CHAPTER 23 SUMMARY

Dorothea Lange: photographer for Farm Sec. Administration, among other positions. Migrant mother (Thompson) (pea pickers, I believe) didn’t know photo would be published, and her ID wasn’t discovered for 30 or 40 years. Lange also told her story wrong, according to accusations from the Thompson family. Also covered Japanese-American internment. Documented the extent of the depression and really brought it home to many Americans.

GREAT DEPRESSION

After a decade of prosperity, the U.S. found itself in the midst of the greatest depression of recent memory. It was not alone in its misery. Across the globe, individuals reeled from the combined results of economic collapse. Established industries went bankrupt, banks failed, and the old order seemed ill-equipped to deal with the resulting mess. And few recognized that at least part of the mess was of their own making.

>>Years of buying stocks on margin and the participation of banks and ordinary citizens in the stock market had produced rampant speculation, artificially exaggerating the value of a great number of stocks. When the stock market collapsed on Black Tuesday, October 29, 1929, it set in motion a domino effect of cascading stock prices and reverses in banking, manufacturing, farming, and international trade. Nearly half of all Americans had actually been living on the edge before the collapse; now, even more were plunged into poverty as banks foreclosed on farms, industrial workers lost jobs, and husbands left wives and children behind as they sought—usually unsuccessfully—to find work.

The situation may have been exacerbated by the almost-inaction of the president at the time, Herbert Hoover. The hero of World War I, who had saved Belgium from starvation, was opposed on principle to the idea of expanding the reach of government to deal with the individuals affected by the Great Depression, believing that doing so would create a nation of people dependent on government handouts. Instead, Hoover thought that private individuals and organizations, like charities and churches, should step up to fill the growing need for support. Many organizations and individuals did, but it was hardly enough to stem the growing tide of misery. Finally, in 1932, Hoover allowed Congress to create the Reconstruction Finance Corporation, to provide funds to keep banks and railroads afloat, and the Emergency Relief and Construction Act to lend money to states for public works projects. Meanwhile, he tried—but failed—to negotiate a reduction in the reparations payments that were wrecking the German economy.

In 1930, Congress passed the Smoot-Hawley (or Hawley-Smoot) Tariff, which attempted to protect American industries by raising tariffs on imported goods to their highest rate ever. The result was a trade war, with country-by-country raising its own tariffs to compete with the American bar. The resulting decrease in international trade led to a further downturn in the American economy as even more industries cut back or closed altogether and to further misery of the American people. By this time, the jerry-rigged shacks that the newly homeless were constructing on the fringes of many American cities were dubbed Hoovervilles. Hoover earned even more contempt when he forcibly dispersed a group of World War I veterans, the Bonus Army, when they came to Washington seeking relief.

So when Franklin Delano Roosevelt began his campaign for the presidency by promising a “New Deal” for the American people, his message had staying power. The New Deal promised a collection of federal initiatives and actions that would lift America out of the Depression, provide mechanisms for recovery, and reform certain institutions in such a way that another depression of the same magnitude would never hit again. Roosevelt campaigned vigorously throughout the United States, appealing to the “forgotten man” who had been overlooked by the policies of successive Republican administrations. In the process, and indeed throughout his tenure in office over four elections, FDR would earn the enmity of some of the wealthiest people in the country, who saw the Harvard-educated son of privilege as a “traitor to his class.” Roosevelt won the 1932 election in a landslide, even as more businesses failed and banks closed.

