoon of his inauguration he made mention of The Forgotten Man, and I with thousands of others am wondering if the folk who was borned here in America some 60 or 70 years a go are this Forgotten Man, the President had in mind, if we are this Forgotten Man then we are still Forgotten.

We who have tried to be diligent in our support of this most wonderful nation of ours boath social and

other wise, we in our younger days tried to do our duty without complaining. . . .

And now a great calamity has come upon us and seemingly no cause of our own it has swept away what little savings we had accumulated and we are left in a condition that is impossible for us to correct, for two very prominent reasons if no more.

First we have grown to what is termed Old Age, this befalls every man.

Second, . . . we are confronted on every hand with the young generation, taking our places, this of course is what we have looked forward to in training our children. But with the extra ordinary crises which left us helpless and placed us in the position that our fathers did not have to contend with. . . .

We have been honorable citizens all along our journey, calamity and old age has forced its self upon us please do not send us to the Poor Farm but instead allow us the small pension of \$40.00 per month. . . .

Mrs. Roosevelt I am asking a personal favor of you as it seems to be the only means through which I may be able to reach the President, some evening very soon, as you and Mr. Roosevelt are having dinner together privately will you ask him to read this. And we American citizens will ever remember your kindness.

Yours very truly.

R. A.

M. A.

M. A. was a woman who held a low-level salaried position in a corporation.

Jan. 18, 1937

[Dear Mrs. Roosevelt:]

I . . . was simply astounded to think that anyone could be nitwit enough to wish to be included in the so called social security act if they could possibly avoid it. Call it by any name you wish it, in my opinion, (and that of many people I know) [it] is nothing but downright stealing. . . .

I am not an "economic royalist," just an ordinary white collar worker at \$1600 per [year — about \$23,600 in 2009]. Please show this to the president and ask him to remember the wishes of the forgotten man, that is, the one who dared to vote against him. We expect to be tramped on but we do wish the stepping would be a little less hard.

Security at the price of freedom is never desired by intelligent people.

M. A.

M. A. H.

M. A. H. was a widow who ran a small farm in Columbus, Indiana.

December 14, 1937

Mrs. Roosevelt:

I suppose from your point of view the work relief, old age pensions, slum clearance and all the rest seems like a perfect remedy for all the ills of this country, but I would like for you to see the results, as the other half see them.

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

I live alone on a farm and have not raised any crops for the last two years as there was no help to be had. I am feeding the stock and have been cutting the wood to keep my home fires burning. There are several relievers around here now who have been kicked off relief but they refuse to work unless they can get relief hours and wages, but they are so worthless no one can afford to hire them. . . . They are just a fair sample of the class of people on whom so much of our hard earned tax-money is being squandered and on whom so much sympathy is being wasted. . . .

You people who have plenty of this worlds goods and whose money comes easy have no idea of the heart-breaking toil and self-denial which is the lot of the working people who are trying to make an honest living, and then to have to shoulder all these unjust burdens seems like the last straw. . . . No one should have the right to vote theirselves a living at the expense of the tax payers. . . .

M. A. H.

Sources (in order): Robert S. McElvaine, *Down & Out in the Great Depression* (Chapel Hill: University of North Carolina Press, 1983), 54–55; Gerald Markowitz and David Rosner, eds., "Slaves of the Depression": *Worker's Letters About Life on the Job* (Ithaca, NY: Cornell University Press, 1987), 21; Robert S. McElvaine, *Down & Out in the Great Depression* (Chapel Hill: University of North Carolina Press, 1983), 97, 147, 143.

QUESTIONS FOR ANALYSIS

1. How do you explain the personal, almost intimate, tone of these letters to the Roosevelts?
2. How have specific New Deal programs helped or hurt the authors of these letters?
3. What are the basic values of the authors? Do the values of those who support the New Deal differ from the values of those who oppose it?



Selling the NRA in Chinatown

To mobilize support for its program, the National Recovery Administration (NRA) distributed millions of posters to businesses and families, urging them to display its symbol, the Blue Eagle, in shops, factories, and homes. Here Constance King and Mae Chinn of the Chinese YMCA affix a poster (and a Chinese translation) to a shop in San Francisco that is complying with the NRA codes. © Bettmann/Corbis.

250,000 young men to do reforestation and conservation work. Over the course of the 1930s, the “CCC boys” built thousands of bridges, roads, trails, and other structures in state and national parks, bolstering the national infrastructure (Map 23.2).

Housing Crisis Millions of Americans also faced the devastating prospect of losing their homes. The economic expansion of the 1920s had produced the largest inflationary housing bubble in American history to that point, a scenario in which home prices rose wildly, fueled by excessive borrowing. In the early 1930s, as

home prices collapsed and banks closed, home owners were dragged down with them. More than half a million Americans lost their homes between 1930 and 1932, and in cities such as Cleveland and Indianapolis, half of all home mortgage holders faced possible foreclosure. In response, Congress created the Home Owners Loan Corporation (HOLC) to refinance home mortgages. In just two years, the HOLC helped more than a million Americans retain their homes. The Federal Housing Act of 1934 would extend this program under a new agency, the **Federal Housing Administration (FHA)**. Together, the HOLC, the FHA,

**MAP 23.2****Civilian Conservation Corps Camps**

The Civilian Conservation Corps (CCC) gave hope to unemployed young men during the Great Depression. The first camp opened in Big Meadows, Virginia, in July 1933, and by the end of the decade CCC camps had appeared across the length of the country, located in rural, mountainous, and forested regions alike. Young men constructed bridges and roads, built hiking trails, erected public campgrounds, and performed other improvements. By the early 1940s, the CCC had planted three billion trees, among its many other contributions to the national infrastructure.

and the subsequent Housing Act of 1937 permanently changed the mortgage system and set the foundation for the broad expansion of home ownership in the post–World War II decades (Chapter 25).

When an exhausted Congress recessed in June 1933, at the end of the Hundred Days, it had enacted Roosevelt's agenda: banking reform, recovery programs for agriculture and industry, public works, and unemployment relief. Few presidents had won the passage of so many measures in so short a time. The new federal agencies were far from perfect and had their critics on both the radical left and the conservative right. But the vigorous actions taken by Roosevelt and Congress had halted the downward economic spiral of the Hoover years, stabilized the financial sector, and sent a message of hope from the nation's political leaders. For all that,

however, the New Deal did not break the grip of the depression.

The New Deal Under Attack

As New Dealers waited anxiously for the economy to revive, Roosevelt turned his attention to the reform of Wall Street, where reckless speculation and overleveraged buying of stocks had helped trigger the financial panic of 1929. In 1934, Congress established the **Securities and Exchange Commission** (SEC) to regulate the stock market. The commission had broad powers to determine how stocks and bonds were sold to the public, to set rules for margin (credit) transactions, and to prevent stock sales by those with inside information about corporate plans. The Banking Act of 1935

authorized the president to appoint a new Board of Governors of the Federal Reserve System, placing control of interest rates and other money-market policies in a federal agency rather than in the hands of private bankers.

Critics on the Right Such measures exposed the New Deal to attack from economic conservatives — also known as the political right. A man of wealth, Roosevelt saw himself as the savior of American capitalism, declaring simply, “To preserve we had to reform.” Many bankers and business executives disagreed. To them, FDR became “That Man,” a traitor to his class. In 1934, Republican business leaders joined with conservative Democrats in the **Liberty League** to fight what they called the “reckless spending” and “socialist” reforms of the New Deal. Herbert Hoover condemned the NRA as a “state-controlled or state-directed social or economic system.” That, declared the former president, was “tyranny, not liberalism.”

The **National Association of Manufacturers** (NAM) was even more important than the Liberty League in opposing the New Deal, as the NAM’s influence stretched far into the post–World War II decades. Sparked by a new generation of business leaders who

believed that a publicity campaign was needed to “serve the purposes of business salvation,” the NAM produced radio programs, motion pictures, billboards, and direct mail in the late 1930s. In response to what many conservatives perceived as Roosevelt’s antibusiness policies, the NAM promoted free enterprise and unfettered capitalism. After World War II, the NAM emerged as a staunch critic of liberalism and forged alliances with influential conservative politicians such as Barry Goldwater and Ronald Reagan.

