

CHAPTER 21

- 1931** Scottsboro case
- 1933** Franklin Roosevelt inaugurated president
Bank holiday
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- 1934** Upton Sinclair runs for governor of California
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- 1936** Supreme Court rules the Agricultural Adjustment Act unconstitutional
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The New Deal, 1932–1940

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This panel depicting the construction of a dam was painted in 1939 by William Gropper as part of a mural for the new Department of Interior building in Washington, D.C. Born on New York City's Lower East Side to a Jewish immigrant family, Gropper became a prominent "social realist" artist, whose works depicting scenes of American life included satirical cartoons of political and business leaders and paintings of labor struggles of the 1930s. Like other artists who found it difficult to obtain work during the Depression, he was hired by the Works Projects Administration, a New Deal agency, to paint murals for government buildings. This one was inspired by the construction of the Grand Coulee Dam on the Columbia River and the Davis Dam on the Colorado River, two of the many New Deal projects that expanded the nation's infrastructure and provided employment to victims of the Depression.



FOCUS QUESTIONS

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

Early in 1941, the unemployed Woody Guthrie, soon to become one of the country's most popular songwriters and folk singers, brought his family to Portland, Oregon. He hoped to star in a film about the great public-works projects under way on the Columbia River. Given a temporary job by the Bonneville Power Authority, the public agency that controlled the Columbia dams, Guthrie produced a song every day for the next month. One, "Roll on, Columbia," became a popular statement of the benefits that resulted when government took the lead in economic planning and in improving the lot of ordinary citizens:

And on up the river is the Grand Coulee Dam,
The biggest thing built by the hand of a man,
To run the great factories and water the land,
So, roll on, Columbia, roll on. . . .
Your power is turning our darkness to dawn.
So, roll on, Columbia, roll on.©

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

When the Grand Coulee Dam went into operation in 1941, it was the largest man-made structure in world history. It eventually produced more than 40 percent of the nation's hydroelectric power. The dam provided the cheapest electricity in the country for towns that sprang up out of nowhere, farms on what had once been deserts in eastern Washington and Oregon, and factories that would soon be producing aluminum for World War II airplanes. The project also had less appealing consequences. From time immemorial, the Columbia River had been filled with salmon. But the Grand Coulee Dam made no provision for the passage of fish, and the salmon all but vanished. This caused little concern during the Depression but became a source of controversy later in the century as Americans became more concerned about preserving the natural environment.

The Grand Coulee Dam was part of what one scholar has called a "public works revolution" that transformed the American economy and landscape during the 1930s. The Roosevelt administration spent far more money on building roads, dams, airports, bridges, and housing than any other activity.

Franklin D. Roosevelt believed regional economic planning like that in the Northwest would promote economic growth, ease the domestic and working lives of ordinary Americans, and keep control of key natural resources in public rather than private hands. "It promises," one supporter

wrote, “a world replete with more freedom and happiness than mankind has ever known.”

The Columbia River project reflected broader changes in American life and thought during the New Deal of the 1930s. Roosevelt oversaw the transformation of the Democratic Party into a coalition of farmers, industrial workers, the reform-minded urban middle class, liberal intellectuals, northern African-Americans, and, somewhat incongruously, the white supremacist South, united by the belief that the federal government must provide Americans with protection against the dislocations caused by modern capitalism. “Liberalism,” traditionally understood as limited government and free market economics, took on its modern meaning. Thanks to the New Deal, it now referred to active efforts by the national government to uplift less fortunate members of society.

Freedom, too, underwent a transformation during the 1930s. The Depression had discredited the ideas that social progress rests on the unrestrained pursuit of wealth and that, apart from unfortunates like widows and orphans, most poverty is self-inflicted. The New Deal elevated a public guarantee of economic security to the forefront of American discussions of freedom. The 1930s were a decade of dramatic social upheaval. Social and political activists, most notably a revitalized labor movement, placed new issues on the political agenda. When one writer in 1941 published a survey of democratic thought beginning in the ancient world, he concluded that what distinguished his own time was its awareness of “the social conditions of freedom.” Thanks to the New Deal, he wrote, “economic security” had “at last been recognized as a political condition of personal freedom.” Regional economic planning like that in the Northwest reflected this understanding of freedom. So did other New Deal measures, including the Social Security Act, which offered aid to the unemployed and aged, and the Fair Labor Standards Act, which established a national minimum wage.

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



Hydroelectric generators at the Grand Coulee Dam.

THE FIRST NEW DEAL

FDR AND THE ELECTION OF 1932

It is indeed paradoxical that Franklin D. Roosevelt, who had been raised in privilege on a New York country estate, came to be beloved as the symbolic representative of ordinary citizens. But like Lincoln, with whom he is



A 1949 map of the Columbia River project, showing its numerous dams, including the Grand Coulee, the largest man-made structure in the world at the time of its opening in 1941.

often compared, Roosevelt's greatness lay in his willingness to throw off the "dogmas of the quiet past" (Lincoln's words) to confront an unprecedented national crisis. FDR, as he liked to be called, was born in 1882, a fifth cousin of Theodore Roosevelt. He graduated from Harvard in 1904 and six years later won election to the New York legislature from Dutchess County, site of his family's home at Hyde Park. After serving as undersecretary of the navy during World War I, he ran for vice president on the ill-fated Democratic ticket of 1920 headed by James M. Cox. In 1921, he contracted polio and lost the use of his legs, a fact carefully concealed from the public in that pre-television era. Very few Americans realized that the president who projected an image of vigorous leadership during the 1930s and World War II was confined to a wheelchair.

In his speech accepting the Democratic nomination for president in 1932, Roosevelt promised a "new deal" for the American people. But his campaign offered only vague hints of what this might entail. Roosevelt spoke of the government's responsibility to guarantee "every man . . . a right to make a comfortable living." But he also advocated a balanced federal budget and criticized his opponent, President Hoover, for excessive government spending. The biggest difference between the parties during the campaign was the Democrats' call for the repeal of Prohibition. Battered by the economic

crisis, Americans in 1932 were desperate for new leadership, and Roosevelt won a resounding victory. He received 57 percent of the popular vote, and Democrats swept to a commanding majority in Congress.

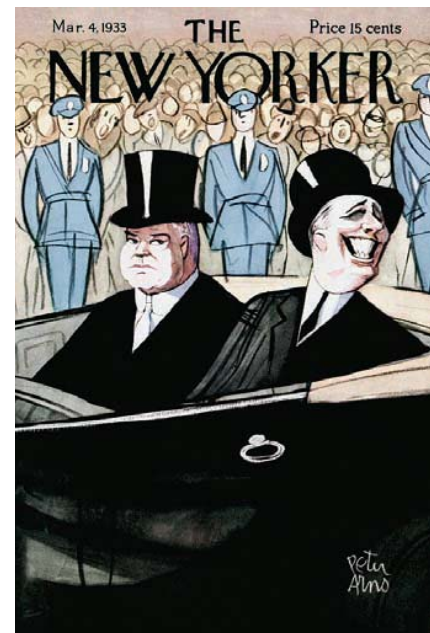
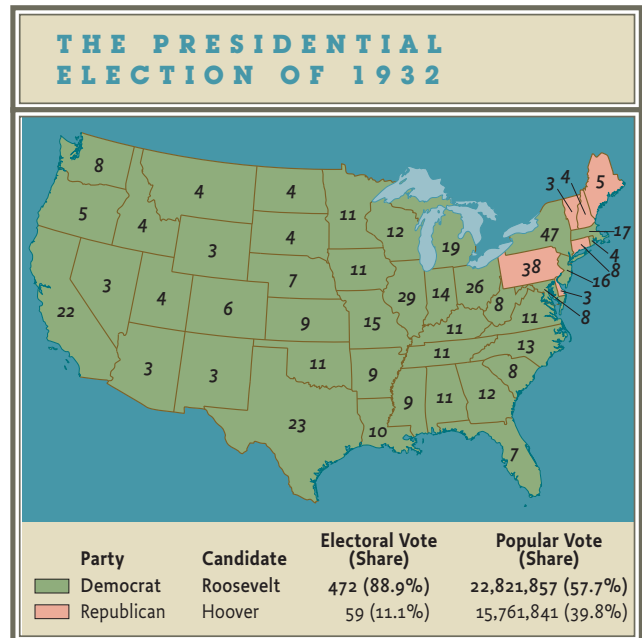
THE COMING OF THE NEW DEAL

The Depression did not produce a single pattern of international public response. For nearly the entire decade of the 1930s, conservative governments ruled Britain and France. They were more interested in preserving public order than relieving suffering or embarking on policy innovations. In Germany, Adolf Hitler, leader of the Nazi Party, established one of the most brutal dictatorships in human history. Hitler banned all political opposition and launched a reign of terror against Jews and others deemed to be “un-German.” In the Soviet Union, another tyrant, Joseph Stalin, embarked on successive five-year plans that at great social cost produced rapid industrialization and claimed to have eliminated unemployment. The militarist government of Japan invaded China in 1937, and hoped to extend its rule throughout Asia.

Roosevelt conceived of the New Deal as an alternative to socialism on the left, Nazism on the right, and the inaction of upholders of unregulated capitalism. He hoped to reconcile democracy, individual liberty, and economic planning. “You have made yourself,” the British economist John Maynard Keynes wrote to FDR, “the trustee for those in every country who seek to mend the evils of our condition by reasoned experiment within the framework of the existing social system.” If Roosevelt failed, Keynes added, the only remaining choices would be “orthodoxy” (that is, doing nothing) or “revolution.”

Roosevelt did not enter office with a blueprint for dealing with the Depression. At first, he relied heavily for advice on a group of intellectuals and social workers who took up key positions in his administration. They included Secretary of Labor Frances Perkins, a veteran of Hull House and the New York Consumers’ League who had been among the eyewitnesses to the Triangle fire of 1911; Harry Hopkins, who had headed emergency relief efforts during Roosevelt’s term as governor of New York; Secretary of the Interior Harold Ickes, a veteran of Theodore Roosevelt’s Progressive campaign of 1912; and Louis Brandeis, who had advised Woodrow Wilson during the 1912 campaign and now offered political advice to FDR while serving on the Supreme Court.