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Once in office, FDR moved immediately to address the most pressing issues facing the country in a period that has become known as the Hundred Days. He declared a Bank Holiday to allow floundering banks time to regroup, and the Emergency Banking Act offered government assistance to those that were deemed salvageable. Just three months later, Congress passed the Glass-Steagall Act that created the Federal Deposit Insurance Corporation (FDIC) to guarantee bank deposits. Glass-Steagall also separated commercial and investment banks, limiting the kind of speculation that banks could engage in on stocks. Other initiatives during the first Hundred Days included the Economy Act, which gave the president broad powers to cut government spending, and the amendment of the Volstead Act to allow for the legalization of beer. Congress also created the Civilian Conservation Corps (CCC), which gave employment to young men that put hundreds of thousands to work building roads, planting forests, etc., in state and national parks, and automatically sent a portion of their earnings home to their families. In April, FDR took the country off the gold standard, putting badly needed paper money into circulation backed by the government’s promise to pay. The Federal Emergency Relief Act provided direct government grants to those without income, while the Agricultural Adjustment Act provided a variety of means—not all of them popular to reduce surpluses and drive up farm prices. By May, the Tennessee Valley Authority was building dams (and hiring workers to do so) to generate electricity and control flooding in several different states. In June, the National Industrial Recovery Act created two important agencies: the National Recovery Administration and the Public Works Administration. The NRA set price, wage, and working hour guidelines, while the PWA provided for the construction of large-scale public works, like bridges and highways.

Many of Roosevelt’s ideas for relief, recovery, and reform came from a unique collection of advisors dubbed the Brain Trust. The Brain Trust brought together some of the nation’s leading academics and included political scientists, economists, and financial experts. Although they differed in many respects on key positions of public policy, the Brain Trust was convinced that the lack of purchasing power of ordinary Americans was a key cause of the Great Depression. Expanding that power, then, would be a key focus of the New Deal.

FDR was able to sell many of his ideas and programs to the American public because of his very public presence. His warm and engaging personality was obvious in the newsreels of the day, and newspapers and magazines frequently published his picture. But it was his use of radio that really cemented the connection many felt. Through frequent Fireside Chats, Roosevelt would explain his programs and policies in terms that ordinary Americans could understand. And many, gathered around their radios, felt that their president was speaking directly to them.

The National Industrial Recovery Act, while intended primarily as a mechanism to stabilize prices, also included a clause that recognized the legitimacy of labor unions. But labor unions took center stage in 1935’s National Labor Relations Act (Wagner Act), which is sometimes known as “Labor’s Magna Carta.” Under the auspices of the act, labor unions had the right to exist, and workers had the right to bargain collectively with employers. After the Wagner Act, a new push began to unionize workers in unorganized industries, like automobiles and steel. A breakout group American Federation of Labor, which included John L. Lewis of the United Mine Workers created a rival union, the Congress of Industrial Organizations to address this need. Soon, CIO organizers were directing strikes in previously unorganized industries. Striking workers pioneered a new tactic, the sit-down strike, which kept them actually inside the factory plant and prevented employers from bringing in other workers. The CIO grew to over two million members in just six months. Employers, as might be expected, attempted to block union efforts. They turned off the heat when workers sat down, bringing the temperature to well below freezing. They used municipal police forces to fire tear gas and rubber bullets at striking workers, and hired thugs to beat up union organizers. Eventually, though, most workers won the right to join a union.

Strikes like those against General Motors in cities throughout the U.S. hardened opposition against FDR and the New Deal. The Du Pont family, which had a large stake in General Motors and other businesses, organized the American Liberty League to oppose the New Deal. The National Association of Manufacturers also opposed Roosevelt’s programs, as did those on the other side of the political spectrum. The far left frequently felt New Deal programs didn’t go far enough, and they criticized Roosevelt for dragging his feet on civil rights initiatives.

Other critics found their own initiatives co-opted by FDR. Francis Townsend was a California doctor who proposed a comprehensive pension program for anyone over 60, provided the person left the job market and agreed to spend, not save, the money. Soon, there were 5000 Townsend clubs around the country. Townsend’s vision of old age pensions, of course, would be incorporated into the later Social Security Act (1935). Also in California, novelist Upton Sinclair would run for governor in 1934, pledging to “End Poverty in California” with a vague promise to redistribute private property. Although he lost the election, platforms like Sinclair’s helped to shape national debate over key issues.

Roosevelt, who sought to walk a middle ground, was frequently simultaneously under attack from members of the both the far left and far right. Father Charles Coughlin, a Michigan priest with a radio program that reached a wide audience, was increasingly distressed by what he saw as Roosevelt’s inability to deal with the Depression, and he used anti-Semitic and isolationist rhetoric to underscore his message. Coughlin would later be excommunicated by the Roman Catholic Church. An even more formidable foe was Huey Long, the governor then senator from Louisiana, whose “Share the Wealth” program threatened to seize the wealth of the very rich and promised to make “every man a king.” Long contemplated a run for the presidency himself, but was cut down by an assassin’s bullet in 1935.