For its part, the Supreme Court repudiated several cornerstones of the early New Deal. In May 1935, in *Schechter v. United States*, the Court unanimously ruled the National Industrial Recovery Act unconstitutional because it delegated Congress’s lawmaking power to the executive branch and extended federal authority to intrastate (in contrast to interstate) commerce. Roosevelt protested but watched helplessly as the Court struck down more New Deal legislation: the Agricultural Adjustment Act, the Railroad Retirement Act, and a debt-relief law known as the Frazier-Lemke Act.

Critics on the Populist Left If business leaders and the Supreme Court thought that the New Deal had gone too far, other Americans believed it had not gone far enough. Among these were public figures who, in the tradition of American populism, sought to place government on the side of ordinary citizens against

COMPARE AND CONTRAST

How did critics on the right and left represent different kinds of challenges to Roosevelt and the New Deal?



Father Coughlin

One of the foremost critics of the New Deal was the “Radio Priest,” Father Charles E. Coughlin. Coughlin believed that Roosevelt and the Democratic Party had not gone far enough in their efforts to ensure the social welfare of all citizens. For instance, he and his organization, the National Union for Social Justice, urged Roosevelt to nationalize the banks. Coughlin, whose radio audience reached 30 million at the height of his popularity, was one of the most recognizable religious leaders in the country. Unfortunately, his remarks in the early 1930s were often laced with anti-Semitism (anti-Jewish sentiment).

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corporations and the wealthy. Francis Townsend, a doctor from Long Beach, California, spoke for the nation's elderly, most of whom had no pensions and feared poverty. In 1933, Townsend proposed the Old Age Revolving Pension Plan, which would give \$200 a month (about \$3,300 today) to citizens over the age of sixty. To receive payments, the elderly would have to retire and open their positions to younger workers. Townsend Clubs sprang up across the country in support of the **Townsend Plan**, mobilizing mass support for old-age pensions.

The most direct political threat to Roosevelt came from Louisiana senator Huey Long. As the Democratic governor of Louisiana from 1928 to 1932, the flamboyant Long had achieved stunning popularity. He increased taxes on corporations, lowered the utility bills of consumers, and built new highways, hospitals, and schools. To push through these measures, Long seized almost dictatorial control of the state government. Now a U.S. senator, Long broke with the New Deal in 1934 and, like Townsend, established a national movement. According to his Share Our Wealth Society, inequalities in the distribution of wealth prohibited millions of ordinary families from buying goods, which kept factories humming. Long's society advocated a tax of 100 percent on all income over \$1 million and on all inheritances over \$5 million. He hoped that this populist program would carry him into the White House.

That prospect encouraged conservatives, who hoped that a split between New Dealers and populist reformers might return the Republican Party, and its ideology of limited government and free enterprise, to political power. In fact, Roosevelt feared that Townsend and Long, along with the popular "radio priest," Father Charles Coughlin, might join forces to form a third party. He had to respond or risk the political unity of the country's liberal forces (Map 23.3).

The Second New Deal and the Redefining of Liberalism, 1935–1938

As attacks on the New Deal increased, Roosevelt and his advisors moved politically to the left. Historians have labeled this shift in policy the Second New Deal. Roosevelt now openly criticized the "money classes," proudly stating, "We have earned the hatred of entrenched greed." He also decisively countered the rising popularity of Townsend, Coughlin, and Long by

adopting parts of their programs. The administration's Revenue Act of 1935 proposed a substantial tax increase on corporate profits and higher income and estate taxes on the wealthy. When conservatives attacked this legislation as an attempt to "soak the rich," Congress moderated its taxation rates. But FDR was satisfied. He had met the Share Our Wealth Society's proposal with a tax plan of his own.

The Welfare State Comes into Being

The Revenue Act symbolized the administration's new outlook. Unlike the First New Deal, which focused on economic recovery, the Second New Deal emphasized social justice and the creation of a safety net: the use of the federal government to assist working people and to provide economic security for the old, the disabled, and the unemployed. The resulting **welfare state**—a term applied to industrial democracies that adopted various government-guaranteed social-welfare programs—fundamentally changed American society.

COMPARE AND CONTRAST

How did the Second New Deal differ from the first?

The Wagner Act and Social Security The first beneficiary of Roosevelt's Second New Deal was the labor movement. Section 7(a) of the National Industrial Recovery Act (NIRA) had given workers the right to organize unions, producing a dramatic growth in rank-and-file militancy and leading to a strike wave in 1934. When the Supreme Court voided the NIRA in 1935, labor unions called for new legislation that would allow workers to organize and bargain collectively with employers. Named for its sponsor, Senator Robert F. Wagner of New York, the **Wagner Act** (1935) upheld the right of industrial workers to join unions. The act outlawed many practices that employers had used to suppress unions, such as firing workers for organizing activities. It also established the National Labor Relations Board (NLRB), a federal agency with the authority to protect workers from employer coercion and to guarantee collective bargaining.

A second initiative, the **Social Security Act** of 1935, had an equally widespread impact. Other industrialized societies, such as Germany and Britain, had created national old-age pension systems at the turn of the century, but American reformers had failed to secure a similar program in the United States. The Townsend and Long movements now pressed Roosevelt to act, giving political muscle to pension proponents within the administration. Children's welfare advocates,



MAP 23.3
Popular Protest in the Great Depression, 1933–1939

The depression forced Americans to look closely at their society, and many of them did not like what they saw. Some citizens expressed their discontent through popular movements, and this map suggests the geography of discontent. The industrial Midwest witnessed union movements, strikes, and Radio Priest Charles Coughlin's demands for social reform. Simultaneously, farmers' movements—tenants in the South, smallholders in the agricultural Midwest—engaged in strikes and dumping campaigns and rallied behind the ideas of progressives in Wisconsin and Huey Long in the South. Protests took diverse forms in California, which was home to strikes by farmworkers, women, and—in San Francisco—all wageworkers. The West was also the seedbed of two important reform proposals: Upton Sinclair's End Poverty in California (EPIC) movement and Francis Townsend's Old Age Revolving Pension clubs.

concerned about the fate of fatherless families, also pressured the president. The resulting Social Security Act had three main provisions: old-age pensions for workers; a joint federal-state system of compensation for unemployed workers; and a program of payments to widowed mothers and the blind, deaf, and disabled. Roosevelt, however, limited the reach of the legislation. Knowing that compulsory pension and unemployment legislation alone would be controversial, he dropped a provision for national health insurance, fearing it would doom the entire bill.

The Social Security Act was a milestone in the creation of an American welfare state. Never before had the federal government assumed such responsibility for the well-being of so many citizens. Social Security, as old-age pensions were known, became one of the most popular government programs in American history. On the other hand, the assistance program for widows and children known as Aid to Dependent Children (ADC) became one of its most controversial measures. ADC covered only 700,000 youngsters in 1939; by 1994, its successor, Aid to

United Auto Workers Strike

Trade unions were among the most active and vocal organizations of the 1930s. Organized labor led a number of major strikes between 1934 and 1936 in various industries. None was more important to the future of trade unions than the sit-down strikes at major automobile plants, including General Motors and Chevrolet in Flint, Michigan, in 1936 and 1937. These strikes, in which workers stopped the assembly lines but refused to leave the factories, compelled GM to recognize the United Auto Workers (UAW), which became one of the strongest trade unions in American history. © Bettmann/Corbis.



Families with Dependent Children (AFDC), enrolled 14.1 million Americans. A minor program during the New Deal, AFDC grew enormously in the 1960s and remained an often maligned cornerstone of the welfare state until it was eliminated under President Clinton in 1996.