The presence of these individuals reflected how Roosevelt drew on the reform traditions of the Progressive era. But Progressivism, as noted in Chapter 18, was hardly a unified movement, and Roosevelt’s advisers did not speak with one voice. Brandeis believed that large corporations not only wielded excessive power but had contributed to the Depression by keeping prices artificially high and failing to increase workers’ purchasing power. They should be broken up, he insisted, not regulated. But the “brains trust”—a group of academics that included a number of Columbia University professors—saw bigness as inevitable in a modern economy. The competitive marketplace, they argued, was a thing of the past, and large firms needed to be managed and directed by the government, not dismantled. Their view prevailed during what came to be called the First New Deal.



A celebrated cover of *The New Yorker* depicts a morose Herbert Hoover and a jaunty Franklin D. Roosevelt riding to Roosevelt’s inauguration in March 1933.



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

THE BANKING CRISIS

“This nation asks for action and action now,” Roosevelt announced on taking office on March 4, 1933. The country, wrote the journalist and political commentator Walter Lippmann, “was in such a state of confused desperation that it would have followed almost any leader anywhere he chose to go.” FDR spent much of 1933 trying to reassure the public. In his inaugural address, he declared that “the only thing we have to fear is fear itself.” (See the Appendix for the full text.)

Roosevelt confronted a banking system on the verge of collapse. As bank funds invested in the stock market lost their value and panicked depositors withdrew their savings, bank after bank had closed its doors. By March 1933, banking had been suspended in a majority of the states—that is, people could not gain access to money in their bank accounts. Roosevelt declared a “bank holiday,” temporarily halting all bank operations, and called Congress into special session. On March 9, it rushed to pass the Emergency Banking Act, which provided funds to shore up threatened institutions.

Further measures soon followed that transformed the American financial system. The Glass-Steagall Act barred commercial banks from becoming involved in the buying and selling of stocks. Until its repeal in the 1990s, the law prevented many of the irresponsible practices that had contributed to the stock market crash. The same law established the Federal Deposit Insurance Corporation (FDIC), a government system that insured the accounts of individual depositors. And Roosevelt took the United States off the gold standard—that is, he severed the link between the country’s currency and its gold reserves, thus making possible the issuance of more money in the hope of stimulating business activity. Together, these measures rescued the financial

system and greatly increased the government's power over it. About 5,000 banks—one-third of the nation's total—had failed between 1929 and 1933, representing a loss of tens of millions of dollars to depositors. In 1936, not a single bank failed in the United States.

THE NRA

The Emergency Banking Act was the first of an unprecedented flurry of legislation during the first three months of Roosevelt's administration, a period known as the "Hundred Days." Seizing on the sense of crisis and the momentum of his electoral victory, Roosevelt won rapid passage of laws he hoped would promote economic recovery. He persuaded Congress to create a host of new agencies, whose initials soon became part of the language of politics—NRA, AAA, CCC. Never in American history had a president exercised such power or so rapidly expanded the role of the federal government in people's lives.

The centerpiece of Roosevelt's plan for combating the Depression, the National Industrial Recovery Act, was to a large extent modeled on the government–business partnership established by the War Industries Board of World War I. Roosevelt called it "the most important and far-reaching legislation ever enacted by the American Congress." The act established the National Recovery Administration (NRA), which would work with groups of business leaders to establish industry codes that set standards for output, prices, and working conditions. Thus, "cutthroat" competition (in which companies took losses to drive competitors out of business) would be ended. These industry-wide arrangements would be exempt from antitrust laws.

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

Headed by Hugh S. Johnson, a retired general and businessman, the NRA quickly established codes that set standards for production, prices, and wages in the textile, steel, mining, and auto industries. Johnson launched a publicity campaign to promote the NRA and its symbol, the Blue Eagle, which stores and factories that abided by the codes displayed. But after initial public enthusiasm, the NRA became mired in controversy. Large companies dominated the code-writing process. An inquiry conducted by the labor lawyer Clarence Darrow in 1934 concluded that they used the NRA to drive up prices, limit production, lay off workers, and divide markets among themselves at the expense of smaller competitors. Many anti-union employers ignored section 7a. The government lacked the manpower to police the 750 codes in effect by 1935. The NRA produced neither economic recovery nor peace between employers and workers.

The Spirit of the New Deal, a 1933 cartoon in the Washington Star, depicts the federal government, through the National Recovery Administration, promoting peace between workers and employers.



GOVERNMENT JOBS

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

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

PUBLIC-WORKS PROJECTS

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



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



upward and complaints multiplied that the New Deal was creating a class of Americans permanently dependent on government jobs, Roosevelt ordered the CWA dissolved.

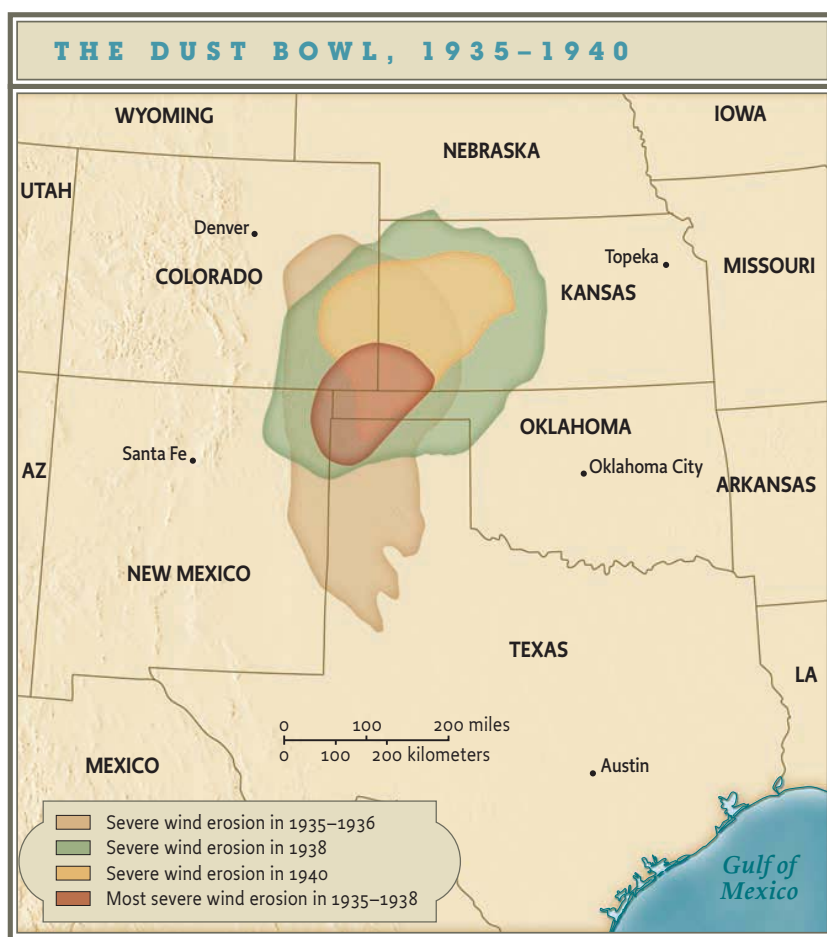
Some New Deal public-works initiatives looked to government-planned economic transformation as much as economic relief. The Tennessee Valley Authority (TVA), another product of the Hundred Days, built a series of dams to prevent floods and deforestation along the Tennessee River and to provide cheap electric power for homes and factories in a seven-state region where many families still lived in isolated log cabins. The TVA put the federal government, for the first time, in the business of selling electricity in competition with private companies. It was a preview of the program of regional planning that spurred the economic development of the West.

THE NEW DEAL AND AGRICULTURE

Another policy initiative of the Hundred Days addressed the disastrous plight of American farmers. The Agricultural Adjustment Act (AAA) authorized the federal government to try to raise farm prices by setting production quotas for major crops and paying farmers not to plant more. Many crops already in the field were destroyed. In 1933, the government ordered more than 6 million pigs slaughtered as part of the policy, a step critics found strange at a time of widespread hunger.

The AAA succeeded in significantly raising farm prices and incomes. But not all farmers benefited. Benefits flowed to property-owning farmers,

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



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



ignoring the large number who worked on land owned by others. The AAA policy of paying landowning farmers not to grow crops encouraged the eviction of thousands of poor tenants and sharecroppers. Many joined the rural exodus to cities or to the farms of the West Coast.

The onset in 1930 of a period of unusually dry weather in the nation's heart-

land worsened the Depression's impact on rural America. By mid-decade, the region suffered from the century's most severe drought. Mechanized agriculture in this semiarid region had pulverized the topsoil and killed native grasses that prevented erosion. Winds now blew much of the soil away, creating the Dust Bowl, as the affected areas of Oklahoma, Texas, Kansas, and Colorado were called. A local newspaper described the situation in Cimarron County, Oklahoma: "Not a blade of wheat; cattle dying on the range, ninety percent of the poultry dead because of the sand storms, milk cows gone dry." One storm in 1934 carried dust as far as Washington,



Sharecroppers evicted from the farms on which they had been working in New Madrid County, Missouri, as a result of government subsidies to farm owners to reduce crop production.

D.C. The drought and dust storms displaced more than 1 million farmers. John Steinbeck's novel *The Grapes of Wrath* (1939) and a popular film based on the book captured their plight, tracing a dispossessed family's trek from Oklahoma to California.

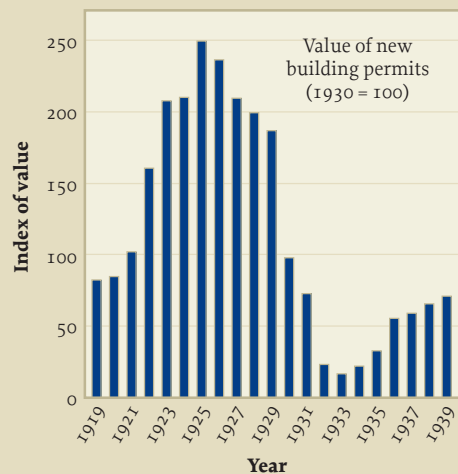
THE NEW DEAL AND HOUSING

Owning one's home had long been a widely shared American ambition. "A man is not a whole and complete man," Walt Whitman had written in the 1850s, "unless he owns a house and the ground it stands on." For many members of the middle class, home ownership had become a mark of respectability. For workers, it offered economic security at a time of low wages, erratic employment, and limited occupational mobility. On the eve of World War I, a considerably higher percentage of immigrant workers than the native-born middle class owned their homes.

