During the Great Depression, lines of unemployed impoverished workers seeking food and shelter could be seen in cities and towns across the United States.

In late October 1929, the value of shares sold on the New York Stock Exchange, known as Wall Street, collapsed. Prices kept dropping for the next 3 years in a dizzying decline in which paper wealth simply evaporated. For most Americans, the stock market crash seemed irrelevant at first. For industrial workers, who rarely owned stock, the value of shares in the enterprises where they worked was not important, but the subsequent drop in industrial jobs as production of automobiles, radios, appliances, and clothing dried up was all too real. For many farmers in the Deep South and those trying to get by farming small mountainous farms in Appalachia, the Depression had come much earlier, beginning with the drop in agricultural prices in 1920 (see Chapter 21). For other farmers, especially those who had plowed the plains and created the wheat farms of Oklahoma and Kansas in the 1910s and 1920s, the full impact of the Depression came later. Wheat farmers struggled with the fact that a glut in the world supply of wheat kept prices low all through the 1920s, but it was with the terrible dust storms of the 1930s, storms in which the child of one farmer remembered, “you couldn’t see your hand in front a’ your face,” that the full impact of the Depression was felt in this region. This chapter traces the story of the many causes that led to the long years of the Great Depression, and the impact of the Depression on the political climate in the United States and the world.
THE COMING OF THE GREAT DEPRESSION

22.1 Explain the coming of the Great Depression and the initial response to it.

The Great Depression was a worldwide crisis. The crash of the American stock market was but one of many causes of the economic catastrophe. People lost their jobs in Japan. In Chile, mineral exports, the mainstay of its economy, collapsed, leading to joblessness, and the government, which lost tax income, could do little. In Germany, already suffering from a precarious economy, industries went bankrupt and millions of workers were laid off. Industrial production collapsed in Great Britain leading to hunger marches by the unemployed. Jobs disappeared in Canada. And in the United States, the combined impact of the stock market crash (which had an impact worldwide), the continuing farm depression, and the rapid decline in industrial production led to national paralysis.

The Great Crash: October 1929 and the Coming of the Great Depression

Speculative booms and busts had occurred regularly in economies (and continue even in modern times) as people allowed prices to rise far beyond value and then the inevitable crash in prices came. In the 1600s, Dutch investors were caught up in speculation in tulip bulbs, and in the 1720s, English investors lost fortunes in what came to be known as the Great South Sea Bubble. In the mid-1920s, many Americans began to buy Florida real estate that later became worthless.

The Great Crash of 1929 was a prime example of this phenomenon. The U.S. economy did well in the 1920s, and it would have been strange if the value of stocks had not gone up. Stocks, after all, are merely partial ownership in a company, so a share of stock purchased on the New York Stock Exchange for a company (U.S. Steel or General Electric, for example) is a share in the ownership of that company. If the company makes a sufficient profit, dividends are paid to shareholders. If a company increases in value, the value of each share increases. However, if a company does poorly, or a lot of people start to worry that a company will do poorly, shares will probably decrease in value. The stock market is—in theory—a place where people who want to sell a share of stock meet people who want to buy one and agree on a price; the price of the most recent sale of stock is then listed as the current value of the stock.

During the 1920s, stock prices generally rose, with some modest downturns between 1924 and 1928. Toward the end of 1928, especially after Herbert Hoover’s election victory in November, the stock market started going up much faster. Many people—including president-elect Hoover, as he later wrote in his memoirs—were worried that the prices were showing all the hallmarks of a speculative boom. Still, people continued to buy stocks. The Radio Corporation of America, known on the stock market simply as “Radio,” was a relatively new company that had never paid a dividend. Radio sold for $85 a share at the beginning of the year, and the price rose to $420 a share by the end of the year. (Stock prices are reported simply as whole numbers, so Radio sold for 85 and 420.) Other companies followed the same course: DuPont began the year at 310, ending at 525; department store giant Montgomery Ward began at 117, ending at 440. At the height of the market in September 1929, still without distributing a single dividend, Radio was selling for 505.

As people saw the chance to make money, they also borrowed money to buy stocks, a process called buying on margin. If a person could invest $85 in Radio and a year later have a stock worth $420, why not borrow enough to buy ten shares for $850 and fairly quickly reap $4,200? And brokers were more than happy to lend the money. Buyers were expected to use their own money for 25 percent to 50 percent of the value of a stock but could easily borrow the rest. Early in the 1920s, perhaps a billion dollars of loans were provided to cover stock purchases; by the end of 1928, those loans reached six billion dollars.
In the spring of 1929, the outgoing President Calvin Coolidge reported that the economy was “absolutely sound,” and stocks were “cheap at current prices.” The more cautious Hoover, who understood economics better than his predecessor, believed instead that the “growing tide of speculation” was not merely a problem but was, indeed, a “crime,” yet worried that his saying so might cause a devastating loss in confidence. By September 1929, a respected economist Roger Babson warned, “Sooner or later a crash is coming and it may be terrific.” Factories will shut down, he predicted, and “men will be thrown out of work.” The speech precipitated a drop in stock prices, but the so-called “Babson Break” lasted only for 1 day. Most economists thought Babson was wrong.

Stock prices kept going up through the spring of 1929, and then in the summer they skyrocketed. From the beginning of June to the end of August, Westinghouse stock went from 151 to 286, General Electric from 268 to 391, and U.S. Steel from 165 to 258. At the sight of those kinds of profits, most investors simply forgot about the warnings.

The market reached its high point on the day after Labor Day in 1929. There was a small downturn in September and by October, everyone started to worry. Then in late October, speculation turned to panic as stock prices just kept falling. Tuesday, October 29, known as Black Tuesday, was the worst single day in the history of the stock exchange. Crowds formed all up and down Wall Street. Contrary to contemporary rumors and latter-day myths, there were no suicidal leaps from windows, though a few speculators did die by their own hand on that and the following days. Most quietly watched their life savings disappear as prices continued to fall.

In the months and years that followed, stock prices continued to fall. On November 11, the New York Times Industrial Average closed at 224; a drop by half from 452 from September. The worst possible news was followed by even worse news as prices kept falling through 1930, 1931, and 1932. By July 1932, the New York Times reported the Dow Jones Industrial Average as 58—a little more than a tenth of what it had been only 3 years earlier. Value, it seemed, had simply disappeared from American businesses.

The loans that had enabled many to buy stock “on margins” made things worse. When the value of a stock fell to the actual percentage the buyer had invested, 50 percent or 25 percent, the stock broker who had arranged the loan would notify the owner that he or she had to produce more money to pay off the loan or else the stock would be taken over by the broker and sold to recoup the loan. Since many investors had put all their savings into the stock market, they had no funds to cover such “calls” and were wiped out. Even if the market later rallied, they had no investment left. In addition, the brokers often were not able to sell the stock in time to protect the loan either, so brokers lost money, too.

The stock market crash was far from the only problem with the nation’s economy in 1929. At the same time, basic underpinnings of the American economy, including banking, manufacturing, farming, and international trade, were also surprisingly fragile. When the economy came apart, it came apart thoroughly. A sizable number of Americans, perhaps as many as half—farmers, farm workers, and sharecroppers; American Indians living on reservations; factory workers; widows; and the elderly—had been living on the edge of poverty throughout the boom.
In 1930, before even the initial impact of the Depression, 60 percent of American
families had a total income of less than $2,000 per year, which was then considered the
poverty line.

Between 1929 and 1932, farms across the country were foreclosed on—and more
would have been had not armed groups of farmers banded together to prevent the
sales. Factories, which had been overproducing, now closed and workers lost their
jobs. One out of four people in the United States was out of work by 1932. Many were
living in shanties, and others rode the rails as stowaways or waited in bread lines.
In the winter of 1932–33, the nation’s banking system started to collapse as banks
that had also invested in stocks or offered mortgage loans on property that was now
worthless failed, and state governors announced “bank holidays” in their states to stop
further failures.

The Hoover Years, 1929–1933

Herbert Hoover had been president for only 7 months when the stock market crashed.
Given his background, Hoover seemed the ideal president for a moment of crisis.
As a trained engineer who had helped feed a starving Europe during World War I
and served as Secretary of Commerce, he understood economics; moreover, he was
far more flexible than Coolidge. As the economy worsened, Hoover called on people
to engage in voluntary collective action—asking business leaders to keep wages and
prices up, asking bankers to pool resources to help weaker banks, encouraging farmers
to form cooperatives and keep excess crops off the market. He cut taxes and supported
federal public works such as construction of dams, bridges, and hospitals to stimulate
the economy. After 1932, he reluctantly agreed with a Democratic Congress to create
the Reconstruction Finance Corporation to provide funds to keep banks and railroads
from bankruptcy as well as the Emergency Relief and Construction Act to lend money
to states for relief and public projects.

As the economy worsened, however, Hoover’s call for voluntary solutions
seemed weak. Farmers were reluctant to cut back on their crops if their neighbors
would simply fill the gap. Bankers were too worried about staying solvent to bail out
other banks. The Reconstruction Finance Corporation never invested enough to save
all the banks that needed saving. Hoover tried but failed to negotiate a reduction in
the reparations that were wrecking the German economy and thus undermining
U.S. trade with Europe. Then in 1930, Congress passed the Smoot-Hawley Tariff, a
disastrous move that was designed to protect American industries by raising the cost
of imported goods, but resulted in a trade war as other nations also raised their tariffs
in return, leading to a huge decrease in international trade with devastating results.
Despite the dire circumstances, Hoover, though no orthodox conservative, could not
bring himself to support further government intervention and debt.