New Deal Liberalism The Second New Deal created what historians call New Deal liberalism. **Classical liberalism** held individual liberty to be the foundation of a democratic society, and the word *liberal* had traditionally denoted support for free-market policies and weak government. Roosevelt and his advisors, along with intellectuals such as British economist John Maynard Keynes, disagreed. They countered that, to preserve individual liberty, government must assist the needy and guarantee the basic welfare of citizens. This liberal welfare state was opposed by inheritors of the nineteenth-century ideology of *laissez-faire* capitalism, who gradually became known as conservatives. These two visions of liberty and government—with liberals on one side and conservatives on the other—would shape American politics for the next half century.

From Reform to Stalemate

Roosevelt's first term had seen an extraordinary expansion of the federal state. The great burst of government action between 1933 and 1935 was unequaled in the nation's history (though Congress and President Lyndon Johnson nearly matched it in 1965–1966; see Chapter 28). Roosevelt's second term, however, was characterized by a series of political entanglements and economic bad news that stifled further reform.

The 1936 Election FDR was never enthusiastic about public relief programs. But with the election of 1936 on the horizon and 10 million Americans still out of work, he won funding for the **Works Progress Administration** (WPA). Under the energetic direction of Harry Hopkins, the WPA employed 8.5 million Americans between 1935, when it was established, and 1943. The agency's workers constructed or repaired 651,087 miles of road, 124,087 bridges, 125,110 public buildings, 8,192 parks, and 853 airports. But although the WPA was an extravagant operation by 1930s standards, it reached only about one-third of the nation's unemployed.

As the 1936 election approached, new voters joined the Democratic Party. Many had personally benefitted from New Deal programs such as the WPA or knew people who had (Table 23.2). One was Jack Reagan, a down-on-his-luck shoe salesman (and the father of future president Ronald Reagan), who took a job as a federal relief administrator in Dixon, Illinois, and became a strong supporter of the New Deal. In

TABLE 23.2

Major New Deal Legislation

Agriculture	
1933	Agricultural Adjustment Act (AAA)
	Resettlement Administration (RA)
1935	Rural Electrification Administration
1937	Farm Security Administration (FSA)
1938	Agricultural Adjustment Act of 1938
Finance and Industry	
1933	Emergency Banking Act Glass-Steagall Act (created the FDIC) National Industrial Recovery Act (NIRA)
1934	Securities and Exchange Commission (SEC)
1935	Banking Act of 1935 Revenue Act (wealth tax)
Conservation and the Environment	
1933	Tennessee Valley Authority (TVA) Civilian Conservation Corps (CCC) Soil Conservation and Domestic Allotment Act
Labor and Social Welfare	
1933	Section 7(a) of NIRA
1935	National Labor Relations Act (Wagner Act) National Labor Relations Board (NLRB) Social Security Act
1937	National Housing Act
1938	Fair Labor Standards Act (FLSA)
Relief and Reconstruction	
1933	Federal Emergency Relief Administration (FERA) Civil Works Administration (CWA) Public Works Administration (PWA)
1935	Works Progress Administration (WPA) National Youth Administration (NYA)

addition to voters such as Reagan, Roosevelt could count on a powerful coalition of organized labor, mid-western farmers, white ethnic groups, northern African Americans, and middle-class families concerned about unemployment and old-age security. He also commanded the support of intellectuals and progressive Republicans. With difficulty, the Democrats held on to the votes of their white southern constituency as well.

Republicans recognized that the New Deal was too popular to oppose directly, so they chose as their candidate the progressive governor of Kansas, Alfred M. Landon. Landon accepted the legitimacy of many New Deal programs but criticized their inefficiency and expense. He also pointed to authoritarian regimes in Italy and Germany and hinted that FDR harbored similar dictatorial ambitions. These charges fell on deaf ears. Roosevelt's victory in 1936 was one of the most lopsided in American history. The assassination of Huey Long by a Louisiana political rival in September 1935 had eliminated the threat of a serious third-party challenge. Roosevelt received 60 percent of the popular vote and carried every state except Maine and Vermont. Organized labor, in particular, mobilized on behalf of FDR, donating money, canvassing door to door, and registering hundreds of thousands of new voters. The *New Republic*, a liberal publication, boasted that "it was the greatest revolution in our political history."

"I see one-third of a nation ill-housed, ill-clad, ill-nourished," the president declared in his second inaugural address in January 1937. But any hopes that FDR had for expanding the liberal welfare state were quickly dashed. Within a year, staunch opposition to Roosevelt's initiatives arose in Congress, and a sharp recession undermined confidence in his economic leadership.

Court Battle and Economic Recession Roosevelt's first setback in 1937 came when he surprised the nation by asking for fundamental changes to the Supreme Court. In 1935, the Court had struck down a series of New Deal measures by the narrow margin of 5 to 4. With the Wagner Act, the Tennessee Valley Authority, and Social Security all slated to come before the Court, the future of the New Deal rested in the hands of a few elderly, conservative-minded judges. To diminish their influence, the president proposed adding a new justice to the Court for every member over the age of seventy, a scheme that would have brought six new judges to the bench at the time the legislation was proposed. Roosevelt's opponents protested that he was trying to "pack" the Court. After a bitter, months-long debate, Congress rejected this blatant attempt to alter the judiciary to the president's advantage.

If Roosevelt lost the battle, he went on to win the war. Swayed in part by the president's overwhelming electoral victory in the 1936 election, the Court upheld the Wagner and Social Security Acts. Moreover, a series of timely resignations allowed Roosevelt to reshape the Supreme Court after all. His new appointees—who included the liberal-leaning and generally pro-New Deal Hugo Black, Felix Frankfurter, and William O. Douglas—viewed the Constitution as a “living document” that had to be interpreted in the light of present conditions.

The so-called **Roosevelt recession** of 1937–1938 dealt another blow to the president. From 1933 to 1937, gross domestic product had grown at a yearly rate of about 10 percent, bringing industrial output back to 1929 levels. Unemployment had declined from 25 percent to 14 percent. “The emergency has passed,” declared Senator James F. Byrnes of South Carolina. Acting on this assumption, Roosevelt slashed the federal budget. Following the president's lead, Congress cut the WPA's funding in half, causing layoffs of about 1.5 million workers, and the Federal Reserve, fearing inflation, raised interest rates. These measures halted recovery. The stock market responded by dropping sharply, and unemployment jumped to 19 percent. Quickly reversing course, Roosevelt began once again to spend his way out of the recession by boosting funding for the WPA and resuming public works projects.

Although improvised, this spending program accorded with the theories of John Maynard Keynes, a visionary British economist. Keynes transformed economic thinking in capitalist societies in the 1920s by arguing that government intervention could smooth out the highs and lows of the business cycle through deficit spending and the manipulation of interest rates, which determined the money supply. This view was sharply criticized by Republicans and conservative Democrats in the 1930s, who disliked government intervention in the economy. But **Keynesian economics** gradually won wider acceptance as World War II defense spending finally ended the Great Depression.

A reformer rather than a revolutionary, Roosevelt had preserved capitalism and liberal individualism—even as he transformed them in significant ways. At the same time, conservatives had reclaimed a measure of power in Congress, and those who believed the New Deal had created an intrusive federal bureaucracy kept reform in check after 1937. Throughout Roosevelt's second term, a conservative coalition of southern Democrats, rural Republicans, and industrial interests in both parties worked to block or impede social legislation. By 1939, the era of change was over.

The New Deal's Impact on Society

Whatever its limits, the New Deal had a tremendous impact. Its ideology of social-welfare liberalism fundamentally altered Americans' relationship to their government and provided assistance to a wide range of ordinary people: the unemployed, the elderly, workers, and the poor. In doing so, New Dealers created a sizable federal bureaucracy: the number of civilian federal employees increased by 80 percent between 1929 and 1940, reaching a total of 1 million. The expenditures—and deficits—of the federal government grew at an even faster rate. In 1930, the Hoover administration spent \$3.1 billion and had a surplus of almost \$1 billion; in 1939, New Dealers expended \$9.4 billion and ran a deficit of nearly \$3 billion (still small by later standards). But the New Deal represented more than figures on a balance sheet. Across the country, the new era in government inspired democratic visions among ordinary citizens (*Thinking Like a Historian*, p. 752).