The Depression devastated the American housing industry. The construction of new residences all but ceased, and banks and savings and loan associations that had financed home ownership collapsed or, to remain afloat, foreclosed on many homes (a quarter of a million in 1932 alone). In 1931, President Hoover convened a Conference on Home Building and Home Ownership to review the housing crisis. The president called owning a home an American "birthright," the embodiment of the spirit of "enterprise, of independence, and of . . . freedom." Rented apartments, he pointed out, did not inspire "immortal ballads" like *Home, Sweet Home* or *The Little Gray Home in the West*. Papers presented at the conference revealed that millions of Americans lived in overcrowded, unhealthy urban slums or in ramshackle rural dwellings. Private enterprise alone, it seemed clear, was unlikely to solve the nation's housing crisis.

Hoover's administration established a federally sponsored bank to issue home loans. Not until the New Deal, however, did the government systematically enter the housing market. Roosevelt spoke of "the security of the home" as a fundamental right akin to "the security of livelihood, and the security of social insurance." In 1933 and 1934, his administration

Figure 21.1 THE BUILDING BOOM AND ITS COLLAPSE, 1919–1939



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

moved energetically to protect home owners from foreclosure and to stimulate new construction. The Home Owners Loan Corporation and Federal Housing Administration (FHA) insured millions of long-term mortgages issued by private banks. At the same time, the federal government itself built thousands of units of low-rent housing. New Deal housing policy represented a remarkable departure from previous government practice. Thanks to the FHA and, later, the Veterans' Administration, home ownership came within the reach of tens of millions of families. It became cheaper for most Americans to buy single-family homes than to rent apartments.

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

THE COURT AND THE NEW DEAL

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

Russell Lee's 1939 photograph of a migrant family saying grace before eating by the side of the road near Fort Gibson, Oklahoma, shows how, even in the most difficult circumstances, families struggled to maintain elements of their normal lives.



1936, the AAA fell in *United States v. Butler*, which declared it an unconstitutional exercise of congressional power over local economic activities. In June, by a 5–4 vote, the justices ruled that New York could not establish a minimum wage for women and children.

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

THE GRASSROOTS REVOLT

LABOR'S GREAT UPHEAVAL

The most striking development of the mid-1930s was the mobilization of millions of workers in mass-production industries that had successfully resisted unionization. “Labor’s great upheaval,” as this era of unprecedented militancy was called, came as a great surprise. Unlike in the past, however, the federal government now seemed to be on the side of labor, a commitment embodied in the National Industrial Recovery Act and in the Wagner Act (discussed later) of 1935, which granted workers the legal right to form unions. With the severe reduction of European immigration, ethnic differences among workers had diminished in importance. American-born children of the new immigrants now dominated the industrial labor force, and organizers no longer had to distribute materials in numerous languages as the IWW had done. And a cadre of militant labor leaders, many of them socialists and communists with long experience in organization, had survived the repression of the 1920s. They provided leadership to the labor upsurge.

American factories at the outset of the New Deal were miniature dictatorships in which unions were rare, workers could be beaten by supervisors and fired at will, and management determined the length of the workday and speed of the assembly line. In industrial communities scattered across the country, local government firmly supported the companies. “Jesus Christ couldn’t speak in Duquesne for the union,” declared the mayor of that Pennsylvania steel town. Workers’ demands during the 1930s went beyond better wages. They included an end to employers’ arbitrary power in the workplace, and basic civil liberties for workers, including the right to picket, distribute literature, and meet to discuss their grievances. All these goals required union recognition.

Roosevelt’s election as president did much to rekindle hope among those who called themselves, in the words of a worker writing to Secretary of Labor Frances Perkins, “slaves of the depression.” His inauguration unleashed a flood of poignant letters to the federal government describing what a Louisiana sugar laborer called the “terrible and inhuman condition” of many workers. Labor organizers spread the message that the “political liberty for which our forefathers fought” had been “made meaningless by economic inequality” and “industrial despotism.” “We are free Americans,” declared the Steel Workers Organizing Committee. “We shall exercise our inalienable rights to organize into a great industrial union.”

Labor’s great upheaval exploded in 1934, a year that witnessed no fewer than 2,000 strikes. Many produced violent confrontations between



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



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



Signs carried by striking cotton mill workers in Lumberton, North Carolina, in 1937 illustrate how the labor movement revived the nineteenth-century language of “wage slavery” to demand union recognition.

workers and the local police. In Toledo, Ohio, 10,000 striking auto workers surrounded the Electric Auto-Lite factory, where managers had brought strikebreakers to take their jobs, leading to a seven-hour fight with police and the National Guard. In Minneapolis, where an organization of businessmen known as the Citizens Alliance controlled the city government, a four-month strike by truck drivers led to pitched battles in the streets and the governor declaring martial law. San Francisco experienced the country’s first general strike since 1919. It began with a walk-out of dockworkers led by the fiery communist Harry Bridges. Workers demanded recognition of the International Longshoremen’s Association and an end to the hated “shape up” system in which they had to gather en masse each day to wait for work assignments. The year 1934 also witnessed a strike of 400,000 textile workers in states from New England to the Deep South, demanding recognition of the United Textile Workers. Many of these walkouts, including those in Toledo, Minneapolis, and San Francisco, won at least some of the workers’ demands. But the textile strike failed.

THE RISE OF THE CIO

The labor upheaval posed a challenge to the American Federation of Labor’s traditional policy of organizing workers by craft—welders or machine repairers, for example—rather than seeking to mobilize all the workers in a given industry, such as steel manufacturing. In 1934, thirty AFL leaders called for the creation of unions of industrial workers. When the AFL convention of 1935 refused, the head of the United Mine Workers, John L. Lewis, led a walkout that produced a new labor organization, the Congress of Industrial Organizations (CIO). It set out to create unions in the main

bastions of the American economy. It aimed, said Lewis, at nothing less than to secure “economic freedom and industrial democracy” for American workers—a fair share in the wealth produced by their labor, and a voice in determining the conditions under which they worked.

In December 1936, the United Auto Workers (UAW), a fledgling CIO union, unveiled the sit-down, a strikingly effective tactic that the IWW had pioneered three decades earlier. Rather than walking out of a plant, thus enabling management to bring in strikebreakers, workers halted production but remained inside. In the UAW’s first sit-down strike, 7,000 General Motors workers seized control of the Fisher Body Plant in Cleveland. Sit-downs soon spread to GM plants in Flint, Michigan, the nerve center of automobile production. When local police tried to storm the Flint plants, workers fought them off. Democratic governor Frank Murphy, who had been elected with strong support from the CIO, declared his unwillingness to use force to dislodge the strikers. The strikers demonstrated a remarkable spirit of unity. They cleaned the plant, oiled the idle machinery, settled disputes among themselves, prepared meals, and held concerts of labor songs. Workers’ wives shuttled food into the plant. “They made a palace out of what had been their prison,” wrote one reporter. On February 11, General Motors agreed to negotiate with the UAW. Not until 1941 would the bitterly anti-union Henry Ford sign a labor contract. But by the end of 1937, the UAW claimed 400,000 members.

The victory in the auto industry reverberated throughout industrial America. Steelworkers had suffered memorable defeats in the struggle for unionization, notably at Homestead in 1892 and in the Great Steel Strike of 1919. U.S. Steel, the country’s single most important business firm, owner of an industrial empire that stretched across several states and employed more than 200,000 workers, had been among the strongest opponents of unionization. But in March 1937, fearing a sit-down campaign and aware that it could no longer count on the aid of state and federal authorities, the company agreed to recognize the Steel Workers Organizing Committee (forerunner of the United Steelworkers of America). Smaller steel firms, however, refused to follow suit. On Memorial Day, 1937, company guards and Chicago police fired on a picnic of striking Republic Steel workers, killing ten persons. Not until 1942 would Republic sign a labor contract.

Union membership nonetheless reached 9 million by 1940, more than double the number in 1930. The coming of the union, said a member of New York City’s transit workers’ organization, enabled workers “to go to our bosses and talk to them like men, instead of . . . like slaves.” Unions frequently demanded and won a say in workplace management, including the right to contest the amount and pace of work and the introduction of new technology. They gained new grievance procedures and seniority

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



systems governing hiring, firing, and promotions. The CIO unions helped to stabilize a chaotic employment situation and offered members a sense of dignity and freedom.

LABOR AND POLITICS

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

Building on the idea, so prominent in the 1920s, that the key to prosperity lay in an American standard of living based on mass consumption, CIO leaders explained the Depression as the result of an imbalance of wealth and income. The role of unions, in cooperation with the government, they argued, was to “create a consumer's demand” by raising wages and redistributing wealth. Only in this way could society absorb the products that rolled off modern assembly lines. The pathbreaking 1937 agreement between the UAW and General Motors spoke of a “rate of pay commensurate with an American standard of living.” By mid-decade, many New Dealers accepted the “underconsumptionist” explanation of the Depression, which saw lack of sufficient consumer demand as its underlying cause. They concluded that the government must act to raise dramatically wage earners' share of the national income.

VOICES OF PROTEST

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

The rise to national prominence of Huey Long offered another sign of popular dissatisfaction with the slow pace of economic recovery. Long's career embodied both Louisiana's Populist and Socialist traditions (Winn Parish, his home, had voted for both of these third parties) and the state's heritage of undemocratic politics. Driven by intense ambition and the desire to help uplift the state's “common people,” Long won election as governor in 1928 and in 1930 took a seat in the U.S. Senate. From Washington, he dominated every branch of state government. He used his dictatorial power to build roads, schools, and hospitals and to increase the tax burden on Louisiana's oil companies.