Perhaps it was simply Hoover’s bad luck to preside over the beginning of the
Depression. People would have blamed him no matter what he did. When he tried
to restore confidence by announcing that, “The fundamental business of the country,
that is production and distribution of commodities, is on a sound and prosperous
basis,” things just kept getting worse and people lost confidence in him. When home-
less families built communities of shacks, they called them Hoovervilles. When out-
of-work veterans marched to Washington as the “Bonus Army” to demand a pension,
he ordered the army to disperse them and people called him heartless. When he had
lost his bid for reelection and tried to get the incoming administration to cooperate
on a plan for the banking crisis in early 1933, Roosevelt ignored him. Hoover’s was an
unhappy presidency in an unhappy time.

Quick Review  How did the fragile economy of the 1920s combined with the stock market

Quick Review  How did the fragile economy of the 1920s combined with the stock market
crash create a dire situation for the American people? What actions did the Hoover
administration take to address the situation? What other actions could Hoover have taken?
In the desperate situation that the United States faced in 1932, probably the most desperate economic moment in American history, most thought that whoever won the 1932 Democratic nomination would win the election. After all, the crisis had occurred under the leadership of previous Republican presidents. Among the Democrats, Al Smith entered the race again along with Speaker of the House of Representatives John Nance Garner, former cabinet member Newton Baker, and New York Governor Franklin Delano Roosevelt. Roosevelt won the nomination on the fourth ballot and, breaking precedent, flew to the Democratic National Convention in Chicago to accept the nomination in person on July 2, 1932, where he promised a “New Deal for the American people,” coining the phrase by which his administration would be known. He selected Garner to be his running mate and, promising “a New Deal for the American people” while offering very few specifics, defeated Hoover by a landslide in the November election, carrying 57 percent of the vote and 472 electoral votes.

In the long months between the election in November and the inauguration on March 4, 1933, the U.S. economy kept getting worse. (The date of the inauguration was later changed by the 20th Amendment to the Constitution so that every president after Roosevelt was inaugurated on January 20 after a much shorter wait.) The number of unemployed workers and evicted farmers kept growing. In addition, the banking system, the heart of the nation’s economic structure, faltered, and more banks closed. Banks that had given loans to buy stocks now held worthless paper since the loans could never be repaid. Banks that had given loans to farmers now owned worthless farm land or were blocked from foreclosure by angry farmers. As more banks failed, people began to take their money out of the remaining banks. A “run on a bank,” as a large number of withdrawals all at once was known, could put any bank out of business because no bank simply kept deposits in its vaults but, rather, invested the money. In 1930, 1,352 banks closed; in 1931, 2,294 more went out of business; and in 1932, another 1,453 failed. In November 1932, Nevada’s governor proclaimed a “bank holiday,” temporarily closing all banking before more banks got into trouble. Iowa followed in January, then Michigan, Maryland, Oklahoma, Indiana, Ohio, Arkansas, and Arizona in February. Sixteen more states closed banks at the beginning of March, and finally, on March 4, Illinois and New York—home to the nation’s largest banks in Chicago and New York City—declared a bank holiday. On that day at noon, with most banks closed and most economic activity in the country at a standstill, Franklin Roosevelt was inaugurated to replace Herbert Hoover as president.

**The Brain Trust and the First 100 Days**

At his inauguration, the new president told the nation that it must not “shrink from honestly facing conditions in our country today.” And he was blunt about what those conditions were, saying:

> Only a foolish optimist can deny the dark realities of the moment. Yet our distress comes from no failure of substance….Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated.

But in that same address, he also insisted on his “firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.” Given the nation’s situation, many could think of quite a few things to fear, but Roosevelt made it clear that he was ready to act to address the crisis, and that alone gave people optimism—for a time.
Roosevelt had a magnetic, optimistic personality. He used radio, still a new medium, to connect with the American people through frequent *fireside chats* and press conferences. Roosevelt had been paralyzed by polio in the early 1920s, but few Americans knew that he could not walk without help, and the media kept his secret. Radio carried the president’s voice and kept his disability out of sight. Another well-kept secret was the deep strain in Roosevelt’s marriage. While Franklin and Eleanor Roosevelt’s personal life was often tense, as a public couple, they were extraordinary. The new first lady was often the eyes and ears of the administration, visiting desperate farmers and industrial workers, traveling down mine shafts to coal mines, speaking to audiences around the country, and bringing the nation’s problems back to the White House. People responded to her on a personal level. Thousands of “Dear Mrs. Roosevelt” letters poured in to the White House. Together, Eleanor and Franklin Roosevelt projected hope to a nation that wanted desperately to believe.

The new president knew that although people were willing to give the new administration a chance, their patience was short. Banks could close for a few days, but if people could not get their money, pay their bills, keep their mortgages up to date, a worse crisis would follow. Roosevelt’s economic team moved to reopen the banks. They ignored a proposal by Wisconsin Senator Robert La Follette, Jr., to nationalize the banks. Using a plan that had been drafted by officials in the outgoing Hoover administration, they convinced Congress to pass an Emergency Banking Act on March 9 that allowed those banks deemed safe to open, and permanently liquidated the weakest. After 1 week in office, President Roosevelt gave his first fireside chat, assuring people that “it is safer to keep your money in a reopened bank than it is to keep it under the mattress.” The run on the banks stopped, and the newly federally approved banks remained solvent.

Three months later, Congress passed the Glass-Steagall Act that created the Federal Deposit Insurance Corporation to guarantee bank deposits. Given the role banks had played in the stock market speculation of 1928 and 1929, the Glass-Steagall Act also separated commercial banks and investment banks; the former could take deposits and make loans, with government guarantees, and the latter could invest in the stock market, at their own risk.

Early in 1932, while he was still a candidate for the presidency, Roosevelt (or FDR, as many called him) had created what he called his “Brain Trust.” The original

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**American Voices**

**Letter to Eleanor Roosevelt, April 20, 1935**

In her first year as the nation’s First Lady, Eleanor Roosevelt received more than 300,000 letters, a large percentage of which were from young people asking for her help. Mrs. Roosevelt had become a personal symbol of caring for the Roosevelt administration, and people—particularly poor people and especially children—turned to her. From the thousands letters such as the one shown here, the needs of those who lived through the Great Depression, especially the young, also take on a human face.

Dear Mrs. Roosevelt,

I am a thirteen year old girl and live on a farm with my mother and Step-Father we are very poor people I have lived here for five years and have wished each year for a radio but as the years go by our circumstances get worse and worse. I am wondering if I would be asking to much of you to help me obtain one. As we live in the country we wold have to have a Battery Radio. We live five miles from town, and we are poor and we have no money for boughten amusements. There is not a radio around in the country and I get terribly lonesome in summer…

Sincerely yours, M.N.C.


**Thinking Critically**

1. **Contextualization**
   - What does this letter tell you about the hopes and dreams of a 13-year-old child living in the midst of the Depression?

2. **Historical Interpretation**
   - Why would a child, or any American, turn to the First Lady for help? What does this decision tell you about Eleanor Roosevelt’s public persona?
core group— Raymond Moley, a political scientist; Rexford Tugwell, an economist; and Adolf Berle, a legal financial expert, were all professors at Columbia University. Others joined or departed from the group. Although they argued with each other, the members of the Brain Trust all agreed that a lack of purchasing power was a key cause of the Depression and that a way had to be found to raise farm income and industrial wages so more Americans could buy more of what the nation could produce, thus putting more Americans back to work. They, like FDR, disliked what they called “the dole” and preferred jobs, any jobs, to welfare.

When Roosevelt came to office in 1933, the Brain Trust guided much of his policy. Some members of the official cabinet represented the older, more cautious Democratic Party establishment. However, others in the cabinet were closer to the Brain Trust, especially farm editor and inventor Henry Wallace, who became secretary of agriculture; Chicago reformer Harold Ickes, who became secretary of the interior; and Roosevelt’s long-time New York State ally, Frances Perkins, who became secretary of labor and the first woman in a president’s cabinet.

In what became known as the first 100 days, Congress passed a steady stream of new legislation. On March 13, Congress passed the Economy Act, giving the president broad powers to cut government spending. It also amended the Volstead Act to legalize beer while the country waited for the repeal of Prohibition. While the Economy Act cut federal costs—and did nothing to stimulate the economy—the amended Volstead Act not only allowed people to drink beer legally but also brought millions of dollars of new tax money into the treasury. Before the end of March, Congress established the Civilian Conservation Corps, probably the most popular New Deal agency, through which hundreds of thousands of unemployed young men worked in rural camps planting forests, pruning trees, building parks, and shoring up the nation’s wild lands, thus giving many of the unemployed jobs and income to spur the economy. In April 1933, FDR, took the country off of the gold standard, replacing currency backed by gold with currency backed by the government’s promise to pay. The change put badly needed money into circulation since the supply of dollars was no longer limited by the amount of gold in government or bank vaults.