A People's Democracy

In 1939, writer John La Touche and musician Earl Robinson produced “Ballad for Americans.” A patriotic song, it called for uniting “everybody who's nobody . . . Irish, Negro, Jewish, Italian, French, and English, Spanish, Russian, Chinese, Polish, Scotch, Hungarian, Litvak, Swedish, Finnish, Canadian, Greek, and Turk, and Czech and double Czech American.” The song captured the democratic aspirations that the New Deal had awakened. Millions of ordinary people believed that the nation could, and should, become more egalitarian. Influenced by the liberal spirit of the New Deal, Americans from all walks of life seized the opportunity to push for change in the nation's social and political institutions.

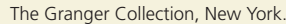
Organized Labor Demoralized and shrinking during the 1920s, labor unions increased their numbers and clout during the New Deal, thanks to the Wagner Act. “The era of privilege and predatory individuals is over,” labor leader John L. Lewis declared. By the end of the decade, the number of unionized workers had tripled to 23 percent of the nonagricultural workforce. A new union movement, led by the Congress of Industrial Organizations (CIO), promoted “industrial unionism”—organizing all the workers in an industry, from skilled machinists to unskilled janitors, into a single union. The American Federation of Labor (AFL),

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More than half a dozen New Deal programs were devoted to building up the physical and cultural infrastructure of the country. The former included roads, bridges, dams, trails, and national parks. The latter included artwork, murals, plays, and other forms of literary expression. Examine the following documents and use them collectively to analyze the New Deal's relationship to infrastructure, art, culture, and politics.

Our Government is no longer a laissez-faire Government, exercising traditional and more or less impersonal powers. There exists in Washington a sense of responsibility for the health, safety, and well-being of the people. . . . I believe that we are at the dawn of a day when the average man, woman, and child in the United States will have an opportunity for a happier and richer life. And it is just and desirable that this should be so. . . . We are not here merely to endure a purgatorial existence in anticipation of a beatific eternity after the grave closes on us. We are here with hopes and aspirations and legitimate desires that we are entitled to have satisfied to at least a reasonable degree. Nor will such a social program as we are discussing cause a strain on our economic system.

One reason people here don't like the WPA is because they don't understand it's not all bums and drunks and aliens! Nobody ever explains to them that they'd never have had the new High School they're so [. . .] proud of if it hadn't been for the WPA. They don't stop to figure that new brick sidewalks wouldn't be there, the shade trees wouldn't be all dressed up to look at along High Street and all around town, if it weren't for WPA projects. To most in this town, and I guess it's not much different in this, than any other New England place, WPA's just a racket, set up to give a bunch of loafers and drunks steady pay to indulge in their vices! They don't stop to consider that on WPA are men and women who have traveled places and seen things, been educated and found their jobs folded up and nothing to replace them with.



4. **Ben Shahn, WPA mural, 1938.** *This is part of a three-panel mural commissioned by the Works Progress Administration (WPA) and painted at a public school in Roosevelt, New Jersey, by the well-known artist Ben Shahn.*



Courtesy of Roosevelt Arts Project/Picture Research Consultants & Archives

5. **David E. Lilienthal, *TVA: Democracy on the March*, 1944.** *Written by the former chairman of the Tennessee Valley Authority.*

I believe men may learn to work in harmony with the forces of nature, neither despoiling what God has given nor helpless to put them to use. I believe in the great potentialities for well-being of the machine and technology and science; and though they do hold a real threat of enslavement and frustration for the human spirit, I believe those dangers can be averted. I believe that through the practice of democracy the world of technology holds out the greatest opportunity in all history for the development of the individual, according to his own talents, aspirations, and willingness to carry the responsibilities of a free man. . . .

Such are the things that have happened in the Tennessee Valley. Here men and science and organizational skills applied to the resources of waters, land, forests, and minerals have yielded great benefits for the people. And it is just such fruits of technology and resources that people all over the world will, more and more, demand for themselves. That people believe these things can be theirs — this it is that constitutes the real revolution of our time, the dominant political fact of the generation that lies ahead.

ANALYZING THE EVIDENCE

1. What sorts of reasons do the authors of sources 1 and 5 give for supporting New Deal programs? What does the “good life” look like in their view, and how is it connected to the New Deal?
2. What do sources 2 and 3 suggest about possible opposition to New Deal programs? What sorts of public burdens do New Deal opponents envision?
3. Consider source 4. What can we learn from a mural about the spirit of the New Deal? Identify specific elements of the mural and think about what they might signify about the society the muralist envisioned. What kind of faith in the federal government does the mural reveal?

PUTTING IT ALL TOGETHER

Using evidence from the sources in this feature, alongside material from the chapter and from your knowledge of the period, write an essay in which you analyze Americans’ attitudes toward New Deal public works projects. If they were positive or optimistic, what was the basis of their optimism? If they were critical, what was the basis of their criticism? From these sources, can you identify a governing spirit of New Deal reform?

Sources: (1) Harold L. Ickes, *The New Democracy* (New York: W. W. Norton & Company Inc., 1934), 60–61; (3) Federal Writers’ Project Life Histories, Library of Congress, lcweb2.loc.gov/ammem/wpaintro/wpahome.html; (5) David E. Lilienthal, *TVA: Democracy on the March* (New York: Harper & Row Publishers, 1944), xxii, 3.

representing the other major group of unions, favored organizing workers on a craft-by-craft basis. Both federations dramatically increased their membership in the second half of the 1930s.

Labor's new vitality translated into political action and a long-lasting alliance with the Democratic Party. The CIO helped fund Democratic campaigns in 1936, and its political action committee became a major Democratic contributor during the 1940s. These successes were real but limited. The labor movement did not become the dominant force in the United States that it was in Europe, and unions never enrolled a majority of American waged workers. Antiunion employer groups such as the National Association of Manufacturers and the Chamber of Commerce remained powerful forces in American business life. After a decade of gains, organized labor remained an important, but secondary, force in American industry.

Women and the New Deal Because policymakers saw the depression primarily as a crisis of male breadwinners, the New Deal did not directly challenge gender inequities. New Deal measures generally enhanced women's welfare, but few addressed their specific needs and concerns. However, the Roosevelt administration did welcome women into the higher ranks of government. Frances Perkins, the first woman named to a cabinet post, served as secretary of labor throughout Roosevelt's presidency. While relatively few, female appointees often worked to open up other opportunities in government for talented women.

The most prominent woman in American politics was the president's wife, Eleanor Roosevelt. In the 1920s, she had worked to expand positions for women in political parties, labor unions, and education. A tireless advocate for women's rights, during her years in the White House Mrs. Roosevelt emerged as an independent public figure and the most influential First Lady in the nation's history. Descending into coal mines to view working conditions, meeting with African Americans seeking antilynching laws, and talking to people on breadlines, she became the conscience of the New Deal, pushing her husband to do more for the disadvantaged. "I sometimes acted as a spur," Mrs. Roosevelt later reflected, "even though the spurring was not always wanted or welcome."

Without the intervention of Eleanor Roosevelt, Frances Perkins, and other prominent women, New Deal policymakers would have largely ignored the



Roosevelts Visit Camp Tara

Franklin Roosevelt was a wealthy patrician, but one of his great political skills was the ability to connect with ordinary Americans. His wife, Eleanor, shared a similar gift, perhaps to an even greater degree. In an era when staged photographs had become an important part of a politician's image-making, Roosevelt made certain to appear frequently in settings in which he mingled with the public. Here, he and Eleanor visit a vocational training camp for jobless women in 1934; FDR is seated on the far left while Eleanor greets two women standing beside the car. AP/Wide World Photos.

needs of women. A fourth of the National Recovery Act's employment rules set a lower minimum wage for women than for men performing the same jobs, and only 7 percent of the workers hired by the Civil Works Administration were female. The Civilian Conservation Corps excluded women entirely. Women fared better under the Works Progress Administration; at its peak, 405,000 women were on the payroll. Most Americans agreed with such policies. When Gallup pollsters in 1936 asked people whether wives should work outside the home when their husbands had jobs, 82 percent said no. Such sentiment reflected a persistent belief in women's secondary status in American economic life.