One of the most colorful characters in twentieth-century American politics, Long was referred to by both admirers and critics as the “Kingfish.” In 1934, he launched the Share Our Wealth movement, with the slogan

“Every Man a King.” He called for the confiscation of most of the wealth of the richest Americans in order to finance an immediate grant of \$5,000 and a guaranteed job and annual income for all citizens. In his inimitable style, Long explained his goal: “Let’s pull down these huge piles of gold until there shall be a real job, not a little old sow-belly, black-eyed pea job but a real spending money, beefsteak and gravy . . . Ford in the garage . . . red, white, and blue job for every man.” Long claimed a following of 5 million. He was on the verge of announcing a run for president when the son of a defeated political rival assassinated him in 1935.

Also in the mid-1930s, the “radio priest,” Father Charles E. Coughlin, attracted millions of listeners with weekly broadcasts attacking Wall Street bankers and greedy capitalists, and calling for government ownership of key industries as a way of combating the Depression. Initially a strong supporter of FDR, Coughlin became increasingly critical of the president for what he considered the failure of the New Deal to promote social justice. His crusade would later shift to anti-Semitism and support for European fascism. Dr. Francis Townsend, a California physician, meanwhile won wide support for a plan by which the government would make a monthly payment of \$200 to older Americans, with the requirement that they spend it immediately. This, he argued, would boost the economy. By the end of 1934, Townsend Clubs claimed more than 2 million members. Along with the rise of the CIO, these signs of popular discontent helped to spark the Second New Deal.

THE SECOND NEW DEAL

Spurred by the failure of his initial policies to pull the country out of the Depression and the growing popular clamor for greater economic equality, and buoyed by Democratic gains in the midterm elections of 1934, Roosevelt in 1935 launched the Second New Deal. The First had focused on economic recovery. The emphasis of the Second was economic security—a guarantee that Americans would be protected against unemployment and poverty. “Boys,” Roosevelt’s relief administrator, Harry Hopkins, told his staff, “this is our hour. We’ve got to get everything we want—a [public] works program, social security, wages and hours, everything—now or never.”

The idea that lack of consumer demand caused the Depression had been popularized by Huey Long, Francis Townsend, and the CIO. By 1935, more and more New Dealers had concluded that the government should no longer try to plan business recovery but should try to redistribute the national income so as to sustain mass purchasing power in the consumer economy. A series of measures in 1935 attacked head-on the problem of



A portrait of Huey Long, the “Kingfish” of Louisiana politics, towers over the inauguration of his supporter, Richard Leche, as governor in 1936.

weak demand and economic inequality. Congress levied a highly publicized tax on large fortunes and corporate profits—a direct response to the popularity of Huey Long’s Share Our Wealth campaign. It created the Rural Electrification Agency (REA) to bring electric power to homes that lacked it—80 percent of farms were still without electricity in 1934—in part to enable more Americans to purchase household appliances.

The REA proved to be one of the Second New Deal’s most successful programs. By 1950, 90 percent of the nation’s farms had been wired for electricity, and almost all now possessed radios, electric stoves, refrigerators, and mechanical equipment to milk cows. In addition, the federal government under the Second New Deal tried to promote soil conservation and family farming. This effort resulted from the belief that the country would never achieve prosperity so long as farmers’ standard of living lagged well behind that of city dwellers, and that rural poverty resulted mainly from the poor use of natural resources. Thus, farmers received federal assistance in reducing soil loss in their fields. The federal government also purchased significant amounts of marginal and eroded land and converted these areas from farms into national grasslands and parks. It encouraged more environmentally conscious agricultural techniques. These measures (like those of the AAA) mainly benefited landowners, not sharecroppers, tenants, or migrant workers. In the long run, the Second New Deal failed to arrest the trend toward larger farms and fewer farmers.

THE WPA AND THE WAGNER ACT

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

Perhaps the most famous WPA projects were in the arts. The WPA set hundreds of artists to work decorating public buildings with murals. It hired writers to produce local histories and guidebooks to the forty-eight states and to record the recollections of ordinary Americans, including hundreds of former slaves. Its Federal Theater Project put on plays, including an all-black production of *Macbeth* and Sinclair Lewis’s drama *It Can’t Happen Here*, about fascism coming to the United States. The Federal Music Project established orchestras and choral groups, and the Federal Dance Project sponsored ballet and modern dance programs. Thanks to the WPA, audiences across the country enjoyed their first glimpse of live musical and theatrical performances and their first opportunity to view exhibitions of American art. Also in 1935, Congress created the National Youth Administration to provide relief to American teenagers and young adults.

Another major initiative of the Second New Deal, the Wagner Act, was known at the time as “Labor’s Magna Carta” (a reference to an early landmark in the history of freedom). This brought democracy into the



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



American workplace by empowering the National Labor Relations Board to supervise elections in which employees voted on union representation. It also outlawed “unfair labor practices,” including the firing and blacklisting of union organizers. The bill’s main sponsor, Robert Wagner of New York, told the Senate that the ability of workers to pool their strength through collective bargaining represented the “next step” in “the evolution of American freedom.” He also promised that unionization and higher wages would aid economic recovery by boosting the purchasing power of ordinary Americans.

THE AMERICAN WELFARE STATE

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

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

The Social Security Act launched the American version of the welfare state—a term that originated in Britain during World War II to refer to a system of income assistance, health coverage, and social services for all citizens. The act illustrated both the extent and the limits of the changes

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

ushered in by the Second New Deal. The American welfare state marked a radical departure from previous government policies, but compared with similar programs in Europe, it has always been far more decentralized, involved lower levels of public spending, and covered fewer citizens. The original Social Security bill, for example, envisioned a national system of health insurance. But Congress dropped this after ferocious opposition from the American Medical Association, which feared government regulation of doctors' activities and incomes.

THE SOCIAL SECURITY SYSTEM

Some New Dealers desired a program funded by the federal government's general tax revenues, and with a single set of eligibility standards administered by national officials. But Secretary of Labor Frances Perkins, along with powerful members of Congress, wished to keep relief in the hands of state and local authorities and believed that workers should contribute directly to the cost of their own benefits. Roosevelt himself preferred to fund Social Security by taxes on employers and workers, rather than out of general government revenues. He believed that paying such taxes gave contributors "a legal, moral, and political right" to collect their old age pensions and unemployment benefits, which no future Congress could rescind.

As a result, Social Security emerged as a hybrid of national and local funding, control, and eligibility standards. Old age pensions were administered nationally but paid for by taxes on employers and employees. Such taxes also paid for payments to the unemployed, but this program was highly decentralized, with the states retaining considerable control over the level of benefits. The states paid most of the cost of direct poor relief, under the program called Aid to Dependent Children, and eligibility and the level of payments varied enormously from place to place. As will be discussed later, the combination of local administration and the fact that domestic and agricultural workers were not covered by unemployment and old age benefits meant that Social Security at first excluded large numbers of Americans, especially unmarried women and non-whites.

Nonetheless, Social Security represented a dramatic departure from the traditional functions of government. The Second New Deal transformed the relationship between the federal government and American citizens. Before the 1930s, national political debate often revolved around the question of *whether* the federal government should intervene in the economy. After the New Deal, debate rested on *how* it should intervene. In addition, the government assumed a responsibility, which it has never wholly relinquished, for guaranteeing Americans a living wage and protecting them against economic and personal misfortune. "Laissez-faire is dead," wrote Walter Lippmann, "and the modern state has become responsible for the modern economy [and] the task of insuring . . . the standard of life for its people."

A RECKONING WITH LIBERTY

The Depression made inevitable, in the words of one writer, a "reckoning with liberty." For too many Americans, Roosevelt proclaimed, "life was no



A 1935 poster promoting the new Social Security system.

longer free; liberty no longer real; men could no longer follow the pursuit of happiness.” The 1930s produced an outpouring of books and essays on freedom. The large majority took for granted the need for a new definition. In a volume entitled *Land of the Free* (1938), the poet Archibald MacLeish used photographs of impoverished migrants and sharecroppers to question the reality of freedom in desperate times. “We told ourselves we were free,” he wrote. Now, “we wonder if the liberty is done . . . or if there’s something different men can mean by Liberty.”

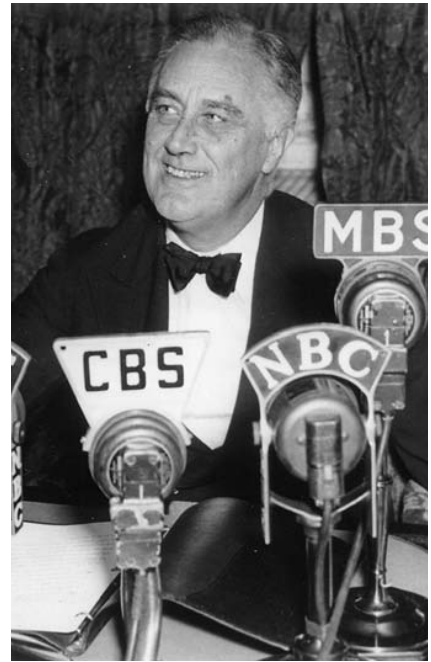
Like the Civil War, the New Deal recast the idea of freedom by linking it to the expanding power of the national state. “Our democracy,” wrote Father John A. Ryan, a prominent Catholic social critic, “finds itself . . . in a new age where not political freedom but social and industrial freedom is the most insistent cry.” Influenced by Ryan, the National Catholic Welfare Conference in 1935 declared that “social justice” required a government guarantee of continuous employment and a “decent livelihood and adequate security” for all Americans. A 1935 survey by *Fortune* magazine found that among poor respondents, 90 percent believed that the government should guarantee that “every man who wants work has a job.”