In May, the president signed the Federal Emergency Relief Act that provided direct government grants to those without incomes (Hoover had provided loans). He also signed the Agricultural Adjustment Act that sought to shore up farm prices with a not-always-popular program to plow under 10.5 million acres of cotton and slaughter 6 million piglets. Many, including agriculture secretary Henry Wallace, were heartsick at the destruction of food in a nation with many hungry people, but one-third of the nation’s workers were in agriculture, and the Brain Trust believed that raising farm prices by ending the surplus of agricultural products, and therefore raising the income and spending power of farmers, was the highest national priority. Before the end of May, Congress also created the Tennessee Valley Authority (TVA) to build dams on the Tennessee River that would control floods, bring electricity to rural areas that were without it, and provide jobs (see Map 22-1).

In June, in addition to the Glass-Steagall Act that regulated the banks, Congress passed the National Employment System Act, the Home Owners Refinance Act, the Farm Credit Act, the Railroad Coordination Act, and perhaps most significant, the National Industrial Recovery Act. The last act established two of the best known New Deal agencies, the Public Works Administration (PWA)—committed to large-scale construction projects across the country—and the National Recovery Administration (NRA) with a mandate to create a voluntary national network of businesses to maintain wages and prices. In 100 days, the United States had a quite different federal government than it had ever seen before. The National Recovery Administration set minimum wages and prices, outlawed child labor, and guaranteed labor the right to organize. The NRA was later declared unconstitutional, but from 1933 to 1935, the NRA, with its “We Do Our Part” signs in store windows across the nation, was a prime symbol of the New Deal.
The Indian New Deal

The New Deal was a time of extraordinary change for many Americans, including American Indians. Like other New Deal initiatives, the changes began during the Hoover years. In 1928, Lewis Meriam led a study of federal Indian policy. Meriam’s team conducted the first large-scale examination of the impact of the 1887 Dawes Act (see Chapter 16).

In his report, *The Problem of Indian Administration*, Miriam was blunt, writing, “The work of the government directed toward the education and advancement of the Indian…is largely ineffective,” and, “The provisions for the care of the Indian children in boarding schools are grossly inadequate.” Meriam called for moving the education of Indian children to their home and tribal context, which was done.

Roosevelt appointed social worker John Collier as commissioner of Indian Affairs. Collier came to office determined to right some of the wrongs that had been done, and by June 1934 he had convinced Congress to pass the Wheeler-Howard Act, also known as the Indian Reorganization Act. Two years later, in 1936, Congress extended the same rights to native Alaskans. This law was the beginning of what came to be known as the **Indian New Deal**. Under the Indian Reorganization Act, the government recognized the legal rights of Indian tribes (not done since 1887), including tribal right to hold reservation lands. Tribes adopted constitutions and formed governments. Tribes, not the federal government, were given the right to decide on tribal membership—not an easy issue after generations of relationships between whites and Indians. For most tribes, the Indian New Deal was a fresh start.

**Indian New Deal**

A series of policy changes, including the Indian Reorganization Act of 1934 that transformed government Indian policy and strengthened Indian tribal government of the reservations.

**MAP 22-1 The Range of the TVA.** The TVA, or Tennessee Valley Authority, built dams that controlled flooding and brought electric power to thousands of Americans living in one of the most poverty stricken parts of the nation along the length of the Tennessee River.
African-Americans, the Depression, and FDR's “Black Cabinet”

The Great Depression hit African-Americans especially hard. Many who had moved to northern cities were still on the bottom of the economic ladder and were often among the first to lose their jobs. As business failed and the need for goods and services declined, African-American jobs declined precipitously. In 1934, a government survey estimated that 17 percent of whites but 38 percent of blacks were out of work.

Most New Deal agencies were designed to help both blacks and whites, but in some cases, discrimination was built into the policies, and in other cases, policies that should have been fair were implemented by people who were not. The NRA, which set minimum wages for jobs, set low minimum salaries in laundry services, tobacco production,
and other fields where there were large numbers of black workers. Agricultural Adjustment Administration payments often helped landlords but were not passed on, as they should have been, to help tenant farmers or sharecroppers. In the Civilian Conservation Corps, which provided jobs for unemployed young people—originally only males—some 200,000 African-American boys and young men did get jobs and work experience, but the CCC maintained rigidly segregated camps. The federal Home Owners Loan Corporation was designed to give loans to blacks and whites, but local officials of the Federal Housing Authority often decided that blacks were a poor risk and so denied loans to them.

Nevertheless, many African-Americans made significant gains during the Great Depression. Recognizing that AAA payments were being withheld, African-American sharecroppers organized the Southern Tenant Farmers Union to demand payments. African-American voters began to shift political allegiance from the “Party of Lincoln” to the Democratic Party because they were attracted to Roosevelt’s New Deal Policies and especially Eleanor Roosevelt’s active support as she visited black communities, advocated for black civil rights, and courted African-American voters. Blacks began to win elections to state legislatures. In 1928, Chicago’s Oscar DePriest was elected to the U.S. Congress, the first black since Reconstruction. Black votes helped defeat candidates who opposed antilynching bills.

Early in his administration, Roosevelt created what came to be known as the Black Cabinet, a shifting and informal group. Roosevelt’s (white) Secretary of the Interior Harold L. Ickes, former president of the Chicago branch of the NAACP, and Eleanor Roosevelt enlarged the size and power of the Black Cabinet. Robert L. Vann, editor of the *Pittsburgh Courier*, served as special assistant to the attorney general, and William H. Hastie, dean of the Law School at Howard University, served as a legal advisor to the Department of the Interior. Robert C. Weaver (who in the 1960s would be the first African-American in the cabinet) advised the Department of the Interior.

Perhaps the most prominent member of the Black Cabinet was Mary McLeod Bethune. Bethune was head of a school for girls in Daytona, Florida, that would become Bethune-Cookman College. During the 1920s, Bethune became president of the National Association of Colored Women, which advocated for a federal antilynching bill and for support for black women in attending training programs and college. Frustrated by what she saw as the conservatism of the NACW, she launched the more aggressive National Council of Negro Women in 1935.

At Eleanor Roosevelt’s urging, Bethune was appointed as the director of the Negro Division of the National Youth Administration (NYA), where she channeled some of the NYA’s considerable resources toward creating jobs for African-American youth. Bethune used her position and her friendship with Eleanor Roosevelt to organize a Federal Council of Negro Affairs to ensure that blacks in and out of the administration spoke with one voice. When Secretary of War Henry L. Stimson called a conference on women and the war effort in 1941, and failed to invite black women, she wrote to him, “We are not humiliated. We are incensed.” Bethune was not going to be ignored.

**The Dust Bowl and the “Okie” Experience**

Unlike the many farmers who faced troubles in the 1920s, wheat farmers of Oklahoma, Kansas, and the Texas panhandle often prospered during that decade because even when the price of wheat fell they could always plow more land and plant more wheat. As the Depression worsened, however, the Plains farmers faced a unique crisis.

Eventually the ever-expanding production of wheat caught up with the farmers. The wheat harvest in the fall of 1931 was the most bountiful in history. Farmers had been planting more land, and it was exceedingly fertile. The result was that far more wheat was produced that fall than could possibly be consumed. Europe, like the United States, was in a depression. Wheat exports and wheat consumption were down. The price paid for wheat fell so low in 1931 that farmers lost money on every
bushel produced. Many vowed not to plant in 1932, and probably a third of the Great Plains farmers faced foreclosures for debt or back taxes.

Then a different disaster struck. Starting late in 1932 and continuing in 1933, 1934, and 1935, farms across the Great Plains simply blew away. Year after year, the dust storms continued, but the worst storm came on Sunday April 14, 1935, known to those who lived through it as Black Sunday. The day began sunny and windless. Then in the afternoon, the wind picked up, and what looked like a purple or black wall started blowing in from the northwest. Jeanne Clark remembered that she had been outside playing when she heard a panicked call from her mother to come inside. Before she could get to the house, the storm hit. “It was like I was caught in a whirlpool,” Clark said. “All of a sudden it got completely dark. I couldn’t see a thing.” That one storm took 300,000 tons of soil from the Great Plains and deposited it hundreds of miles away—twice as much soil as had been dug out of the Panama Canal. Clark remembered the terrible coughing that followed. A doctor said she had “dust pneumonia” and might not survive. Clark did survive, but others, mostly children and old people, died from the dust storms. Before the end of the 1930s, more than 250,000 people—two-thirds of the Plains population—simply left what had become known as the “Dust Bowl” (see Map 22-2).
After 1910, scores of white settlers with high hopes had come to the Great Plains and built farms in the “last frontier,” encouraged by the government. Since the land was so dry, the government also doubled the homestead allotment to 320 acres. The weather could be terribly hot in the summer and cold in the winter, but the soil was rich. A few old-timers and ranchers said, “God didn’t create this land around here to be plowed up.” But farmers plowed and grew crops on land that had previously grown only grass.

In the 1930s, however, there was a prolonged drought, and the wells had to be dug deeper to find any water. The soil started to dry up, and then the wind, which always blows hard on the Plains, started to carry the soil away. Cattle suffocated from the dust. People rubbed Vaseline in their nostrils to protect them, and the Red Cross gave out respirator masks at school. People stuffed wet towels and sheets into cracks in doors or windows only to see their houses filled with dust anyway.