African Americans Under the New Deal Across the nation, but especially in the South, African Americans held the lowest-paying jobs and faced harsh social and political discrimination. Though FDR did not fundamentally change this fact, he was the most popular president among African Americans since Abraham Lincoln. African Americans held 18 percent of WPA jobs, although they constituted 10 percent of the population. The Resettlement Administration, established in 1935 to help small farmers and tenants buy land, actively protected the rights of black tenant

COMPARE AND CONTRAST

What aspects of the New Deal inspired ordinary Americans? What stymied their ambitions?

farmers. Black involvement in the New Deal, however, could not undo centuries of racial subordination, nor could it change the overwhelming power of southern whites in the Democratic Party.

Nevertheless, black Americans received significant benefits from New Deal relief programs and believed that the White House cared about their plight, which caused a momentous shift in their political allegiance. Since the Civil War, black voters had staunchly supported the Republican Party, the party of Abraham Lincoln, known as the Great Emancipator. Even in the depression year of 1932, they overwhelmingly supported Republican candidates. But in 1936, as part of the tidal wave of national support for FDR, northern African Americans gave Roosevelt 71 percent of their votes and have remained solidly Democratic ever since.

African Americans supported the New Deal partly because the Roosevelt administration appointed a number of black people to federal office, and an informal “black cabinet” of prominent African American intellectuals advised New Deal agencies. Among the most important appointees was Mary McLeod Bethune. Born in 1875 in South Carolina to former slaves, Bethune founded Bethune-Cookman College and served during the 1920s as president of the National Association of Colored Women. She joined the New Deal in 1935, confiding to a friend that she “believed in the democratic and humane program” of FDR. Americans, Bethune observed, had to become “accustomed to seeing Negroes in high places.” Bethune had access to the White House and pushed continually for New Deal programs to help African Americans.

But the New Deal was limited in its approach to race. Roosevelt did not go further in support of black rights, because of both his own racial blinders and his need for the votes of the white southern Democrats in Congress—including powerful southern senators, many of whom held influential committee posts in Congress. Most New Deal programs reflected prevailing racial attitudes. Roosevelt and other New Dealers had to trim their proposals of measures that would substantially benefit African Americans. Civilian Conservation Corps camps segregated blacks, and most NRA rules did not protect black workers from discrimination. Both Social Security and the Wagner Act explicitly excluded the domestic and agricultural jobs held by most African Americans in the 1930s. Roosevelt also refused to support legislation making lynching a federal crime, which was one of the most pressing demands of African Americans in the 1930s. Between 1882 and 1930, more than 2,500 African Americans were lynched by white mobs in the southern

states, which means that statistically, one man, woman, or child was murdered every week for fifty years. But despite pleas from black leaders, and from Mrs. Roosevelt herself, FDR feared that southern white Democrats would block his other reforms in retaliation for such legislation.

If lynching embodied southern lawlessness, southern law was not much better. In an infamous 1931 case in Scottsboro, Alabama, nine young black men were accused of rape by two white women hitching a ride on a freight train. The women’s stories contained many inconsistencies, but within weeks a white jury had convicted all nine defendants; eight received the death sentence. After the U.S. Supreme Court overturned the sentences because the defendants had been denied adequate legal counsel, five of the men were again convicted and sentenced to long prison terms. Across the country, the Scottsboro Boys, as they were known, inspired solidarity within African American communities. Among whites, the Communist Party took the lead in publicizing the case—and was one of the only white organizations to do so—helping to support the Scottsboro Defense Committee, which raised money for legal efforts on the defendants’ behalf.

In southern agriculture, where many sharecroppers were black while landowners and government administrators were white, the Agricultural Adjustment Act hurt rather than helped the poorest African Americans. White landowners collected government subsidy checks but refused to distribute payments to their sharecroppers. Such practices forced 200,000 black families off the land. Some black farmers tried to protect themselves by joining the Southern Tenant Farmers Union (STFU), a biracial organization founded in 1934. “The same chain that holds you holds my people, too,” an elderly black farmer reminded his white neighbors. But landowners had such economic power and such support from local sheriffs that the STFU could do little.

A generation of African American leaders came of age inspired by the New Deal’s democratic promise. But it remained just a promise. From the outset, New Dealers wrestled with potentially fatal racial politics. Franklin Roosevelt and the Democratic Party depended heavily on white voters in the South, who were determined to maintain racial segregation and white supremacy. But many Democrats in the North and West—centers of New Deal liberalism—would come to oppose racial discrimination. This meant, ironically, that the nation’s most liberal political forces and some of its most conservative political forces existed side by side in the same political party. Another thirty years



Scottsboro Defendants

The 1931 trial in Scottsboro, Alabama, of nine black youths accused of raping two white women became a symbol of the injustices African Americans faced in the South's legal system. Denied access to an attorney, the defendants were found guilty after a three-day trial, and eight were sentenced to death. When the U.S. Supreme Court overturned their convictions in 1932, the International Labor Defense Organization hired noted criminal attorney Samuel Leibowitz to argue the case. Leibowitz eventually won the acquittal of four defendants and jail sentences for the rest. This 1933 photograph, taken in a Decatur jail, shows Leibowitz conferring with Haywood Patterson, in front of the other eight defendants. Brown Brothers.

would pass before black Americans would gain an opportunity to reform U.S. racial laws and practices.

Indian Policy New Deal reformers seized the opportunity to implement their vision for the future of Native Americans, with mixed results. Indian peoples had long been one of the nation's most disadvantaged and powerless groups. In 1934, the average individual Indian income was only \$48 per year, and the Native American unemployment rate was three times the national average. The plight of Native Americans won the attention of the progressive commissioner of the Bureau of Indian Affairs (BIA), John Collier, an intellectual and critic of past BIA practices. Collier understood what Native Americans had long known: that the government's decades-long policy of forced assimilation, prohibition of Indian religions, and confiscation of Indian lands had left most tribes poor, isolated, and without basic self-determination.

Collier helped to write and push through Congress the **Indian Reorganization Act** of 1934, sometimes

called the Indian New Deal. On the positive side, the law reversed the Dawes Act of 1887 (Chapter 16) by promoting Indian self-government through formal constitutions and democratically elected tribal councils. A majority of Indian peoples—some 181 tribes—accepted the reorganization policy, but 77 declined to participate, primarily because they preferred the traditional way of making decisions by consensus rather than by majority vote. Through the new law, Indians won a greater degree of religious freedom, and tribal governments regained their status as semisovereign dependent nations. When the latter policy was upheld by the courts, Indian people gained a measure of leverage that would have major implications for native rights in the second half of the twentieth century.

Like so many other federal Indian policies, however, the “Indian New Deal” was a mixed blessing. For some peoples, the act imposed a model of self-government that proved incompatible with tribal traditions and languages. The Papagos of southern Arizona, for instance, had no words for *budget* or



Indian New Deal

Commissioner of Indian Affairs John Collier poses with chiefs of the Blackfoot Indian tribe in 1934. Collier helped reform the way the U.S. federal government treated Native Americans. As part of what many called the Indian New Deal, Collier lobbied Congress to pass the Indian Reorganization Act. The act gave Indian tribes greater control over their own affairs and ended many of the most atrocious federal practices, such as forcing Indian children into white-run boarding schools and dividing up and selling reservation land. The legislation's long-term results were mixed, but it signaled the beginning of greater autonomy for Indian tribes across the country. © Bettmann/Corbis.

representative, and they made no linguistic distinctions among *law*, *rule*, *charter*, and *constitution*. In another case, the nation's largest tribe, the Navajos, rejected the BIA's new policy, largely because the government was simultaneously reducing Navajo livestock to protect the Boulder Dam project. In theory, the new policy gave Indians a much greater degree of self-determination. In practice, however, although some tribes did benefit, the BIA and Congress continued to interfere in internal Indian affairs and retained financial control over reservation governments.