By 1935, a shift in focus ushered in the Second New Deal. Less concerned with providing immediate relief and recovery, this new package of programs was designed to effect changes in American society to ensure that ordinary Americans could benefit from a safety net of programs to guarantee long-term financial security. In 1935, Congress created the Works Progress Administration, an ambitious extension of the New Deal. The WPA provided jobs for many Americans, including actors, artists, and historians. Small towns and big cities still prize the WPA murals created during the period, many of which celebrated key moments in American history—and the resilience of the American people. Meanwhile, photographers under the auspices of the Farm Security Administration chronicled often hidden rural poverty, creating some of the most noteworthy images of the Great Depression, like Migrant Mother.

Other Second New Deal programs included the Social Security Act of 1935 and the Wagner Act. In 1936, FDR won a resounding victory against Republican Alf Landon and Union Party representative William Lemke, who had inherited the reins of the third party movement following Huey Long’s assassination. His landslide victory may have caused him to overreach; after the Supreme Court had struck down key elements of the NIRA and AAA, FDR sought to remake the composition of the court. His court-packing scheme involved appointing additional justices for each current justice over the age of seventy, meaning he would appoint six new judges, bringing the total to 15. Although there is no constitutional provision that limits the number of justices on the court, many were concerned that FDR’s plan upset the traditional separation of power among the three branches of government. Although the plan never went through, the Supreme Court shifted ground, and would never again overturn a New Deal program.

Yet was the New Deal actually working? By 1937 and 1938, unemployment was growing yet again, thanks in part to cutbacks in federal spending. The Fair Labor Standards Act of 1938 was one of the last of the New Deal programs (The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.). It seemed that the New Deal was about to end with a whimper. And of course, WWII would be the series of events that would definitively pull America out of the Great Depression.

NONWHITES

Although he faced a fair amount of opposition when it came to expanding rights for black Americans because of his dependence on white Southern Democrats as a base of his support, FDR was able to successfully address rights for other groups. His Indian New Deal (Indian Reorganization Act) rolled away the old system that had been created under the Dawes Severalty Act, and once again allowed the federal government to deal with Indian tribes, effectively recognizing their right to exist. For Indian people, the Indian New Deal allowed for a celebration of Indian identity that had been subverted for years. For black Americans, the New Deal was something of a mixed bag. Many New Deal programs gave considerable authority to state and local governments, which in the South especially meant that they were able to perpetuate and create patterns of segregation that would persist well into the 21st century. At the same time, however, other programs employed African Americans, even when they were segregated, as the CCC was in the South. FDR, along with Eleanor Roosevelt, relied on a Black Cabinet, an informal network of influential African Americans that could give advice regarding matters of policy and alert the president to specific situations. Perhaps the most prominent member of the Black Cabinet was a woman. Mary McLeod Bethune, the head of a Florida school for girls, would eventually become president of the National Association of Colored Women, a group that lobbied for anti-lynching laws and support for training programs in high school and college. Bethune later launched the National Organization of Negro Women because she felt the earlier organization worked too slowly. A great friend of Eleanor Roosevelt, Bethune was appointed the director of the Negro Division of the National Youth Administration, another New Deal agency. There, she helped to create jobs for black youth.

Farmers in Oklahoma, Texas, and Kansas, who had been facing numerous crises throughout the 1920s, found themselves beset by a new one in the 1930s. Years of overproduction of wheat had produced soils that were considerably less fertile than they once were, and a longtime drought helped to produce a series of dust storms throughout the thirties that resulted in the forced migration of thousands of farming families. More than 250,000 people—two-thirds of the population of the Plains—left what became known as the Dust Bowl in search of better lives. Many moved to California, becoming migrant workers, and like their Mexican American counterparts, often looked down upon by others living there. The writer John Steinbeck chronicled the hard lives of these “Okies” and “Arkies” in his novel, The Grapes of Wrath. Although some migrant workers in California and other places attempted to form unions, few strikes were very successful.