As the New Deal administration began to grapple with the Dust Bowl crisis, agricultural agents arrived in the region in 1934 offering up to $16 a head for the remaining cattle, which were either shot on the spot or shipped to a slaughterhouse in Amarillo, Texas. The government offered payments averaging $498 for a promise not to raise a wheat crop the following year. The CCC tried to build demonstration projects to reclaim the land. The reclamation projects did not work. The $498 paid off old debts, but hope of a more bountiful year in 1935 or 1936 seemed remote. Farmers and townspeople began departing in 1934, and before long, a region and a way of life—one that was less than a generation old—simply disappeared.

Most people who left the Dust Bowl moved to California. In the midst of a national Depression, they became migrant farm workers—hired hands on the farms of California’s Central Valley where they were given the derogatory name of “Okies,” (on the assumption that they were all from Oklahoma). For many Californians the “Okies” were desperately poor intruders in a state whose own economy was suffering terribly. Photographers working for the Farm Security Administration (FSA) took their pictures; Carey McWilliams, a young California lawyer, wrote *Factories in the Fields* describing their plight; and one of the country’s best known writers, John Steinbeck, immortalized their experience in *The Grapes of Wrath*. Tom Joad, the hero of Steinbeck’s novel defined what it meant to be an Okie: “Okie use’ to mean you was from Oklahoma. Now it…means you’re scum. Don’t’ mean nothing itself, it’s the way they say it.” Nevertheless, for the characters in Steinbeck’s novel and for thousands of real-life migrants, it was also a term of pride and of grim determination.

Longtime residents of California’s Central Valley feared the Okies. Mexican and Filipino agricultural workers worried, for good reason, that white Dust Bowl refugees would take their jobs. A preference for those who were native-born led many California farmers to give jobs to whites during the Great Depression, leaving longtime employees without work. Moreover, the California growers, a powerful political bloc, were happy to have more competition for jobs in the fields and to pit ethnic groups against one another other.

Mexican American and Filipino farm workers, too often ignored by traditional unions, had created their own unions. In 1933, before the arrival of most Dust Bowl refugees, 47,500 agricultural workers were involved in 37 different strikes in California’s rich Central Valley. Some 5,000 mostly Mexican American workers were involved in the partially successful El Monte berry strike in June 1933 and a larger cotton strike that fall.

By the late 1930s, up to 10 workers were applying for every job in the California fields, and a field hand who made a dollar per day was doing well. Probably half of those working in the California fields were “Okies” while the other half were longtime workers who were Mexicans or Filipinos. The unions were divided by ideological differences as well as by splits between the newly arrived refugees and those who had been in the fields for a generation.

Despite the efforts of California farm workers to build unions in the field, few strikes were very successful. California agribusiness was strong and got stronger
during the 1930s. The Associated Farmers of California that was founded in 1934 had resources and power far beyond anything available to the California farm workers.

Whatever one’s race, working in the field was terribly hard work. Dust Bowl refugees who had owned their own farms and had viewed the future with optimism, who had bought a piano for their living room and a new Model T Ford for the family, now lived in government camps if they were lucky, and under bridges if they were not, and followed the crops from one farm to another. Most of the Dust Bowl refugees survived on the margins of society until the new industrial jobs created by World War II ended the Depression for them.

The Works Progress Administration and the Artists’ New Deal

In April 1935, Congress created the Works Progress Administration (WPA) to institutionalize and expand the New Deal. Roosevelt appointed Harry Hopkins, a former settlement house worker and one of FDR’s closest advisors, to lead it. The WPA’s role was to move people from emergency relief (“the dole,” as the president called it) to temporary, government-supported jobs and to make the government the employer of last resort. Under Hopkins’s leadership, the WPA provided government-funded jobs for 8.5 million Americans at a cost of $11 billion between 1935 and 1942. WPA workers built roads, theaters, public buildings, and in some cases planned communities in every state of the Union as well as planted forests, laid out new parks, and changed the face of the countryside. Providing WPA jobs also provided opportunities for Roosevelt’s political allies—usually Democrats, but in some cases, such as New York City’s liberal Republican Mayor Fiorello La Guardia, also Republicans—to win political favors by handing out the coveted jobs to political supporters.

At the urging of Eleanor Roosevelt, Hopkins included jobs for artists in the WPA. In response to one critic of the artists’ program, Hopkins said, “Hell, they’ve got to eat just like other people.” In 1935 and 1936, WPA artists painted murals in post offices; provided music through symphony orchestras, jazz groups, Appalachian banjo pickers, and Texas fiddlers; staged theater productions of everything from Shakespeare to new cutting-edge works; wrote guidebooks to every part of the United States; and recorded the oral histories of former slaves, among many other projects. Besides ensuring that many artists were able to eat and practice their craft, the WPA art programs left a lasting cultural legacy, though not one without criticism.

Other federal agencies also hired artists. Rexford Tugwell, one of the most influential members of the Brain Trust, charged the Farm Security Administration with creating a “Pictorial Sourcebook of American Agricultural History.” Between 1935 and 1939, a team of photographers, including several who later became famous for their work—Dorothea Lange, Walker Evans, and Ben Shahn—roamed the country creating a picture of often-hidden rural poverty.

Organized Labor, the Committee for Industrial Organization, and the Factory Floor

Many labor union leaders were not sure they trusted Roosevelt and the New Deal in the early years. However, although the primary purpose of the National Industrial Recovery Act of June 1933 was to stabilize prices, at Roosevelt’s insistence, it also included a clause protecting collective bargaining through unions. The National Labor Relations Act of 1935 (the Wagner Act) sponsored by New York Senator Robert Wagner, expanded the rights of union members, outlawing “unfair labor practices” as well as giving workers the right to join a union without getting fired, rights to collective bargaining, and the right to strike. For the next decade, unions could be relatively sure that the federal government would not intervene in a strike on the side of management, as it had done repeatedly in the past. The Wagner Act did not create any unions, but it did provide a new context; labor organizers took the next steps on their own.
In 1935, when the Wagner Act was passed, only about 10 percent of American workers were union members, mostly in the skilled craft unions of the American Federation of Labor (A.F. of L.). Within the A.F. of L. some of its leaders, John L. Lewis of the United Mine Workers of America, Sidney Hillman of the Amalgamated Clothing Workers, and David Dubinsky of the International Ladies’ Garment Workers Union, pushed the A.F. of L. to organize the unorganized. Lewis and his colleagues wanted industrial unions that would organize a union of all the workers in an industry such as steel or automobiles or textiles, as opposed to the craft unions that focused on a single trade—carpenters, plumbers, or electricians. But the leadership of the A.F. of L. would have none of it. They meant to protect their current members.

Lewis, Hillman, and Dubinsky created a Committee for Industrial Organization within the A.F. of L. When other union leaders within the A.F. of L. continued to resist their efforts, the Committee for Industrial Organization became the Congress of Industrial Organizations (CIO), a separate union and a competitor to the A.F. of L.

John L. Lewis, founding president of the CIO, could be tough, arbitrary, arrogant, and self-absorbed. He also was able to speak to workers as no one since Eugene Debs and Mother Jones. Lewis believed that by the 1930s a “mighty surge of human sentiment” was about to change industrial America.

Sometimes the “mighty surge” got ahead of those who were trying to lead it. Across the country, workers, even many who had not yet joined a union, launched a new kind of strike—the sit-down strike. Instead of walking off the job and onto the picket lines, CIO-inspired workers simply stopped work and sat down where they were. In doing so, they guaranteed that they could not be replaced by nonunion workers, and they were hard to attack without harming the machinery they were guarding. They were also much more comfortable inside the plant than outside. It turned out to be a brilliant tactic.

One of the first sit-down strikes took place in Akron, Ohio, at the Firestone Tire Plant on January 29, 1936. After the workers sat down where they were and the noise of the assembly line stopped, one worker said of the silence, “It’s like the end of the world.” The Firestone workers stayed where they were for 3 days and won.

The CIO reported a surge of telephone calls, “We’ve sat down! Send someone over to organize us!” From September 1936, through the following spring, 485,000 workers engaged in sit-down strikes. The CIO grew to 2 million members in 6 months.

For most assembly line workers fortunate enough to have jobs in the 1930s, the primary complaint was not salary. As one Chevrolet worker told a NRA investigator in 1934, “Of course, we make enough to live on while we are working, but we don’t work enough time.” Workers on assembly lines also complained about constant speed-ups on the assembly lines. In an assembly-line industry, the pace of the line ruled everything. At Flint’s Fisher Body plant, a worker said, “I ain’t got no kick on wages, but I just don’t like to be drove.”

On December 30, 1936, workers in two General Motors units in Flint, Michigan, stopped the line and sat down where they were. The Flint Sit-Down Strike had begun. By January 4, 1937, workers were sitting in at GM plants in Cleveland, Ohio; Atlanta, Georgia; Anderson, Indiana; Norwood, Ohio; and Kansas City, Missouri. It was the beginning of a long, cold winter.

On January 11, the GM management turned the heat off even though it was 16 degrees outside. Police blocked a delivery of food. A group of about 30 strikers went to the main gate and broke through a police lock to get to supporters outside. The company called the Flint police, who fired tear gas. Strikers responded by throwing door hinges, bottles, and stones at the police. The United Auto
Workers union (UAW) called it “the Battle of the Running Bulls.” The wind blew the tear gas back on the police. The gas and the continuing hail of missiles from the plant infuriated them, and they began shooting at strikers and picketers. Amazingly, no one was killed. The young wife of one striker, Genora Johnson, who was herself on the picket line, remembered, “I did not know fear. I knew only surprise, anguish, and anger.”