Struggles in the West By the 1920s, agriculture in California had become a big business—intensive, diversified, and export-oriented. Large-scale corporate-owned farms produced specialty crops—lettuce, tomatoes, peaches, grapes, and cotton—whose staggered harvests allowed the use of transient laborers. Thousands of workers, immigrants from Mexico and Asia and white migrants from the midwestern states,

trooped from farm to farm and from crop to crop during the long picking season. Some migrants settled in the rapidly growing cities along the West Coast, especially the sprawling metropolis of Los Angeles. Under both Hoover and FDR, the federal government promoted the “repatriation” of Mexican citizens—their deportation to Mexico. Between 1929 and 1937, approximately half a million people of Mexican descent were deported. But historians estimate that more than 60 percent of these were legal U.S. citizens, making the government's actions constitutionally questionable.

Despite the deportations, many Mexican Americans benefitted from the New Deal and generally held Roosevelt and the Democratic Party in high regard. People of Mexican descent, like other Americans, took jobs with the WPA and the CCC, or received relief in the worst years of the depression. The National Youth Administration (NYA), which employed young people from families on relief and sponsored a variety of school programs, was especially important in



Mexican American Farm Workers

Among the most hard-pressed workers during the Great Depression were those who labored in the nation's agricultural field, orchards, and processing plants. Agriculture was a big-time corporate business by the 1930s, and in California and other parts of the Southwest it employed hundreds of thousands of poor Mexican Americans and Mexican immigrants. Seizing on the spirit of social protest sweeping the country in the early 1930s, many of these workers went on strike for better wages and working conditions. Here, women from Mexican American communities are heading to the cotton fields near Corcoran, California, to urge workers to join a major strike of cotton pickers. Though the workers in Corcoran won some wage improvements in this 1933 strike, the fierce battle between employers and workers in American agriculture was far from over and continues to this day. Library of Congress.

southwestern cities. In California, the Mexican American Movement (MAM), a youth-focused organization, received assistance from liberal New Dealers. New Deal programs did not fundamentally improve the migrant farm labor system under which so many people of Mexican descent labored, but Mexicans joined the New Deal coalition in large numbers because of the Democrats' commitment to ordinary Americans. "Franklin D. Roosevelt's name was the spark that started thousands of Spanish-speaking persons to the polls," noted one Los Angeles activist.

Men and women of Asian descent — mostly from China, Japan, and the Philippines — formed a small minority of the American population but were a significant presence in some western cities. Immigrants from Japan and China had long faced discrimination. A 1913 California law prohibited them from owning land. Japanese farmers, who specialized in fruit and vegetable crops, circumvented this restriction by putting land titles in the names of their American-born children. As the depression cut farm prices and racial

discrimination excluded young Japanese Americans from nonfarm jobs, about 20 percent of the immigrants returned to Japan.

Chinese Americans were less prosperous than their Japanese counterparts. Only 3 percent of Chinese Americans worked in professional and technical positions, and discrimination barred them from most industrial jobs. In San Francisco, the majority of Chinese worked in small businesses: restaurants, laundries, and firms that imported textiles and ceramics. During the depression, they turned for assistance to Chinese social organizations such as *huiguan* (district associations) and to the city government; in 1931, about one-sixth of San Francisco's Chinese population was receiving public aid. But few Chinese benefitted from the New Deal. Until the repeal of the Exclusion Act in 1943, Chinese immigrants were classified as "aliens ineligible for citizenship" and therefore were excluded from most federal programs.

Because Filipino immigrants came from a U.S. territory, they were not affected by the ban on Asian

immigration enacted in 1924. During the 1920s, their numbers swelled to about 50,000, many of whom worked as laborers on large corporate-owned farms. As the depression cut wages, Filipino immigration slowed to a trickle, and it was virtually cut off by the Tydings-McDuffie Act of 1934. The act granted independence to the Philippines (which since 1898 had been an American colony), classified all Filipinos in the United States as aliens, and restricted immigration from the Philippines to fifty people per year.

Reshaping the Environment

Attention to natural resources was a dominant theme of the New Deal, and the shaping of the landscape was among its most visible legacies. Franklin Roosevelt and Interior Secretary Harold Ickes saw themselves as conservationists in the tradition of FDR's cousin, Theodore Roosevelt. In an era before environmentalism, FDR practiced what he called the “gospel of conservation.” The president cared primarily about making the land—and other natural resources, such as trees and water—better serve human needs. National policy stressed scientific land management and ecological balance. Preserving wildlife and wilderness was of secondary importance. Under Roosevelt, the federal government both responded to environmental crises and

reshaped the use of natural resources, especially water, in the United States.

The Dust Bowl Among the most hard-pressed citizens during the depression were farmers fleeing the “dust bowl” of the Great Plains. Between 1930 and 1941, a severe drought afflicted the semiarid states of Oklahoma, Texas, New Mexico, Colorado, Arkansas, and Kansas. Farmers in these areas had stripped the land of its native vegetation, which destroyed the delicate ecology of the plains. To grow wheat and other crops, they had pushed agriculture beyond the natural limits of the soil, making their land vulnerable, in times of drought, to wind erosion of the topsoil (Map 23.4). When the winds came, huge clouds of thick dust rolled over the land, turning the day into night. This ecological disaster prompted a mass exodus. At least 350,000 “Okies” (so called whether or not they were from Oklahoma) loaded their belongings into cars and trucks and headed to California. John Steinbeck’s novel *The Grapes of Wrath* (1939) immortalized them, and New Deal photographer Dorothea Lange’s haunting images of California migrant camps made them the public face of the depression’s human toll.

IDENTIFY CAUSES

Why did the natural environment receive so much attention under New Deal programs, and with what result?

MAP 23.4

The Dust Bowl and Federal Building Projects in the West, 1930–1941

A U.S. Weather Bureau scientist called the drought of the 1930s “the worst in the climatological history of the country.” Conditions were especially severe in the southern plains, where farming on marginal land threatened the environment even before the drought struck. As farm families migrated west on U.S. Route 66, the federal government began a series of massive building projects that provided flood control, irrigation, electric power, and transportation facilities to residents of the states of the Far West.





The Human Face of the Great Depression

Migrant Mother by Dorothea Lange is one of the most famous documentary photographs of the 1930s. On assignment for the Resettlement Administration, Lange spent only ten minutes in a pea-pickers' camp in Nipomo, California. There she captured this image (though not the name) of the woman whose despair and resignation she so powerfully recorded. In the 1970s the woman was identified as Florence Thompson, a native Cherokee from Oklahoma, who disagreed with Lange's recollections of the circumstances of the taking of the photograph. Thompson and her family had left Nipomo, however, by the time the publication of this image sparked a large relief effort directed at the camp's migrant workers. Library of Congress.

Roosevelt and Ickes believed that poor land practices made for poor people. Under their direction, government agencies tackled the dust bowl's human causes. Agents from the newly created Soil Conservation Service, for instance, taught farmers to prevent soil erosion by tilling hillsides along the contours of the land. They also encouraged (and sometimes paid) farmers to take certain commercial crops out of production and plant soil-preserving grasses instead. One of the U.S. Forest Service's most widely publicized programs was the Shelterbelts, the planting of 220 million trees running north along the 99th meridian from Abilene, Texas, to the Canadian border. Planted as a windbreak, the trees also prevented soil erosion. A variety of government agencies, from the CCC to the

U.S. Department of Agriculture, lent their expertise to establishing sound farming practices in the plains.

Tennessee Valley Authority The most extensive New Deal environmental undertaking was the **Tennessee Valley Authority** (TVA), which Roosevelt saw as the first step in modernizing the South. Funded by Congress in 1933, the TVA integrated flood control, reforestation, electricity generation, and agricultural and industrial development. The dams and their hydroelectric plants provided cheap electric power for homes and factories as well as ample recreational opportunities for the valley's residents. The massive project won praise around the world (Map 23.5).