FDR AND THE IDEA OF FREEDOM

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

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

Even as Roosevelt invoked the word to uphold the New Deal, “liberty”—in the sense of freedom from powerful government—became the fighting slogan of his opponents. Their principal critique of the New Deal was that its “reckless spending” undermined fiscal responsibility and its new government regulations restricted American freedom. When conservative businessmen and politicians in 1934 formed an organization to mobilize opposition to Roosevelt’s policies, they called it the American Liberty League. Robert Taft of Ohio, leader of the Republicans in Congress, accused Roosevelt of sacrificing “individual freedom” in a misguided effort to “improve the conditions of the poor.”



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



VOICES OF FREEDOM

FROM FRANKLIN D. ROOSEVELT, “Fireside Chat” (1934)

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

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

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

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

**FROM JOHN STEINBECK, *The Harvest Gypsies:*
On the Road to the Grapes of Wrath (1938)**

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

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

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

The drought in the middle west has driven the agricultural populations of Oklahoma, Nebraska and

parts of Kansas and Texas westward. . . . Thousands of them are crossing the borders in ancient rattling automobiles, destitute and hungry and homeless, ready to accept any pay so that they may eat and feed their children. . . .

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

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

QUESTIONS

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

This 1935 cartoon by William Gropper portrays Uncle Sam as Gulliver tied down by Lilliputians in the famous eighteenth-century novel *Gulliver's Travels* by Jonathan Swift. In this case, the bonds are the numerous agencies and laws created by the New Deal, which, Gropper suggests, are inhibiting the country from getting back on its feet during the Great Depression.



As the 1930s progressed, opponents of the New Deal invoked the language of liberty with greater and greater passion. The U.S. Chamber of Commerce charged FDR with attempting to “Sovietize” America. Even though his own administration had abandoned *laissez-faire* in the face of economic disaster, former president Hoover launched strident attacks on his successor for endangering “fundamental American liberties.” In *The Challenge to Liberty* (1934), Hoover called the New Deal “the most stupendous invasion of the whole spirit of liberty” the nation had ever seen.

THE ELECTION OF 1936

By 1936, with working-class voters providing massive majorities for the Democratic Party and businesses large and small bitterly estranged from the New Deal, politics reflected class divisions more completely than at any other time in American history. Conceptions of freedom divided sharply as well. Americans, wrote George Soule, editor of *The New Republic*, confronted “two opposing systems of concepts about liberty,” reflecting “the needs and purposes of two opposing [parts] of the population.” One was the idea of “freedom for private enterprise,” the other “socialized liberty” based on “an equitably shared abundance.”

A fight for the possession of “the ideal of freedom,” reported the *New York Times*, emerged as the central issue of the presidential campaign of 1936. The Democratic platform insisted that in a modern economy the government has an obligation to establish a “democracy of opportunity for all the people.” In his speech accepting renomination, Roosevelt launched a blistering attack against “economic royalists” who, he charged, sought to establish a new tyranny over the “average man.” Economic rights, he went on,

were the precondition of liberty—poor men “are not free men.” Throughout the campaign, FDR would insist that the threat posed to economic freedom by the “new despotism” of large corporations was the main issue of the election.

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

THE COURT FIGHT

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

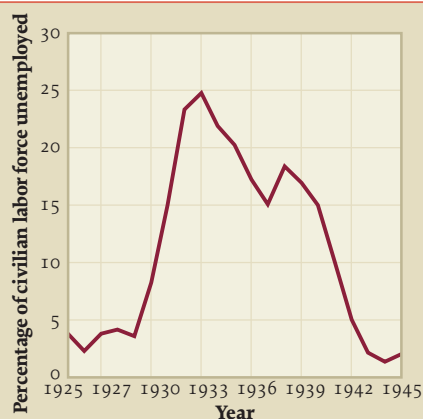
The plan aroused cries that the president was an aspiring dictator. Congress rejected it. But Roosevelt accomplished his underlying purpose. The Supreme Court, it is sometimes said, follows the election returns. Coming soon after Roosevelt’s landslide victory of 1936, the threat of “court packing” inspired an astonishing about-face on the part of key justices. Beginning in March 1937, the Court suddenly revealed a new willingness to support economic regulation by both the federal government and the states. It upheld a minimum wage law of the state of Washington similar to the New York measure it had declared unconstitutional a year earlier. It turned aside challenges to Social Security and the Wagner Act. In subsequent cases, the Court affirmed federal power to regulate wages, hours, child labor, agricultural production, and numerous other aspects of economic life.

Announcing a new judicial definition of freedom, Chief Justice Charles Evans Hughes pointed out that the words “freedom of contract” did not



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

Figure 21.2 UNEMPLOYMENT, 1925–1945



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

appear in the Constitution. “Liberty,” however, did, and this, Hughes continued, required “the protection of law against the evils which menace the health, safety, morals, and welfare of the people.” The Court’s new willingness to accept the New Deal marked a permanent change in judicial policy. Having declared dozens of economic laws unconstitutional in the decades leading up to 1937, the justices have rarely done so since.

THE END OF THE SECOND NEW DEAL

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

The year 1937 also witnessed a sharp downturn of the economy. With economic conditions improving in 1936, Roosevelt had reduced federal funding for farm subsidies and WPA work relief. The result was disastrous. As government spending fell, so did business investment, industrial production, and the stock market. Unemployment, still 14 percent at the beginning of 1937, rose to nearly 20 percent by year’s end.

In 1936, in *The General Theory of Employment, Interest, and Money*, John Maynard Keynes had challenged economists’ traditional belief in the sanctity of balanced budgets. Large-scale government spending, he insisted, was necessary to sustain purchasing power and stimulate economic activity during downturns. Such spending should be enacted even at the cost of a budget deficit (a situation in which the government spends more money than it takes in). By 1938, Roosevelt was ready to follow this prescription, which would later be known as Keynesian economics. In April, he asked Congress for billions more for work relief and farm aid. By the end of the year, the immediate crisis had passed. But the events of 1937–1938 marked a major shift in New Deal philosophy. Rather than economic planning, as in 1933–1934, or economic redistribution, as in 1935–1936, public spending would now be the government’s major tool for combating unemployment and stimulating economic growth. The Second New Deal had come to an end.

THE LIMITS OF CHANGE

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

THE NEW DEAL AND AMERICAN WOMEN

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

But even as the New Deal increased women's visibility in national politics, organized feminism, already in disarray during the 1920s, disappeared as a political force. Indeed, the Depression inspired widespread demands for women to remove themselves from the labor market to make room for unemployed men. Because the Depression hit industrial employment harder than low-wage clerical and service jobs where women predominated, the proportion of the workforce made up of women rose. The government tried to reverse this trend. The Economy Act of 1932 prohibited both members of a married couple from holding federal jobs. Until its repeal in 1937, it led to the dismissal of numerous female civil service employees whose husbands worked for the government. Many states and localities prohibited the hiring of women whose husbands earned a "living wage," and employers from banks to public school systems barred married women from jobs. Although the CIO organized female workers, it, too, adhered to the idea that women should be supported by men. "The working wife whose husband is employed," said a vice president of the United Auto Workers, "should be barred from industry."



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

Most New Deal programs did not exclude women from benefits (although the CCC restricted its camps to men). But the ideal of the male-headed household powerfully shaped social policy. Since paying taxes on one's wages made one eligible for the most generous Social Security programs—old age pensions and unemployment insurance—they left most women uncovered, since they did not work outside the home. The program excluded the 3 million mostly female domestic workers altogether. “Those who need protection most are completely overlooked,” the sister of a household worker complained to Secretary of Labor Perkins. “What about the poor domestics, both in private homes and private institutions. What have you done for them? Nothing.”

THE SOUTHERN VETO

Roosevelt made the federal government the symbolic representative of all the people, including racial and ethnic groups generally ignored by previous administrations. Yet the power of the Solid South helped to mold the New Deal welfare state into an entitlement of white Americans. After the South's blacks lost the right to vote around the turn of the century, Democrats enjoyed a political monopoly in the region. Democratic members of Congress were elected again and again. With results predetermined, many whites did not bother to vote (only about 20 percent of eligible southern voters cast ballots in the election of 1920). But this tiny electorate had an enormous impact on national policy. Committee chairmanships in Congress rest on seniority—how many years a member has served in office. Beginning in 1933, when Democrats took control of Congress, southerners took the key leadership positions. Despite his personal popularity, Roosevelt felt he could not challenge the power of southern Democrats if he wished legislation to pass. At their insistence, the Social Security law excluded agricultural and domestic workers, the largest categories of black employment.

Roosevelt spoke of Social Security's universality, but the demand for truly comprehensive coverage came from the political left and black organizations. Congressman Ernest Lundeen of Minnesota in 1935 introduced a bill establishing a federally controlled system of old age, unemployment, and health benefits for all wage workers, plus support for female heads of households with dependents. Black organizations like the Urban League and the NAACP supported the Lundeen bill and lobbied strenuously for a system that enabled agricultural and domestic workers to receive unemployment and old age benefits and that established national relief standards. The Social Security Act, however, not Lundeen's proposal, became law. Its limitations, complained the *Pittsburgh Courier*, a black newspaper, reflected the power of “reactionary elements in the South who cannot bear the thought of Negroes getting pensions and compensations” and who feared that the inclusion of black workers would disrupt the region's low-wage, racially divided labor system.

THE STIGMA OF WELFARE

Because of the “southern veto,” the majority of black workers found themselves confined to the least generous and most vulnerable wing of the new welfare state. The public assistance programs established by Social Security,

notably aid to dependent children and to the poor elderly, were open to all Americans who could demonstrate financial need. But they set benefits at extremely low levels and authorized the states to determine eligibility standards, including “moral” behavior as defined by local authorities. As a result, public assistance programs allowed for widespread discrimination in the distribution of benefits. Because recipients did not pay Social Security taxes, they soon came to bear the humiliating stigma of dependency on government handouts, which would soon come to be known as “welfare.”

In 1942, the National Resources Planning Board noted that because of their exclusion from programs “which give aid under relatively favorable conditions,” blacks were becoming disproportionately dependent on welfare, a program widely viewed with popular disfavor. The situation, the report concluded, seemed certain to stigmatize blacks as recipients of unearned government assistance, and welfare as a program for minorities, thus dooming it forever to inadequate “standards of aid.” Over time, this is precisely what happened, until the federal government abolished its responsibility for welfare in 1996, during the presidency of Bill Clinton.