Everyone—strikers and GM management—wondered about the ability of the strikers to continue. Most of those engaged in the sit-in were not yet union members, and few of them had ever been involved in a strike before, much less a protracted sit-in. But one remembered, “It was like war. The guys with me became my buddies.”

Negotiations began in mid-January and on February 11 a settlement was reached. General Motors recognized the UAW’s right to represent its members, something the company had sworn never to do. It promised to negotiate in good faith on future contracts and that there would be no punishment of workers because of the sit-down. The union ended the strike. The United Automobile Workers Journal said of the settlement, “The greatest strike in American history has been victoriously concluded.” One striker said it more modestly, “Even if we got not one damn thing out of it other than that, we at least had a right to open our mouths without fear.”

**Opponents of the New Deal**

Not everyone celebrated the union’s victory over General Motors or other results of the New Deal. In July 1934, the du Pont brothers, Pierre, Irénée, and Lammot, invited a number of business and political leaders, including the 1928 Democratic nominee Al Smith, to New York to discuss “the dangers to investors” in the New Deal. The du Ponts, who also owned a major share of General Motors, had many reasons to dislike the Roosevelt administration. They and their guests created the **American Liberty League** to oppose the New Deal.

Irénée du Pont said that the family had “followed the President in the belief that he was sincere,” but thought that “the so-called New Deal” was nothing more or less than the socialistic doctrine. Al Smith, once Roosevelt’s mentor, told those at a Liberty League dinner that he would probably “take a walk” (not participate) during the next presidential election and accused Roosevelt of handing the government over to dreamy professors and bleeding-heart social workers. A league publication said that the New Deal stirred up the “dragon teeth of class warfare.” Other members of the American Liberty League included John J. Raskob, a former Democratic Party chair, who had been an executive at General Motors and the DuPont corporation; John W. Davis, the 1924 Democratic presidential nominee; Alfred P. Sloan of General Motors; and Sewell Avery of Montgomery Ward. (Herbert Hoover declined to join, derogatorily calling the League the “Wall Street model of human liberty.”)

The National Association of Manufacturers also became a tough opponent of the New Deal. The association was created before 1900 to coordinate business opposition to labor unions. With the advent of the New Deal, leaders of the organization sought to “serve the purposes of business salvation,” and by 1937, were spending $1.5 million a year on radio programs, motion pictures, bill boards, direct mail, and speakers, attacking the New Deal.

While conservative critics of the New Deal said that it was driving the country toward socialism, Roosevelt worried much more about other critics; those who thought the New Deal was not socialistic enough. The Communist Party was always unhappy with Roosevelt. Communists dismissed the New Deal as mere “bourgeois democracy.” Communists created unemployment councils, led rent strikes, and defended union members and civil rights workers. Although the party was small, it was not without influence in the 1930s.

Many noncommunists also wanted to push the country further than Roosevelt wanted to go. Socialists, who were the heirs of Eugene V. Debs Socialist Party, as well as many Midwestern progressives who had supported Theodore Roosevelt in 1912...
and Wisconsin Senator Robert La Follette’s bid for president in 1924, talked of a third-party challenge in 1936.

A 66-year-old Californian, Dr. Francis Townsend, proposed a federal pension of $200 per month to any person over 60 years old who would retire from work, leaving a job open for someone younger. The idea spread like wildfire. A number of candidates were elected to Congress in 1934 with Townsend’s support. In addition, there were some 5,000 Townsend Clubs around the country, and 25 million people signed Townsend petitions to Congress.

While Townsend’s ideas were gaining political traction, the muckraking author Upton Sinclair announced that he would seek the Democratic nomination for governor of California in 1934 based on a pledge to “End Poverty in California” (EPIC). Like the Townsend movement, the EPIC campaign took off among voters who were impatient with the New Deal. Sinclair won the nomination, received widespread support—though not from Roosevelt, who saw EPIC as an effort to confiscate private property—and helped shape the national dialogue, even though he lost the election.

More influential than Townsend or Sinclair, the “radio priest” Charles Coughlin inspired some and frightened others in the early 1930s. Coughlin had been appointed pastor of a small Catholic parish in the working class Detroit suburb of Royal Oak in 1926. Catholic auto workers formed the core of his congregation. Coughlin arranged for the local radio station to broadcast his Sunday sermons, and in 1930, their popularity led to a contract with the Columbia Broadcasting System to carry him nationally (and led the anti-Catholic Klan to burn a cross on his lawn). As the Depression worsened, Coughlin’s sermons became more political. He relentlessly attacked Hoover and the nation’s bankers, and he described himself as the voice of “the little people, the average man [who] was suffering.” Given the size of his radio audience, Roosevelt was delighted that Coughlin supported his 1932 campaign.

After the election, the two met at the White House, but Coughlin later turned on the New Deal. He accused FDR of having “out-Hoovered Hoover” and talked of organizing his own political party. His sermons took on an increasingly anti-Semitic and isolationist tone, and some thought he was starting to sound like the new German Chancellor Adolph Hitler.

In Roosevelt’s mind, however, the greatest challenge came from Louisiana’s charismatic Senator Huey P. Long. Long was a product of the pine woods region of Louisiana where poverty, the Baptist church, and political independence flourished. Long’s forbearers had supported the Union cause during the Civil War and Eugene V. Debs during the early 1900s. In 1928, as Al Smith was going down to defeat, Long was elected governor of Louisiana after a campaign attacking big corporations, especially Standard Oil. Long’s grass-roots populism led him to attack the rich and promise opportunity for the poor. “Every man a king, but no one wears a crown,” was his campaign slogan. He raised taxes on oil and gas production, built new highways, schools, and hospitals, provided free textbooks, and grew very popular and very powerful. Some said that Louisiana under Long was a virtual dictatorship. He was elected to the U.S. Senate in 1930. In Washington, he showed disdain for Democrats as well as Republicans, called the president “Frank,” much to FDR’s displeasure, and said that all he cared about was “what the boys at the forks of the creek think of me.” There were a lot of boys and girls at the forks of a lot of creeks who thought a lot of Long. FDR considered him a dangerous demagogue.

In 1934, Long launched what he called the Share Our Wealth Society. Long promised a one-time grant of $5,000 per family and a guaranteed income of $2,500 (twice the 1934 national average) as well as educational subsidies for the young and pensions for the elderly (specifically designed to attract Townsend support) all to be paid for by seizing the wealth of the few. When people said his numbers did not add up, that there was not enough wealth to seize even if people wanted to, Long responded that his followers needed to “be prepared for the slurs and snickers of some high ups.” But, he insisted, “Let no one tell you that it is difficult to redistribute the wealth of this land. It is simple.”
While the Communists and Socialists did not cause Roosevelt to worry, Townsend, Coughlin, and Long did. The president worried about a dictatorship emerging in the United States, just as dictatorships had emerged as a result of the Depression in Italy and Germany. Democratic Chairman James Farley commissioned a poll that showed that a third-party ticket led by Long could lead to Roosevelt’s defeat in 1936 and perhaps even a Long victory, if not in 1936 then by 1940. There was plenty to worry about. “Long plans to be a candidate of the Hitler type for the presidency in 1936,” Roosevelt said. The president reshaped his political agenda to take control of the national dialogue.

**The Continuing Depression and the Expanding New Deal, 1935–1939**

During Roosevelt’s first 100 days, indeed his first 2 years, the New Deal consisted of a series of experiments, some contradictory, some well thought out, but all designed to stem the worst of the Depression and begin a new course—to keep people from starving, to put them back to work, to get more money into circulation. In 1935 there was a shift in focus; some called it the “Second New Deal.” It was not a radical change, but it did involve greater attention to long-term financial security for more Americans.

Before accepting the job as FDR’s secretary of labor, Frances Perkins had insisted that the president promise to back pensions for the aging and unemployment insurance. In an early meeting, Roosevelt told Perkins, “I will authorize you to try, and if you succeed, that’s fine.” It was all the authorization she needed. Perkins had witnessed the tragic Triangle Shirtwaist Fire in New York in 1911 and had led the investigation that followed and helped craft some of the health and safety legislation that emerged from it. The growth and popularity of the Townsend movement gave Perkins more political clout than she might otherwise have had. If a plan could be devised that was financially viable (unlike the Townsend plan), then 1934 and 1935 was the time to get it passed.

Roosevelt worried about amassing too much power in the federal government. He insisted that the states play the lead role in unemployment insurance though he was willing to have a federal role. But he was adamant, “All the power shouldn’t be in the hands of the federal government. Look—just think what would happen if all the power was concentrated here, and Huey Long became president!” Treasury Secretary Henry Morgenthau was determined that any plan be fiscally viable. But many in the administration thought Townsend had a point: the country did need to encourage older Americans to retire and leave their jobs to younger people. And Perkins was determined to get a bill through Congress.