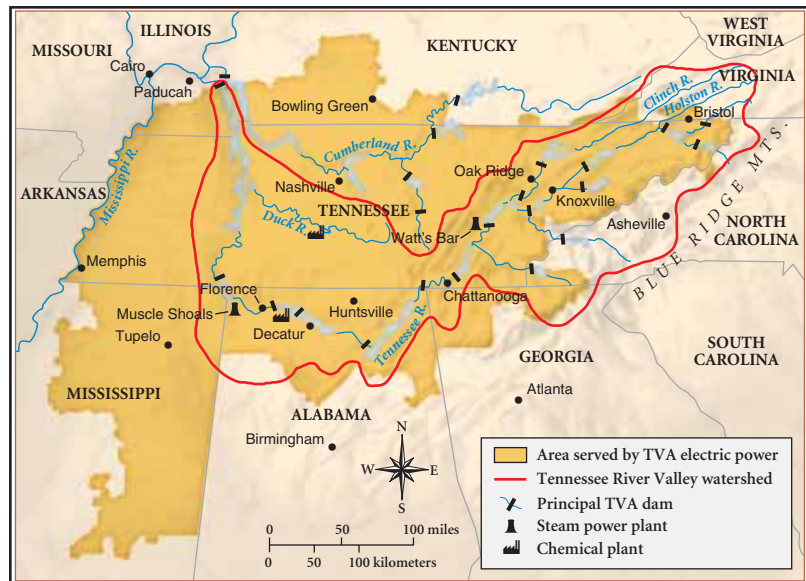
The TVA was an integral part of the Roosevelt administration's effort to keep farmers on the land by enhancing the quality of rural life. The **Rural Electrification Administration** (REA), established in 1935, was also central to that goal. Fewer than one-tenth of the nation's 6.8 million farms had electricity. The REA addressed this problem by promoting nonprofit farm cooperatives that offered loans to farmers to install power lines. By 1940, 40 percent of the nation's farms had electricity; a decade later, 90 percent did. Electricity brought relief from the drudgery and isolation of farm life. Electric irons, vacuum cleaners, and washing machines eased women's burdens, and radios brightened the lives of the entire family. Along with the automobile and the movies, electricity broke down the barriers between urban and rural life.

Grand Coulee As the nation's least populated but fastest-growing region, the West benefitted enormously from the New Deal's attention to the environment. With the largest number of state and federal parks in the country, the West gained countless trails, bridges, cabins, and other recreational facilities, laying the groundwork for the post–World War II expansion of western tourism. On the Colorado River, Boulder Dam (later renamed Hoover Dam) was completed in 1935 with Public Works Administration funds; the dam generated power for the region's growing cities such as Las Vegas, Los Angeles, and Phoenix.

The largest project in the West, however, took shape in an obscure corner of Washington State, where the PWA and the Bureau of Reclamation built the Grand Coulee Dam on the Columbia River. When it was completed in 1941, Grand Coulee was the largest electricity-producing structure in the world, and its 150-mile lake provided irrigation for the state's major crops: apples, cherries, pears, potatoes, and wheat. Inspired by the dam and the modernizing spirit of the

MAP 23.5**The Tennessee Valley Authority, 1933–1952**

The Tennessee Valley Authority was one of the New Deal's most far-reaching environmental projects. Between 1933 and 1952, the TVA built twenty dams and improved five others, taming the flood-prone Tennessee River and its main tributaries. The cheap hydroelectric power generated by the dams brought electricity to industries as well as hundreds of thousands of area residents, and artificial lakes provided extensive recreational facilities. Widely praised at the time, the TVA came under attack in the 1970s for its practice of strip mining and the pollution caused by its power plants and chemical factories.



New Deal, folk singer Woody Guthrie wrote a song about the Columbia. “Your power is turning our darkness to dawn,” he sang, “so roll on, Columbia, roll on!”

New Deal projects that enhanced people’s enjoyment of the natural environment can be seen today throughout the country. CCC and WPA workers built the famous Blue Ridge Parkway, which connects the Shenandoah National Park in Virginia with the Great Smoky Mountains National Park in North Carolina. In the West, government workers built the San Francisco Zoo, Berkeley’s Tilden Park, and the canals of San Antonio. The Civilian Conservation Corps helped to complete the East Coast’s Appalachian Trail and the West Coast’s Pacific Crest Trail through the Sierra Nevada. In state parks across the country, cabins, shelters, picnic areas, lodges, and observation towers stand as monuments to the New Deal ethos of recreation coexisting with nature.

The New Deal and the Arts

In response to the Great Depression, many American writers and artists redefined their relationship to society. Never had there been a decade, critic Malcolm Cowley suggested in 1939, “when literary events followed so closely on the flying coat-tails of social events.” New Deal administrators encouraged artists to create projects that would be of interest to the entire community, not just the cultured elite. Encouraged by the popular New Deal slogan “Art for the millions,” artists painted murals in hundreds of public buildings. The WPA’s Federal Art Project gave work to many young artists who would become the twentieth century’s

leading painters, muralists, and sculptors. Jackson Pollock, Alice Neel, Willem de Kooning, and Louise Nevelson all received support. The Federal Music Project and Federal Writers’ Project (FWP) employed 15,000 musicians and 5,000 writers, respectively. Among the latter were Saul Bellow, Ralph Ellison, and John Cheever, who became great American writers. The FWP also collected oral histories, including two thousand narratives by former slaves. The black folklorist and novelist Zora Neale Hurston finished three novels while in the Florida FWP, among them *Their Eyes Were Watching God* (1937). Richard Wright won the 1938 *Story* magazine prize for the best tale by a WPA writer and went on to complete *Native Son* (1940), a searing novel about white racism. Similarly, the Federal Theatre Project (FTP) nurtured such talented directors, actors, and playwrights as Orson Welles, John Huston, and Arthur Miller.

The Legacies of the New Deal

The New Deal addressed the Great Depression by restoring hope and promising security. FDR and Congress created a powerful social-welfare state that took unprecedented responsibility for the well-being of American citizens. During the 1930s, millions of people began to pay taxes directly to the Social Security Administration, and more than one-third of the population received direct government assistance from federal programs, including old-age pensions, unemployment compensation, farm loans, relief work, and mortgage guarantees. New legislation regulated the stock market, reformed the Federal Reserve System,



Grand Coulee Dam

This extraordinary photo from a *Life* magazine essay shows workers hitching a ride on a 13-ton conduit as it is lowered into place on the Grand Coulee Dam in Washington State. Dozens of dams were constructed across the country under the auspices of various New Deal programs, but none were more majestic than two in the West: Boulder Dam (renamed Hoover Dam in 1947) and Grand Coulee. Built to harness the awesome power of the Columbia River as it rushed to the Pacific, Grand Coulee would ultimately provide electric power to Seattle, Portland, and other West Coast cities and new irrigation waters for Washington's apple and cherry orchards, among many other crops. Library of Congress.

and subjected business corporations to federal regulation. The New Deal's pattern of government involvement in social life would persist for the rest of the twentieth century. In the 1960s, Lyndon Johnson and the "Great Society" Congress dramatically expanded social-welfare programs, most of which remained intact in the wake of the "Reagan Revolution" of the 1980s.

Like all other major social transformations, the New Deal was criticized both by those who thought it did too much and by those who believed it did too little. Conservatives, who prioritized limited government and individual freedom, pointed out that the New Deal state intruded deeply into the personal and

financial lives of citizens and the affairs of business. Conversely, advocates of social-welfare liberalism complained that the New Deal's safety net had too many holes: no national health-care sys-

tem, welfare programs that excluded domestic workers and farm laborers, and state governments that often

limited the benefits distributed under New Deal programs.