THE INDIAN NEW DEAL

Overall, the Depression and New Deal had a contradictory impact on America’s racial minorities. Under Commissioner of Indian Affairs John Collier, the administration launched an “Indian New Deal.” Collier ended the policy of forced assimilation and allowed Indians unprecedented cultural autonomy. He replaced boarding schools meant to eradicate the tribal heritage of Indian children with schools on reservations, and dramatically increased spending on Indian health. He secured passage of the Indian Reorganization Act of 1934, ending the policy, dating back to the Dawes Act of 1887, of dividing Indian lands into small plots for individual families and selling off the rest. Federal authorities once again recognized Indians’ right to govern their own affairs, except where specifically limited by national laws. Such limitations, however, could weigh heavily on Indian tribes. The Navajos, the nation’s largest tribe, refused to cooperate with the Reorganization Act as a protest against a federal soil conservation program that required them to reduce their herds of livestock.

The New Deal marked the most radical shift in Indian policy in the nation’s history. But living conditions on the desperately poor reservations did not significantly improve, and New Deal programs often ignored Indians’ interests. The building of the Grand Coulee Dam on the Columbia River flooded thousands of acres where Indians had hunted and fished for centuries. But the government did not make any of the irrigation water available to the region’s reservations.

THE NEW DEAL AND MEXICAN-AMERICANS

For Mexican-Americans, the Depression was a wrenching experience. With demand for their labor plummeting, more than 400,000 (one-fifth of the population of Mexican origin) returned to Mexico, some voluntarily, others at the strong urging of local authorities in the Southwest. A majority of those “encouraged” to leave the country were recent immigrants, but they included perhaps 200,000 Mexican-American children who had been born



A large crowd of Mexican-Americans waiting to leave Los Angeles in 1932 as part of the repatriation campaign.

in the United States and were therefore citizens. Those who remained mostly worked in grim conditions in California's vegetable and fruit fields, whose corporate farms benefited enormously from New Deal dam construction that provided them with cheap electricity and water for irrigation. The Wagner and Social Security Acts did not apply to agricultural laborers. When the workers tried to organize a union as part of the decade's labor upsurge, they were brutally suppressed. In his 1939 book *Factories in the Field*, the writer Carey McWilliams exposed the low wages, inadequate housing, and political repression under which the migrant laborers suffered, which the New Deal did nothing to alleviate.

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

LAST HIRED, FIRST FIRED

As the “last hired and first fired,” African-Americans were hit hardest by the Depression. Even those who retained their jobs now faced competition from unemployed whites who had previously considered positions like waiter and porter beneath them. With an unemployment rate double that of whites, blacks benefited disproportionately from direct government relief and, especially in northern cities, jobs on New Deal public-works projects. Half of the families in Harlem received public assistance during the 1930s.

The Depression propelled economic survival to the top of the black agenda. Demonstrations in Harlem demanded jobs in the neighborhood's white-owned stores, with the slogan “Don't Buy Where You Can't Work.” W. E. B. Du Bois abandoned his earlier goal of racial integration as unrealistic for the foreseeable future. Blacks, he wrote, must recognize themselves as “a nation within a nation.” He called on blacks to organize for economic survival by building an independent, cooperative economy within their segregated communities, and to gain control of their own separate schools (a position reminiscent of that of Booker T. Washington, whom he had earlier condemned).

A NEW DEAL FOR BLACKS

Although Roosevelt seems to have had little personal interest in race relations or civil rights, he appointed Mary McLeod Bethune, a prominent black educator, as a special adviser on minority affairs and a number of other

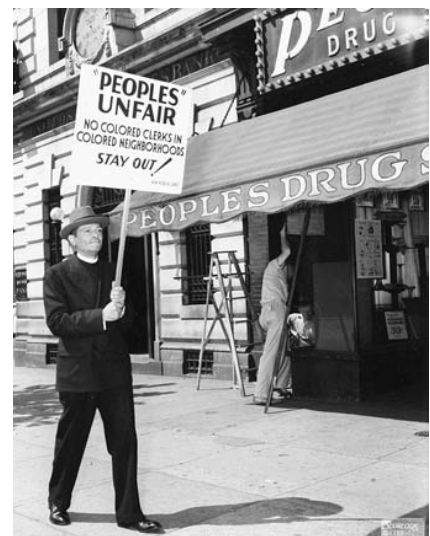
blacks to important federal positions. Key members of his administration, including his wife, Eleanor, and Secretary of the Interior Harold Ickes, a former president of the Chicago chapter of the NAACP, directed national attention to the injustices of segregation, disenfranchisement, and lynching. In 1939, Eleanor Roosevelt resigned from the Daughters of the American Revolution when the organization refused to allow the black singer Marian Anderson to present a concert at Constitution Hall in Washington. The president's wife arranged for Anderson to sing on the steps of the Lincoln Memorial and for the concert to be broadcast nationally on the radio.

Thanks to the New Deal, Bethune proclaimed, a “new day” had dawned when blacks would finally reach “the promised land of liberty.” The decade witnessed a historic shift in black voting patterns. In the North and West, where they enjoyed the right to vote, blacks in 1934 and 1936 abandoned their allegiance to the party of Lincoln and emancipation in favor of Democrats and the New Deal. But their hopes for broad changes in the nation's race system were disappointed. Despite a massive lobbying campaign, southern congressmen prevented passage of a federal antilynching law. FDR offered little support. “I did not choose the tools with which I must work,” he told Walter White of the NAACP; he could not jeopardize his economic programs by alienating powerful members of Congress. The CCC established segregated work camps. Because of the exclusion of agricultural and domestic workers, Social Security's old age pensions and unemployment benefits and the minimum wages established by the Fair Labor Standards Act left uncovered 60 percent of all employed blacks and 85 percent of black women.

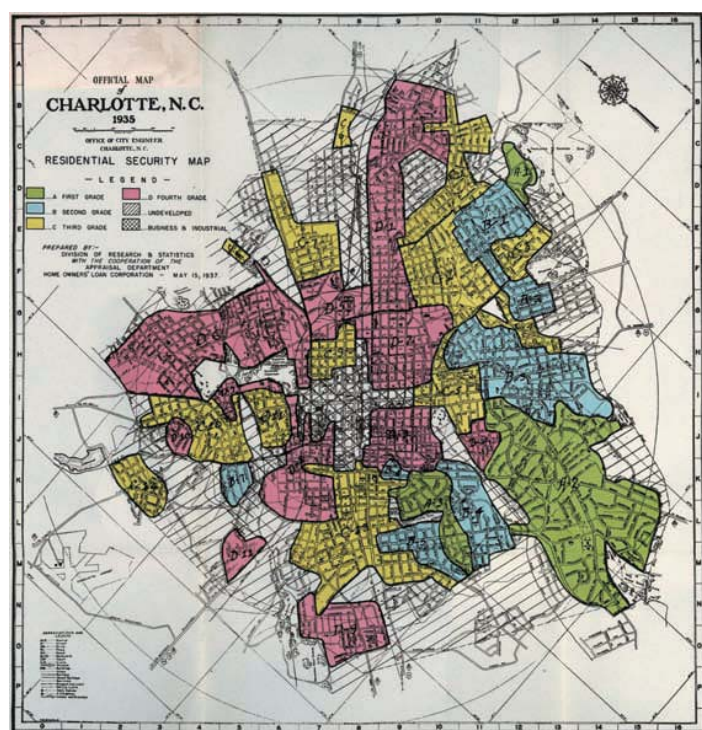
FEDERAL DISCRIMINATION

Federal housing policy, which powerfully reinforced residential segregation, revealed the limits of New Deal freedom. As in the case of Social Security, local officials put national housing policy into practice in a way that reinforced existing racial boundaries. Nearly all municipalities, North as well as South, insisted that housing built or financially aided by the federal government be racially segregated. (In Texas, some communities financed three sets of housing projects—for whites, blacks, and Mexicans.) The Federal Housing Administration, moreover, had no hesitation about insuring mortgages that contained clauses barring future sales to non-white buyers, and it refused to channel money into integrated neighborhoods. In some cases, the presence of a single black family led the agency to declare an entire block off-limits for federal mortgage insurance. Along with discriminatory practices by private banks and real estate companies, federal policy became a major factor in further entrenching housing segregation in the United States.

Federal employment practices also discriminated on the basis of race. As late as 1940, of the 150,000 blacks holding federal jobs, only 2 percent occupied positions other than clerk or custodian. In the South, many New Deal construction projects refused to hire blacks at all. “They give all the work to white people and give us nothing,” a black resident of Mississippi wrote to FDR in 1935. The New Deal began the process of modernizing southern agriculture, but tenants, black and white, footed much of the bill. Tens of thousands of sharecroppers, as noted earlier, were driven off the land as a result



A black clergyman carrying a sign outside Peoples Drugstore in Washington, D.C., in the late 1930s. The “Don’t Buy Where You Can’t Work” campaign targeted stores that served black customers but refused to hire black employees.



A map of Charlotte, North Carolina, prepared by the Home Owners' Loan Corporation, illustrates how federal agencies engaged in "redlining" of neighborhoods containing blue-collar and black residents. Wealthy areas, coded green, were given the best credit ratings, and white-collar districts, in blue, the second best. Residents of red districts found it almost impossible to obtain government housing loans.

of the AAA policy of raising crop prices by paying landowners to reduce cotton acreage.

Support for civil rights would eventually become a test of liberal credentials. But in the 1930s, one could advocate Roosevelt's economic program and oppose antilynching legislation and moves to incorporate black workers within Social Security. Theodore Bilbo, the notoriously racist senator from Mississippi, was one of the New Deal's most loyal backers. Not until the Great Society of the 1960s would those left out of Social Security and other New Deal programs—racial minorities, many women, migrants and other less privileged workers—win inclusion in the American welfare state.