Franklin Roosevelt signed the Social Security Act in 1935, one of the most long-lasting New Deal initiatives. Frances Perkins, the secretary of labor and its prime architect, stood behind him.
On January 17, 1935, FDR announced plans for a Social Security program that would protect some 26 million citizens with “security against the hazards and vicissitudes of life.” The proposed bill included a federal tax on employees and employers to fund the retirement system, a federal tax to help support a state-administered unemployment insurance system, and emergency grants to fund the immediate relief of the indigent elderly, Aid to Dependent Children, and modest support for public health. Since the Constitution clearly gave the government the right to tax, there was no room for a constitutional challenge to the legislation. Congress passed the Social Security Act 7 months later on August 14, 1935. The proposed Social Security Act included a federal tax on employees and employers to fund the retirement system. In January 1940, the fifth anniversary of Roosevelt’s speech about the program, Ida M. Fuller, a 76-year-old woman living in Vermont, received the first Social Security check.

As Roosevelt prepared for the reelection battle of 1936, he also toughened his rhetoric. In his 1933 inaugural address, FDR had criticized “the rulers of the exchange of mankind’s goods” for having “failed, through their own stubbornness and their own incompetence.” In 1936, however, his speeches took on a harsher tone. He spoke of his “old enemies,” the bankers and profiteers, and condemned their “greed” and “autocracy.” He said of business leaders, “They are unanimous in their hate for me—and I welcome their hatred.”

At any rate, we worked all summer….It was a terribly hot summer and everybody worked hard all the time and finally we actually did bring forth a report…that recommended unemployment insurance and old-age insurance but omitted health insurance just because the experts couldn’t get through with health insurance in time to make a report on it….

This, then, was the genesis of the whole bill. We did a great deal of educating by one kind of propaganda or other, chiefly hearings. Senator Wagner put it up—a bill which he called a model bill—and held public hearings in the Senate, which attracted a great deal of attention from the Senators. We had a number of senatorial committees which we asked to look into this or that. We got advice. All these actions were for the purpose, not so much of advice as of propaganda—that is, of education of the public….The result was a bill that finally was presented to Congress and, as you know, was debated very briefly….And finally, we did get the basic bill passed.


Thinking Critically

1. Documentary Analysis
   As Perkins described it, what role did Roosevelt play in the development and passage of Social Security? What other groups and individuals were important in the process?

2. Constructing an Argument
   Do you agree with Perkins that without the Great Depression Social Security would never have been enacted? Why or why not?
Roosevelt attacked business leaders every chance he got during 1935 and 1936, but he did not actually do very much to hurt them. Nevertheless, his rhetoric stole the thunder from Coughlin’s and Long’s; his legislation, especially Social Security, undermined Townsend’s organization; and his support for the Wagner Act created great loyalty among labor unions. As a result, Roosevelt amassed great political capital going into the 1936 presidential election.

Huey Long was assassinated in September 1935. After his death, his Share Our Wealth clubs became the Union Party, which nominated William Lemke, a congressman from North Dakota, for president. The Republicans nominated the liberal Kansas Governor Alf Landon. In spite of polls, including one by the Literary Digest that predicted a Landon win, Roosevelt won a stunning electoral victory in November 1936. He carried 46 of the nation’s 48 states and a huge plurality of the popular vote.

As he began his second term in January 1937, the president seemed to turn the agenda back to fighting the ongoing Depression. In his inaugural address he said, “I see one-third of a nation, ill-housed, ill-clad, ill-nourished.” It was a call to action but also an admission that in 4 years the New Deal had not accomplished all that it hoped for.

In spite of his extraordinary election victory and the high hopes for more permanent reform it engendered, Roosevelt accomplished far less in his second term than in the first. The sense of national crisis was not as great in 1937, and Roosevelt’s own missteps got in the way.

One of FDR’s greatest frustrations was the fact that a conservative U.S. Supreme Court kept undermining his efforts. Late in his first term, the court declared the NRA and then the AAA unconstitutional, as well as state minimum wage laws. Court challenges to Social Security and the Wagner Act were working their way through the lower courts. He was not sure what would come next. In early February 1937 after his reelection, Roosevelt went to Congress with a proposal that would allow him to appoint one additional Supreme Court Justice for every member who was over the age of 70—which in 1937 would mean six new justices—and similar numbers in the lower courts. The Constitution never mentions a number of justices for the court, and the number had fluctuated between five and ten. FDR’s proposal was completely constitutional but politically very unwise. FDR claimed that the goal was to speed judicial review and reduce the workload of the justices. Everyone knew that, in fact, there was only one goal: to stop the court from overturning the New Deal.

To many in Congress, not only conservatives, the court-packing bill was a step toward dictatorship. For some southern senators, it would open up the way to civil rights legislation, which they always feared might someday emerge from the White House. Montana Senator Burton Wheeler, an old progressive who usually sided with the president, led the assault, claiming that the bill “cut down those guarantees of liberty written by the blood of your forefathers.” The legislation was defeated by the friends of the New Deal before its enemies got a chance to join in the debate.

Ironically, while Congress defeated Roosevelt’s plan to expand—or “pack”—the Supreme Court, the justices, perhaps reading the 1936 election returns, shifted ground. Chief Justice Charles Evans Hughes and Associate Justice Owen Roberts, who had both voted against the New Deal, changed their minds, first on a minimum wage law and then on the all-important Wagner Labor Relations Act, which the court found to be constitutional. The changes in the Hughes and Robert votes were dubbed “the switch in time that saved nine.” After 1937, although no new justices were added, the court stopped declaring New Deal legislation unconstitutional.

Nevertheless, with the defeat of Roosevelt’s court plan, the momentum behind the New Deal slowly came to a stop. Divisions in Congress engendered by the court plan never healed. Unemployment actually rose in 1937 and 1938 in the “Depression within a Depression,” which most likely occurred due to Roosevelt’s effort to balance the federal budget by cutting back on the federal spending that was keeping the economy moving. Congress did pass a bill to resurrect parts of the old AAA now that the court seemed more open to it. A Fair Labor Standards Act that
prohibited child labor and set an hourly minimum wage and a 40-hour work week also passed. However, Congress defeated a plan to expand the Tennessee Valley Authority to other regions of the country and a reorganization plan for the executive branch of the government that FDR wanted. When the president signed the Fair Labor Standards Act in June 1938, he was heard to say, “That’s that.” The New Deal, it seemed, had come to an end even if the Depression that launched it would run on for another year or more.

The New Deal did not end the Great Depression. The economy rebounded only as the United States prepared for World War II and government spending in preparation for war far outpaced anything that had been spent to “prime the pump” during the 1930s. Nevertheless, the New Deal changed the country. The Glass-Steagall Act and the Federal Deposit Insurance Corporation stabilized the nation’s banking system, and the CCC and other agencies put people to work who desperately wanted—needed—jobs. Franklin and Eleanor Roosevelt’s optimism gave people hope, and the president’s commitment helped keep democratic institutions alive at a time when they were under assault not only in Europe and Asia but also in the United States. The federal government since has never shrunk to its pre-New Deal size when the Post Office was the largest government agency. Social Security and federal regulatory agencies play a continuing role in the economy and in people’s lives. Including women and African-Americans in more than token positions within any administration is now the norm. The New Deal also inspired a new conservative movement and philosophy as opponents of the New Deal, especially business leaders, began to attack the new government intervention in the economy that the New Deal launched. While historians will long debate the value and the impact of the New Deal, all agree that the United States was a very different place in 1939 than it had been in 1929.

Quick Review  Was the New Deal the best response to the Great Depression in the 1930s? What other paths might the country have followed?
Analyze the international impact of the Depression, German and Japanese military expansion, and the initial U.S. response.

While the United States emerged from World War I relatively unscathed, much of Europe was devastated, and the Treaty of Versailles caused significant lingering pain and anger, most of all among the defeated Germans. When a worldwide Depression came, suffering, fear, and resentment all planted the seeds of another far greater conflict.

In Europe, some of the earliest signs of the postwar ill will appeared in Italy. In 1922, the leader of the ultranationalist Italian Fascist Party, Benito Mussolini, became prime minister. “Il Duce” (the leader), as he called himself, ruled Italy with an iron fist for more than 20 years. Mussolini’s dream was to restore Italy’s ancient glory by building prosperity and reestablishing the ancient Roman Empire, especially in North Africa, starting with Ethiopia.

For Germany, the 1920s were a terrible decade. The German Weimar Republic governed a defeated country. Hyperinflation between 1921 and 1924 made German currency virtually worthless. Shifting government coalitions were not able to create stability, especially in the face of the country’s need to pay some $33 billion in reparations—payments that Britain and France used to pay their own $10 billion debt to the United States. In the late 1920s, as the worldwide depression worsened, the German economy collapsed under the load of debt payments and inflation. Banks closed in Germany and Austria. President Herbert Hoover described the German bank crisis of
1931 as “a gigantic explosion which shook the foundations of the world’s economic, political, and social structure.” Anger at the economic and political failure in Germany fueled old hatreds and brought a new political party to power in Germany.

Adolph Hitler’s Nazi (or National Socialist) Party grew from a group of street thugs, known as Brown Shirts, in the 1920s, to a formidable group leading to Hitler’s election in January 1933 as German Chancellor, with 44 percent of the vote, just before Roosevelt became president. Hitler promised that a greatly expanded German nation would provide Lebensraum (living space) for people of German nationality by pushing other peoples, Slavs and Jews, out of the way to make room for the “master race.”