WWII ON THE HORIZON

As previously discussed, what caused the economy to rebound in the end was not the New Deal, but rather the economic expansion that occurred as America geared up for World War II. Yet the New Deal did much for Americans psychologically, as they began to believe that they could pull out of the Depression, even as it solidified opposition against the growing power of the federal government.

Initially, few understood the signs of the great conflagration that was to come. The seeds were sown in the Treaty of Versailles as Germany, burdened both by having to take sole responsibility for WWI and by the massive amount of reparations it was forced to pay in return, struggled with rising inflation and growing anger against the rest of the world. Much of the nation’s anger was directed against Jews and other outsiders, and the views were made manifest as the National Socialist Party (Nazi) captured an increasing share of the German imagination—and of the German people’s votes. Once in power, the Nazis quickly moved to end free speech and limit freedom of assembly. Under the leadership of Adolf Hitler, Germany renounced the Treaty of Versailles and began to rebuild its army. In 1938, Hitler began his series of conquests that would eventually bring the United States into WWII. In Italy, the rise of the fascist dictator Benito Mussolini presaged what would come to Germany just a few years later, and it was not long before the two dictators were working together to reshape the world. In Japan, militarists were creating a new state based on expansionist principles and the belief in Japanese superiority. Its goal of “Asia for Asians,” dating from earlier decades, underscored its desire for Japanese domination of the Pacific Rim, replacing Britain, France, and the United States as dominant powers. Beginning in the early thirties, Japan began a series of moves that expanded its control into China, eventually installing a puppet government based in Manchuria and killing and raping as many as 300,000 Chinese in the city of Nanking. Through it all, the rest of the world did little or nothing. U.S. Secretary of War Harry Stimson proclaimed the Stimson Doctrine, asserting that the U.S. would never recognize the new government, but there was little else.

Even as word of the “rape of Nanking” spread in 1937, European countries sat on their hands, with memories of the first world war still fresh in their minds. As late as 1938, British Prime Minister Neville Chamberlain sought to accommodate Hitler through a policy of appeasement that would, he thought, preserve an increasingly fragile peace. The United States, buffered by two massive oceans, regretted the incidents, but saw them as beyond its control. Like many in Europe, they increasingly viewed WWI as an avoidable conflict that had cost nations greatly in terms of blood and treasure. In the mid-1930s, the Nye Committee, chaired by North Dakota senator Gerald Nye, had concluded that a powerful cabal of businessmen and bankers had pushed the U.S. into WWI. Many were convinced that America had no place in another war.

American isolationist sentiment was also manifested in Congress, where a series of neutrality acts prohibited aiding or abetting either side in the growing European conflict. Americans who traveled on belligerent ships were told that they did so at their own risk, and an arms embargo attempted to further distance America from the conflict. By the late 1930s, however, it was increasingly clear, to FDR at least, that events in Europe and elsewhere could not be ignored that much longer. Already, some young Americans had joined the Abraham Lincoln Brigade to fight the fascists in the ongoing Civil War in Spain, a place where German fascists—and equipment—were never far from the battlefield. The sinking of the U.S.S. Panay in 1937 by the Japanese spurred American anger, but most Americans were not yet ready for war. Meanwhile, American scrap metal and American oil continued to be sent to Japan, further fueling that nation’s war machine. (Since China and Japan were not formally at war, the Neutrality Acts did not apply.)

As word of attacks against Jews in Germany spread, and Jews there attempted to emigrate, many American Jews urged action, upset by American immigration policy that turned refugees away. FDR did manage to admit some Jews in 1936 and 1937 by combining the German and Austrian quotas, but a congressional proposal that would have expanded the quotas further was voted down. Opponents of such legislation were helped by the speeches of aviation hero Charles Lindbergh, who frequently appeared at rallies of the America First Committee, an organization formed to keep the U.S. out of the war. By 1939, however, events in Europe had swayed many Americans, most of whom now supported Britain and France in their struggle against Germany.