Whatever the merits of its critics, the New Deal unquestionably transformed the American political landscape. From 1896 to 1932, the Republican Party had commanded the votes of a majority of Americans. That changed as Franklin Roosevelt's magnetic personality and innovative programs brought millions of voters into the Democratic fold. Democratic recruits included first- and second-generation immigrants from southern and central Europe — Italians, Poles, Slovaks, and Jews — as well as African American migrants to northern cities. Organized labor aligned itself with a Democratic administration that had recognized unions as a legitimate force in modern industrial life. The elderly and the unemployed, assisted by the Social Security Act, likewise supported FDR. This New Deal coalition of ethnic groups, city dwellers, organized labor, African Americans, and a cross section of the middle class formed the nucleus of the northern Democratic Party and supported additional liberal reforms in the decades to come.

EXPLAIN CONSEQUENCES

What was the New Deal's long-term legacy?

SUMMARY

We have seen how Franklin Delano Roosevelt's First New Deal focused on stimulating recovery, providing relief to the unemployed, and regulating banks and other financial institutions. The Second New Deal was different. Influenced by the persistence of the depression and the growing popularity of Huey Long's Share Our Wealth proposals, Roosevelt promoted social-welfare legislation that provided Americans with economic security.

We also explored the impact of the New Deal on various groups of citizens, especially African Americans, women, and unionized workers. Our survey paid particular attention to the lives of the Mexicans, Asians, and Okies who worked in the farms and factories of California. Because of New Deal assistance, the mem-

bers of those groups gravitated toward the Democratic Party. The party's coalition of ethnic workers, African Americans, farmers, parts of the middle classes, and white southerners gave FDR and other Democrats a landslide victory in 1936.

Finally, we examined the accomplishments of the New Deal. In 1933, New Deal programs resolved the banking crisis while preserving capitalist institutions. Subsequently, these programs expanded the federal government and, through the Social Security system, farm subsidy programs, and public works projects, launched federal policies that were important to nearly every American. Great dams and electricity projects sponsored by the Tennessee Valley Authority, the Works Progress Administration in the West, and the Rural Electrification Administration permanently improved the quality of life for the nation's citizens.

CHAPTER REVIEW

MAKE IT STICK Go to **LearningCurve** to retain what you've read.



TERMS TO KNOW Identify and explain the significance of each term below.

Key Concepts and Events

Smoot-Hawley Tariff (p. 736)
 Bonus Army (p. 738)
 fireside chats (p. 740)
 Hundred Days (p. 740)
 Glass-Steagall Act (p. 740)
 Agricultural Adjustment Act (p. 741)
 National Recovery Administration (p. 741)
 Public Works Administration (p. 741)
 Civilian Conservation Corps (p. 741)
 Federal Housing Administration (p. 744)
 Securities and Exchange Commission (p. 745)
 Liberty League (p. 746)
 National Association of Manufacturers (p. 746)
 Townsend Plan (p. 747)

welfare state (p. 747)
 Wagner Act (p. 747)
 Social Security Act (p. 747)
 classical liberalism (p. 749)
 Works Progress Administration (p. 749)
 Roosevelt recession (p. 751)
 Keynesian economics (p. 751)
 Indian Reorganization Act (p. 756)
 dust bowl (p. 759)
 Tennessee Valley Authority (p. 760)
 Rural Electrification Administration (p. 760)

Key People

Herbert Hoover (p. 736)
 Franklin Delano Roosevelt (p. 739)
 Father Charles Coughlin (p. 747)
 Huey Long (p. 747)
 Frances Perkins (p. 754)
 Eleanor Roosevelt (p. 754)
 Mary McLeod Bethune (p. 755)
 John Collier (p. 756)

REVIEW QUESTIONS

Answer these questions to demonstrate your understanding of the chapter's main ideas.

1. Some historians have seen the New Deal as a natural evolution of progressive reforms from earlier in the century. Others have argued that it represented a revolution in social values and government institutions. Do you view the New Deal as an extension of progressivism, or a radical break with the past? Provide evidence for your argument.
2. How did the lives of women, workers, and racial and ethnic minority groups change during the Great Depression? What role did the New Deal play in helping those groups of Americans?
3. **THEMATIC UNDERSTANDING** Review the events listed under “Politics and Power,” “Identity,” and “Ideas, Beliefs, and Culture” on the thematic timeline on page 671. In what ways did the New Deal coalition and the emergence of the welfare state change the character of American politics? Why did Republicans oppose the Democratic initiatives, and how did these public debates shape visions of American national identity?

MAKING CONNECTIONS

Recognize the larger developments and continuities within and across chapters by answering these questions.

1. **ACROSS TIME AND PLACE** People often view the New Deal as a set of government programs and policies enacted by President Roosevelt and Congress. In this version, change comes from above. Yet there is also evidence that ordinary Americans played an important role in inspiring and championing aspects of the New Deal. Find several specific examples of this, and think about the possible connections between the struggles, protests, and actions of ordinary people and the programs of the New Deal.
2. **VISUAL EVIDENCE** Consider two images: the famous Dorothea Lange photograph of Florence Thompson on page 760 and the photograph of workers building the Grand Coulee Dam on page 762. Why is the first image more frequently associated with the Great Depression than the second? How would it change our understanding of the era if we made the second photograph the iconic representation of the depression?

MORE TO EXPLORE

Start here to learn more about the events discussed in this chapter.

Kristen Downey, *The Woman Behind the New Deal: The Life of Frances Perkins, FDR's Secretary of Labor and His Moral Conscience* (2009). Discusses women and the New Deal years as seen through the life and career of an important reformer.

Ira Katznelson, *Fear Itself: The New Deal and the Origins of Our Times* (2013). A powerful explanation of the New Deal's racial politics.

Robert S. McElvaine, *The Great Depression* (1984) and *Down & Out in the Great Depression* (1983). The first is an excellent overview of the depression and the New Deal; the second contains letters written by ordinary people.

James F. Simon, *FDR and Chief Justice Hughes: The President, the Supreme Court, and the Epic Battle over the New Deal* (2012). Shows the legal controversies surrounding FDR's expansion of the state.

John Steinbeck, *The Grapes of Wrath* (1939); Josephine Herbst, *Pity Is Not Enough* (1933); and Richard Wright, *Native Son* (1940). Classic depression-era novels.

For extensive collections of 1930s materials, see the “New Deal Network” at newdeal.feri.org; government-commissioned art at archives.gov/exhibits/new_deal_for_the_arts; and the slave narratives collected by the Federal Writers' Project at memory.loc.gov/ammem/snhtml.

TIMELINE Ask yourself why this chapter begins and ends with these dates and then identify the links among related events.

1930	<ul style="list-style-type: none"> • Smoot-Hawley Tariff
1931–1937	<ul style="list-style-type: none"> • Scottsboro case: trials and appeals
1932	<ul style="list-style-type: none"> • Bonus Army marches on Washington, D.C. • Franklin Delano Roosevelt elected president
1933	<ul style="list-style-type: none"> • FDR's inaugural address and first fireside chats • Emergency Banking Act begins the Hundred Days • FDR takes U.S. off the gold standard • Civilian Conservation Corps (CCC) created • Agricultural Adjustment Act (AAA) • National Industrial Recovery Act (NIRA) • Tennessee Valley Authority (TVA) established • Townsend Clubs promote Old Age Revolving Pension Plan
1934	<ul style="list-style-type: none"> • Securities and Exchange Commission (SEC) created • Southern Tenant Farmers Union (STFU) founded • Indian Reorganization Act • Senator Huey Long promotes Share Our Wealth Society • Father Charles Coughlin founds National Union for Social Justice
1935	<ul style="list-style-type: none"> • Supreme Court voids NIRA in <i>Schechter v. United States</i> • National Labor Relations (Wagner) Act • Social Security Act creates old-age pension system • Works Progress Administration (WPA) created • Rural Electrification Administration (REA) established • Supreme Court voids Agricultural Adjustment Act • Congress of Industrial Organizations (CIO) formed
1936	<ul style="list-style-type: none"> • Landslide reelection of FDR marks peak of New Deal power
1937	<ul style="list-style-type: none"> • FDR's Supreme Court plan fails
1937–1938	<ul style="list-style-type: none"> • "Roosevelt recession" raises unemployment

KEY TURNING POINTS: Identify two critical turning points between 1934 and 1937, when the New Deal faced specific challenges.