A month after coming to office, on February 27, 1933, the Nazi Party issued a decree ending free speech and assembly in Germany. They arrested Communist deputies in the German Parliament, giving themselves a solid majority there. Hitler took the title der Fuhrer, the leader. Later that year, just as the United States was implementing the prolabor New Deal, the Nazi government outlawed trade unions and other political parties. They authorized a new police force, the Geheime Staatspolizei or Gestapo, to enforce Nazi authority. In 1935, as the U.S. Congress was passing the Social Security Act and the Wagner Act, the Nazi Parliament passed the Nuremberg Decrees, which took away the citizenship of German Jews, excluded Jews from most professions and the military, and made the marriage of a Jew and non-Jew illegal. In November 1938, in a well-orchestrated attack across Germany known as Kristallnacht (or crystal night for all the broken glass), crowds attacked Jewish stores, homes, and synagogues while the government arrested some 20,000 Jews. The Nazi government then ordered an “atonement fine” on Jews to pay for the cost of Kristallnacht, closed Jewish stores, and a short time later, confiscated all Jewish property. Before long, Germany’s Jews, and then those in Austria, Czechoslovakia, Poland, and other territories under German control, were being forced to wear yellow stars to identify them. They were packed into tightly controlled urban ghettos, and within 2 years, the first of them were being transported to slave labor and death camps.

Kristallnacht, November 9, 1938, was a Nazi Party-inspired attack on Jewish businesses and synagogues across Germany. It was the beginning of worse to come for Jews in Nazi-controlled countries.
While the German government was attacking its Jewish citizens, Hitler also renounced the clause in the Treaty of Versailles calling for German disarmament and began to build a new army. A year later, in March 1936, Hitler’s army marched into the German Rhineland, which in the terms of the Treaty of Versailles was supposed to be kept free of troops. Two years later, in March 1938, Hitler announced that the independent country of Austria was to be known as the German province of Ostmark, and German troops marched into Austria. On March 14, 1938, Hitler rode in triumph through Vienna, welcomed as a hero by many.

Hitler did not stop there. Since the Sudeten region of Czechoslovakia had a large German population (though still a minority), Hitler claimed that they had the right under the Treaty of Versailles—which he otherwise ignored—to self-determination and should be incorporated into Germany. After a summer of negotiations and with British agreement, Hitler annexed the Sudeten region. The following spring, in March 1939, Hitler sent the German army into the rest of Czechoslovakia and made a triumphant journey to Prague.

As Nazi power grew in Germany and fascism continued its hold on Italy, the two countries formalized their alliance with the Rome-Berlin Axis treaty of November 1936. A few months earlier, in July 1936, another Fascist, Spanish General Francisco Franco, commander of the Spanish Army garrison in Morocco, led an attack on the left-leaning and democratically elected Republican government of Spain. Spain was engulfed in a bloody civil war. The governments of Germany and Italy sent planes and troops to aid Franco. The communist government of Russia and western governments sent modest aid to the Republicans. But by early 1939, the Fascists had won. Spain joined Italy and Germany, forming a powerful fascist bloc.

While Fascists were consolidating their power in central Europe, militarists in Japan were also growing in power. Japanese militarism had a strong anti-American strain as various American policies—from the exclusion of Japanese children from San Francisco schools in 1906 to the exclusion of all Japanese immigrants as a result of the 1924 immigration law—sparked continuing anger even as people in the United States forgot those incidents.

In the 1910s and 1920s, as Japanese power grew, Japan declared a goal of “Asia for Asians,” which meant Japanese domination of the whole of the western rim of the Pacific Ocean to replace Britain, France, and the United States as dominant powers. Many Asians resented U.S. control of the Philippine Islands, British involvement in China and Burma, Dutch control of the oil-rich East Indies, and French control of Indochina (modern Vietnam, Laos, and Cambodia). Except in China, where Japanese advances were deeply resented, the Japanese conquests were often welcomed in the rest of Asia.

By the 1930s, Japan faced the same worldwide depression conditions as other industrialized countries. Japan saw its economic salvation in expansion. The island nation could not provide enough food for its people and lacked key natural resources such as iron and oil. If the Europeans could have Asian colonies, its leaders asked, why not Japan? In September 1932, Japan used an explosion at a Japanese-owned railway in China as an excuse to send troops into China, and they installed a puppet government in the Chinese province of Manchuria. Then in July 1937, Japanese troops captured Shanghai, the largest city in China, and the Chinese capital of Nanking. The Rape of Nanking, as the Japanese attack was called, was a brutal assault. As many as 300,000 Chinese were killed as the Japanese army raped, beheaded, machine-gunned, and bayoneted civilians. The Chinese government led by Chiang Kai-shek retreated and set up a new capital in the inland city of Chungking. Japan renamed the expanded territory in Manchuria as the Japanese province of Manchukuo. A half a million Japanese moved into the territory to farm and govern the subjected Chinese population. At the same time, Chiang’s Kuomintang Party (the Nationalists) was locked in a bitter civil war with the Chinese Community Party led by Mao Zedong.

In the face of so much worldwide violence and aggression, the governments of Great Britain, France, and the United States did virtually nothing while the League of Nations proved to be a meaningless barrier to aggression. The government of France
ordered the construction of the supposedly “impregnable” Maginot Line (named for war minister André Maginot) along the border with Germany but did little more. When Hitler’s troops, in violation of the Versailles Treaty, marched into the Rhineland in 1936, Hitler wrote privately that, “If the French had then marched into the Rhineland, we would have had to withdraw with our tails between our legs.” But France did not act.

The desire for peace was equally strong in Britain, driven by still-recent memories of the bloodbath of World War I. If 420,000 British soldiers could die at the single and inconclusive Battle of the Somme in 1916, the next generation was determined to avoid war. In 1933, students at Oxford University voted, “This house will in no circumstance fight for its King and its Country.” In 1935, several thousand young people in Britain joined the Peace Pledge Union, opposing any British military planning. When Mussolini invaded Ethiopia in 1935, Britain, which then controlled the Suez Canal, could have cut off the Italian troops by closing the canal, but did not do so. In spite of pleas from Ethiopia, the League of Nations did nothing.

As late as September 1938, at a conference in Munich, Germany, British Prime Minister Neville Chamberlain agreed to allow Hitler’s claim to the Sudetenland in exchange for a promise of peace. Chamberlain was greeted with large crowds in London when he returned promising “peace in our time.” In the British Parliament, however, Chamberlain was criticized by Winston Churchill who called the Munich agreement “a total and unmitigated defeat.” However, in 1938, Chamberlain, not Churchill, set British policy.

As France and Britain did nothing to stop the Fascists, most people in the United States were even more determined to keep their distance from any conflict. During the 1920s and 1930s, a significant majority of Americans wanted nothing to do with Europe’s or Asia’s problems. In 1935, George Earle, the governor of Pennsylvania, said, “If the world is to become a wilderness of waste, hatred, and bitterness, let us all the more earnestly protect and preserve our own oasis of liberty.” Minnesota Senator Thomas Schall said more succinctly, “To hell with Europe and the rest of those nations!” While isolationism was strongest in the Midwest, many people everywhere agreed. In April 1935, 50,000 World War I veterans marched for peace and laid wreaths on the graves of three members of Congress who had voted against U.S. entry into World War I. Days later, 175,000 college students staged a strike for peace.

There were many reasons for the isolationism that was rampant in the United States in the 1930s. Most Americans had concluded that the many thousand American soldiers killed in the war had died for no reason. Wilson’s dream of a generation of peace sustained by the League of Nations was clearly a failure, and Europeans were once again at each other’s throats. Writers like John Dos Passos, Ernest Hemingway, and e.e. cummings all wrote novels about the meaninglessness of the First World War, and as Dos Passos said, “Rejection of Europe is what America is all about.” In the mid-1930s, a Senate Special Committee known as the Nye Committee, chaired by North Dakota’s Gerald Nye, concluded that big business had led the United States into the World War. In 1935, when President Roosevelt sought U.S. entry to the World Court, the Senate rejected the plan. Americans simply wanted nothing to do with the troubles of other nations.

In Congress, the isolationist and peace sentiment led to the passage of a number of neutrality laws designed to keep the United States out of war. A 1935 law required an embargo of arms to all belligerents in any war while (in a direct slap at Woodrow Wilson’s policies) declaring that any American who traveled on a belligerent ship did so at his or her own risk. In 1936, Congress added a proviso that prohibited loans or credit to any nation at war, and in 1937, Congress explicitly extended the arms embargo to Spain.
Not every American shared the isolationist sentiments of the majority. In 1936 and 1937, several thousand young Americans, mostly from various left-leaning movements, volunteered to fight in Spain on the side of the Republican government. Volunteers named themselves the Abraham Lincoln Brigade and joined an ill-trained and ill-equipped but courageous force that fought against the Fascists. In one battle near Madrid, 120 Americans died and another 175 were wounded. By the beginning of 1939, when the last Republican units were defeated, President Roosevelt himself concluded that neutrality in Spain had been a “grave mistake...as events will very likely prove.”