A NEW CONCEPTION OF AMERICA

But if the New Deal failed to dismantle the barriers that barred non-whites from full participation in American life, the 1930s witnessed the absorption of other groups into the social mainstream. With Catholics and Jews occupying prominent posts in

the Roosevelt administration and new immigrant voters forming an important part of its electoral support, the New Deal made ethnic pluralism a living reality in American politics. The election of the Italian-American Fiorello La Guardia as mayor of New York City in 1933 symbolized the coming to power of the new immigrants. Although elected as a Republican, La Guardia worked closely with FDR and launched his own program of spending on housing, parks, and public works. La Guardia's was one of numerous "little New Deals" that brought ethnic working-class voters to power in communities throughout the industrial heartland.

Thanks to the virtual cutoff of southern and eastern European immigration in 1924, the increasing penetration of movies, chain stores, and mass advertising into ethnic communities, and the common experience of economic crisis, the 1930s witnessed an acceleration of cultural assimilation. But the process had a different content from the corporate-sponsored Americanization plans of the preceding years. For the children of the new immigrants, labor and political activism became agents of a new kind of Americanization. One could participate fully in the broader society without surrendering one's ideals and ethnic identity. "Unionism is Americanism" became a CIO rallying cry. "The Mesabi Range," a Minnesota miner wrote to Secretary of Labor Perkins, complaining of low wages and management hostility to unions in the iron-rich region, "isn't Americanized yet."

THE HEYDAY OF AMERICAN COMMUNISM

In the mid-1930s, for the first time in American history, the left—an umbrella term for socialists, communists, labor radicals, and many New Deal liberals—enjoyed a shaping influence on the nation's politics and culture. The CIO and Communist Party became focal points for a broad social

and intellectual impulse that helped to redraw the boundaries of American freedom. An obscure, faction-ridden organization when the Depression began, the Communist Party experienced remarkable growth during the 1930s. The party's membership never exceeded 100,000, but several times that number passed through its ranks.

The party's commitment to socialism resonated with a widespread belief that the Depression had demonstrated the bankruptcy of capitalism. But it was not so much the party's ideology as its vitality—its involvement in a mind-boggling array of activities, including demonstrations of the unemployed, struggles for industrial unionism, and a renewed movement for black civil rights—that for a time made it the center of gravity for a broad democratic upsurge. At the height of the Popular Front—a period during the mid-1930s when the Communist Party sought to ally itself with socialists and New Dealers in movements for social change, urging reform of the capitalist system rather than revolution—Communists gained an unprecedented respectability. Earl Browder, the party's leader, even appeared on the cover of *Time* magazine. It is one of the era's ironies that an organization with an undemocratic structure and closely tied to Stalin's dictatorial regime in Russia should have contributed to the expansion of freedom in the United States. But the Communist Party helped to imbue New Deal liberalism with a militant spirit and a more pluralistic understanding of Americanism.

REDEFINING THE PEOPLE

In theater, film, and dance, the Popular Front vision of American society sank deep roots and survived much longer than the political moment from which it sprang. In this broad left-wing culture, social and economic radicalism, not support for the status quo, defined true Americanism, ethnic and racial diversity was the glory of American society, and the “American way of life” meant unionism and social citizenship, not the unbridled pursuit of wealth. The American “people,” viewed by many intellectuals in the 1920s as representing mean-spirited fundamentalism and crass commercialism, were suddenly rediscovered as embodiments of democratic virtue.



A card issued by the Communist Party during the 1936 campaign illustrates the party's attempt at “Americanization” (note the images of the American Revolution and Abraham Lincoln), as well as its emphasis on interracialism. James Ford, an African-American, was the party's vice-presidential candidate.



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

The “common man,” Roosevelt proclaimed, embodied “the heart and soul of our country.” During the 1930s, artists and writers who strove to create socially meaningful works eagerly took up the task of depicting the daily lives of ordinary farmers and city dwellers. Art about the people—such as Dorothea Lange’s photographs of migrant workers and sharecroppers—and art created by the people—such as black spirituals—came to be seen as expressions of genuine Americanism. The Federal Music Project dispatched collectors with tape recorders to help preserve American folk music. Films celebrated populist figures who challenged and defeated corrupt businessmen and politicians, as in *Mr. Deeds Goes to Town* (1936) and *Mr. Smith Goes to Washington* (1939). New immigrants, especially Jews and Italians, played a prominent role in producing and directing Hollywood films of the 1930s. Their movies, however, glorified not urban ethnic communities but ordinary small-town middle-class Americans.

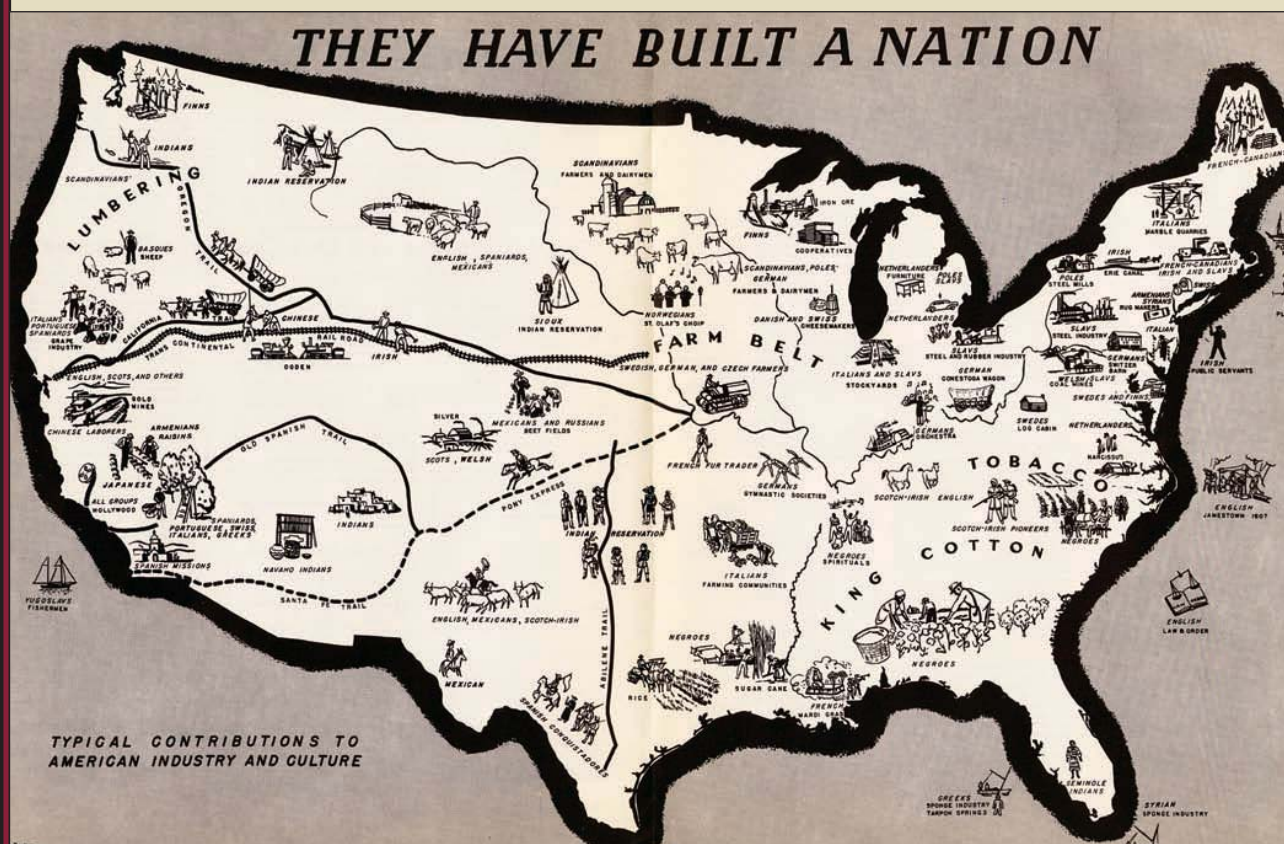
PROMOTING DIVERSITY

“A new conception of America is necessary,” wrote the immigrant labor radical Louis Adamic in 1938. Despite bringing ethnic and northern black voters into its political coalition, the Democratic Party said little about ethno-cultural issues, fearful of rekindling the divisive battles of the 1920s. But the Popular Front forthrightly sought to promote the idea that the country’s strength lay in diversity, tolerance, and the rejection of ethnic prejudice and class privilege. The CIO avidly promoted the idea of ethnic and racial inclusiveness. It broke decisively with the AFL’s tradition of exclusionary unionism. The CIO embraced cultural pluralism—an idea, as noted in Chapter 20, previously associated with intellectuals like Horace Kallen and the self-defense of ethnic and Catholic communities against enforced Americanization. “We are the only Americans who take them into our organization as equals,” wrote labor organizer Rose Pesotta, referring to the Mexican-Americans who flocked to the Cannery and Agricultural Workers union.

Popular Front culture presented a heroic but not uncritical picture of the country’s past. Martha Graham’s modern dance masterpiece *American*



VISIONS OF FREEDOM



Americans All, Immigrants All. An image from a brochure that accompanied a twenty-six-week government-sponsored radio series (1938–1939) celebrating the history of various immigrant groups and their contributions to American society. One week was devoted to black Americans. The map highlights the distribution of members of racial and ethnic minorities throughout the country, and suggests some of their economic contributions.

QUESTIONS

1. What does this map suggest about how the government was trying to shape public opinion during the 1930s?
2. How does the picture of American society presented here differ from the government's approach during World War I?



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

Document (1938), an embodiment of Popular Front aesthetics with its emphasis on America's folk traditions and multi-ethnic heritage, centered its account of history on the Declaration of Independence and the Gettysburg Address. Yet Graham did not neglect what her narrator called "things we are ashamed of," including the dispossession of the Indians and the plight of the unemployed. Graham's answer to Hector St. John de Crèvecoeur's old question, "What, then, is the American, this new man?" was that Americans were not only middle-class Anglo-Saxons but also blacks, immigrants, and the working class. Earl Robinson's song "Ballad for Americans," a typical expression of Popular Front culture that celebrated the religious, racial, and ethnic diversity of American society, became a national hit and was performed in 1940 at the Republican national convention.

CHALLENGING THE COLOR LINE

It was fitting that "Ballad for Americans" reached the top of the charts in a version performed by the magnificent black singer Paul Robeson. Popular Front culture moved well beyond New Deal liberalism in condemning racism as incompatible with true Americanism. In the 1930s, groups like the American Jewish Committee and the National Conference of Christians and Jews actively promoted ethnic and religious tolerance, defining pluralism as "the American way." But whether in Harlem or East Los Angeles, the Communist Party was the era's only predominantly white organization to make fighting racism a top priority. "The communists," declared Charles H. Houston, the NAACP's chief lawyer, "made it impossible for any aspirant to Negro leadership to advocate less than full economic, political and social equality."

Communist influence spread even to the South. The Communist-dominated International Labor Defense mobilized popular support for black defendants victimized by a racist criminal justice system. It helped to make



A scene from the Emancipation episode of Martha Graham's American Document, photographed by Barbara Morgan. The dancers are Martha Graham and Eric Hawkins.

the Scottsboro case an international cause célèbre. The case revolved around nine young black men arrested for the rape of two white women in Alabama in 1931. Despite the weakness of the evidence against the “Scottsboro boys” and the fact that one of the two accusers recanted, Alabama authorities three times put them on trial and three times won convictions. Landmark Supreme Court decisions overturned the first two verdicts and established legal principles that greatly expanded the definition of civil liberties—that defendants have a constitutional right to effective legal representation, and that states cannot systematically exclude blacks from juries. But the Court allowed the third set of convictions to stand, which led to prison sentences for five of the defendants. In 1937, a defense lawyer worked out a deal whereby Alabama authorities released nearly all the defendants on parole, although the last of the Scottsboro boys did not leave prison until thirteen years had passed.

Despite considerable resistance from white workers determined to preserve their monopoly of skilled positions and access to promotions, the CIO welcomed black members and advocated the passage of antilynching laws and the return of voting rights to southern blacks. The CIO brought large numbers of black industrial workers into the labor movement for the first time and ran extensive educational campaigns to persuade white workers to recognize the interests they shared with their black counterparts. Black workers, many of them traditionally hostile to unions because of their long experience of exclusion, responded with enthusiasm to CIO organizing efforts. The union offered the promise of higher wages, dignity in the workplace, and an end to the arbitrary power of often racist foremen. Ed McRea, a white CIO organizer in Memphis, Tennessee, reported that he had little difficulty persuading black workers of the value of unionization: “You didn’t have any trouble explaining this to blacks, with the kinds of oppression and conditions they had. It was a question of freedom.”



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

LABOR AND CIVIL LIBERTIES

Another central element of Popular Front public culture was its mobilization for civil liberties, especially the right of labor to organize. The struggle to launch industrial unions encountered sweeping local restrictions on freedom of speech as well as repression by private and public police forces. Nationwide publicity about the wave of violence directed against the Southern Tenant Farmers Union in the South and the CIO in industrial communities in the North elevated the rights of labor to a central place in discussions of civil liberties. The American Civil Liberties Union, primarily concerned in the 1920s with governmental repression, by 1934 concluded that “the masters of property” posed as great a danger to freedom of speech and assembly as political authorities.

Beginning in 1936, a Senate subcommittee headed by Robert M. La Follette Jr. exposed the methods employers used to combat unionization, including spies and private police forces. Workers had “no liberties at all,” an employee of General Motors wrote to the committee from Saginaw, Michigan. The extensive violence unleashed against strikers in California’s cotton and lettuce fields made that state, the committee report concluded, seem more like a “European dictatorship” than part of the United States.

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

By the eve of World War II, civil liberties had assumed a central place in the New Deal understanding of freedom. In 1939, Attorney General Frank Murphy established a Civil Liberties Unit in the Department of Justice. “For the first time in our history,” Murphy wrote the president, “the full weight of the Department will be thrown behind the effort to preserve in this country the blessings of liberty.” Meanwhile, the same Supreme Court that in 1937 relinquished its role as a judge of economic legislation moved to expand its authority over civil liberties. The justices insisted that constitutional guarantees of free thought and expression were essential to “nearly every other form of freedom” and therefore deserved special protection by the courts. Thus, civil liberties replaced liberty of contract as the judicial foundation of freedom. In 1937, the Court overturned on free speech grounds the conviction of Angelo Herndon, a Communist organizer jailed in Georgia for “inciting insurrection.” Three years later, it invalidated an Alabama law that prohibited picketing in labor disputes. Since 1937, the large majority of state and national laws overturned by the courts have been those that infringe on civil liberties, not the property rights of business.

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

government. A similar pursuit of radical views took place at the state level. The New York legislature's Rapp-Coudert Committee held sweeping hearings investigating "subversive" influences in New York City's public colleges, resulting in the firing in 1941 of some sixty faculty members charged with communist sympathies.

THE END OF THE NEW DEAL

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

Until the late 1930s, prominent southern Democrats had been strong supporters of the New Deal, while at the same time working to shape legislation to allow for the local administration of relief and the exclusion of most black workers. Now, southern business and political leaders feared that continuing federal intervention in their region would encourage unionization and upset race relations. Roosevelt concluded that the enactment of future New Deal measures required a liberalization of the southern Democratic Party. In 1938, he tried to persuade the region's voters to replace conservative congressmen with ones who would support his policies. The South's small electorate dealt him a stinging rebuke. In the North, where the economic downturn, the "Court-packing" plan, and the upsurge of CIO militancy alarmed many middle-class voters, Republicans increased their congressional representation.

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

THE NEW DEAL IN AMERICAN HISTORY

Given the scope of the economic calamity it tried to counter, the New Deal seems in many ways quite limited. Compared to later European welfare states, Social Security remained restricted in scope and modest in cost. The

New Deal failed to address the problem of racial inequality, which in some ways it actually worsened.

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

One thing the New Deal failed to do was generate sustained prosperity. More than 15 percent of the workforce remained unemployed in 1940. Only the mobilization of the nation's resources to fight World War II would finally end the Great Depression.

SUGGESTED READING

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- Denning, Michael. *The Cultural Front: The Laboring of American Culture in the Twentieth Century* (1996). A comprehensive account of the rise of cultural activity associated with the political left and the New Deal.
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- Worster, Donald. *Dust Bowl: The Southern Plains in the 1930s* (1979). A social and environmental history of one of the key episodes in rural America during the 1930s.
- Zieger, Robert H. *The CIO, 1935–1955* (1995). A comprehensive history of the Congress of Industrial Organizations, the major labor group to emerge during the New Deal.

WEBSITES

- America from the Great Depression to World War II: <http://memory.loc.gov/ammem/fsowhome.html>
- FDR Cartoon Archive: www.nisk.k12.ny.us/fdr/FDRcartoons.html
- Flint Sit-Down Strike: www.historicalvoices.org/flint/
- New Deal Network: <http://newdeal.feri.org>



CHAPTER REVIEW

REVIEW QUESTIONS

1. Discuss how regional planning such as the Tennessee Valley Authority and the Columbia River project reflected broader changes in American life during the New Deal.
2. What actions did President Roosevelt and Congress take to prevent the collapse of the banking system and reform its operations?
3. How did the actions of the AAA benefit many farmers, injure others, and provoke attacks by conservatives?
4. Explain what labor did in the 1930s to rise from being “slaves of the depression” to secure “economic freedom and industrial democracy” for American workers.
5. How did the emphasis of the Second New Deal differ from the First New Deal?
6. How did the entrenched power of southern conservatives limit women and blacks from enjoying the full benefits of the New Deal?
7. Analyze the effects of the Indian Reorganization Act of 1934 on Native Americans.
8. Explain how New Deal programs contributed to the stigma of blacks as welfare dependent.
9. Illustrate how labor militancy helped produce a shift in the legal understanding of civil liberties.
10. What were the major characteristics of liberalism by 1939?



FREEDOM QUESTIONS

1. How did the New Deal make economic security a vital element of American freedom?
2. Illustrate how FDR and the New Deal repudiated the 1920s idea that liberty was based on unrestrained marketplace competition.
3. What did Roosevelt mean when he said that for too many Americans during the Depression, “life was no longer free, liberty no longer real”?
4. Describe how the Popular Front redefined both popular culture and the concept of “the American people.”
5. How did the New Deal link the idea of freedom to the expanding power of the national state?

**KEY TERMS**

"public works revolution" (p. 860)

bank holiday (p. 864)

the Hundred Days (p. 865)

National Recovery Administration
(p. 865)

Public Works Administration
(p. 866)

Agricultural Adjustment Act
(p. 867)

Dust Bowl (p. 868)

sit-down strike (p. 873)

Share Our Wealth movement
(p. 874)

Townsend plan (p. 875)

Rural Electrification Agency
(p. 876)

Works Progress Administration
(p. 876)

Social Security Act (p. 877)

court-packing plan (p. 883)

minimum wage laws (p. 883)

Indian New Deal (p. 887)

the Popular Front (p. 891)

"Scottsboro boys" (p. 895)

Smith Act (p. 896)

House Un-American Activities
Committee (p. 897)

REVIEW TABLE*Landmark New Deal Legislation*

<i>Legislation</i>	<i>Date</i>	<i>Purpose</i>
Federal Deposit Insurance Corporation	1933	To insure deposits, protecting customers against bank failures
National Recovery Administration	1933	To bring business and labor together to establish standards for output, prices, and working conditions
Agricultural Adjustment Act	1933	To authorize the federal government to raise farm prices by setting production quotas
Civilian Conservation Corps	1933	To employ young men to work on conservation projects
Tennessee Valley Authority	1933	To supply hydroelectric power to the Tennessee Valley
Works Project Administration	1935	To employ a significant number of blacks, white-collar workers, professionals, and artists
Social Security	1935	To create a system of unemployment insurance, old age pensions, and aid to the disabled, the elderly poor, and families with dependent children
Wagner Act	1935	To protect the rights of unions
Fair Labor Standards	1938	To set a minimum hourly wage and maximum hours of work