While the Abraham Lincoln Brigade fought and President Roosevelt began to believe that the United States would eventually have to fight Fascism in Europe, most people in the country and the Congress continued to believe that they could stay out of all entanglements. When Congress passed the 1937 Neutrality Act, they toughened the prohibition on selling arms to any side and made it illegal for Americans to travel on a belligerent ship. The law also declared that nonmilitary material—food, clothing, and so on—could be sold to a nation at war only on a “cash and carry” basis, insisting that there be no loans to belligerents and that all goods bought in the United States had to be taken out of the country in non-U.S. ships.

The neutrality legislation attempted to keep the United States out of a European war, but violence in Asia was growing. When Japan had attacked Manchuria in 1931, President Hoover’s Secretary of State Henry L. Stimson proclaimed the “Stimson Doctrine”: that the United States would never officially recognize the new regime in Manchukuo or any other arrangement imposed on China by force. The unstated part of the doctrine was that the United States also would not do anything much to enforce its policy. American public opinion was solidly on the side of China. The novelist Pearl Buck, author of *The Good Earth* published in 1931, and Henry Luce, the owner of the *Time-Life* publications, were both children of missionaries to China and between them did a lot to build public sympathy for China. In the fall of 1937, a Gallup poll showed that 59 percent of Americans favored China compared to 1 percent who favored Japan in the quest for control of Manchuria. But almost no one wanted to do more than offer sympathy to the Chinese.

In December 1937, Japanese pilots sank the U.S. gunboat *Panay* in Nanking, China. While Americans were angry, they were not angry enough to challenge Japan. After the *Panay* was sunk, Texas Congressman Maury Maverick said, “We should learn that it is about time for us to mind our own business,” and a poll showed that most Americans agreed with him. While Americans wanted to stay out of war, American scrap iron and American oil continued to be shipped to Japan, strengthening that country’s military. Since there was no formal war between Japan and China, the Neutrality Act did not apply, and most of the battles in Manchuria were fueled with American petroleum and bombs made of American metal. Indeed, through the late 1930s and into 1940 and 1941, Roosevelt and his cabinet feared not only American isolationists but also the wrath of Japan. If they were to cut off oil shipments—they did eventually cut metal shipments—they worried that Japan would quickly attack the Dutch colonies in Asia that were the only other potential source of oil for Japan. To keep the peace, the United States kept the oil flowing.

In the face of the Nazi attacks in Germany and then Austria and Czechoslovakia, many Jews tried to leave Europe. But leaving was not easy, and the strict quotas of the 1924 legislation made immigration to the United States very difficult. In the 1930s, the American Jewish Congress protested loudly against both the Nazi attacks and American immigration policy. The group urged boycotts of German goods and staged a mock trial of Hitler. Roosevelt felt blocked by the immigration laws though he did combine the German and Austrian quotas, allowing some additional Jewish immigration in 1936 and 1937. Britain also allowed modest immigration but resolutely opposed further expansion of the Jewish population of Palestine, then governed by Britain under a League of Nations mandate. Nazi laws limited the amount
of money a departing Jew could take to about $4, an amount that made a potential immigrant a pauper and therefore ineligible for admission to the United States.

After Kristallnacht, the November 1938 attack on Jews, New York Senator Robert Wagner and House members Edith Nourse Rogers of Massachusetts and Emmanuel Celler of New York proposed legislation that would create an expanded quota for racial and religious refugees. However, as with China, most Americans offered sympathy but little more, and Congress followed public opinion, voting the proposal down. A 1939 poll showed that 85 percent of Protestants, 84 percent of Catholics, and even 25.8 percent of Jews opposed opening the United States to Jewish refugees from Europe.

As the Nazi attacks on Jews escalated, European Jews became desperate to leave. In May 1939, the German ship St. Louis arrived in Havana with 930 Jewish refugees. The Cuban government refused temporary visas. The captain of the St. Louis then sailed up the U.S. coast, well within sight of Miami and other American cities, while negotiators tried desperately to get the U.S. State Department to allow the refugees to land. But the State Department would not agree and a Coast Guard cutter was ordered to intercept any St. Louis passengers who tried to go ashore. Finally in June, the St. Louis returned to Europe. Before the war ended, perhaps a quarter or more of the passengers had died in concentration camps. Most Americans were sympathetic to the plight of Jews, but anti-Semitism was also strong in America.

Charles Lindbergh, the aviation hero of the 1920s, became an avid opponent of any revision of the neutrality laws or any support for Jewish refugees. Lindbergh became a popular speaker at rallies of the America First Committee that had been organized in the fall of 1940 to keep the United States out of war in Europe. Father Charles Coughlin, long an opponent of the New Deal, began calling it the “Jew-Deal.” For Lindbergh, Coughlin, and a significant American following, Nazism was appealing. Others, probably the majority of the supporters of the America First Committee, simply did not want any part of a war that the United States could avoid. Nevertheless, not only isolationism and ignorance but also old hatreds kept the United States from providing the support for Europe’s Jews that they so badly needed.

While Americans tried to ignore developments in Europe and Asia in the late 1930s, Hitler was on the move. He understood that the faster he acted the greater his chances of success. Once Hitler invaded the rest of Czechoslovakia, Prime Minister Chamberlin, who had agreed to an earlier compromise, announced that Britain was committed to the defense of Poland and that if Hitler’s forces attacked that country, his forces would be met with armed resistance.

In April 1939, Mussolini invaded Albania. Hitler made feints toward Poland. Then in August, Hitler stunned the world by signing a nonaggression pact with Joseph Stalin, the dictator of the Soviet Union (as communist Russia was known). The erstwhile enemies—Germany and the Soviet Union with radically different economic systems and ideologies—now agreed to the partition of Poland. Everyone knew what was coming next. In the State Department, one official said that the feeling in the world was like “sitting in a house where somebody is dying upstairs.” Very early in the morning on September 1, 1939, President Roosevelt received a call, “Mr. President,” the U.S. Ambassador in France said, “several German divisions are deep in Polish territory…. There are reports of bombers over the city of Warsaw.” The President replied, “It has come at last. God help us all!”

Britain and France followed through on their promise to declare war. World War II had begun in Europe. On September 3, Roosevelt gave a radio fireside chat in which he said that the United States would remain neutral, but “[e]ven a neutral cannot be asked to close his mind or close his conscience.” The country’s mind was certainly not neutral. Eighty-four percent of Americans supported Britain and France, only two
percent Germany. But a very large majority also wanted to stay out of the war no matter how much sympathy they might have for one side. After September 1939, more Americans, led by the president, were starting to have grave doubts that staying out of the battle was going to be possible.

Quick Review  Considering how the United States was drawn into World War I, why might so many Americans have favored isolationism in the years leading up to World War II?

CONCLUSION
The stock market crash of 1929 was a dramatic and symbolic end to the prosperity of the 1920s, but it was not the first sign that something was very wrong with the U.S. economy. Throughout the 1920s, stock prices had risen dramatically, and by the end of 1928, the economy was showing signs of a speculative boom. Experts began to warn that a crash was inevitable, but American investors largely ignored these warnings. Finally, in October 1929, the bottom fell out of the market. Stock prices crashed and continued to crash for the next 3 years. The Great Depression was in full force.

President Herbert Hoover’s response to the nation’s economic woes moved in the right direction, but it was too cautious and failed to alleviate the crisis or restore confidence among Americans. In 1932, he was defeated for reelection by Franklin Roosevelt, who, once in office, took swift action to stabilize the nation’s economy and its banking system, extend relief to the impoverished, and create jobs for the unemployed. Roosevelt, with the backing of the Democrats in Congress, passed nine separate pieces of legislation in his first 100 days as president. Dubbed the “New Deal,” his agenda and policies provided important help for some Americans but did little for others.

The New Deal did not end the Depression, but it did provide much needed social welfare, create jobs, shore up the banking system, improve working conditions, and install protective barriers against future economic downturns. Still, the New Deal was not supported by everyone, and Roosevelt faced powerful opponents on the right (who believed that the New Deal was socialism) and on the left (who believed that the New Deal was not progressive enough). Despite such opposition, Roosevelt was popular and was reelected in a landslide in 1936.

By the end of the 1930s, the violence in Europe and Asia was demanding more and more attention. Fascists Adolf Hitler and Benito Mussolini had seized power in Germany and in Italy and had begun to threaten other states on the European continent. Similarly, Japan had begun a campaign of imperialist expansion in Asia. Most of this behavior initially went unchecked. Not until 1939, when Germany invaded Poland, did Britain and France declare war. Americans disagreed about how to respond to this aggression. At the end of the decade, U.S. involvement in another major European conflict seemed inevitable to some; however, others—probably a majority—wanted to stay out of Europe’s and Asia’s problems despite any sympathy they may have felt for the people in those situations.

CHAPTER REVIEW
How did the Great Depression affect the United States both in the 1930s and for the future? What were the three most significant effects? Why?
Chapter 22  Chapter Review

THE COMING OF THE GREAT DEPRESSION
22.1 Explain the coming of the Great Depression and the initial response to it.

Review Questions
1. Comparison
   Compare and contrast the stock market crash of 1929 with other factors that led to the Great Depression in the United States and worldwide. What similarities and differences do you note?

2. Contextualization
   Why did Herbert Hoover find it so difficult to craft an adequate response to the Great Depression?

THE NEW DEAL
22.2 Explain the goals and results of the New Deal and the responses to change on the part of diverse Americans.

Review Questions
3. Contextualization
   Why was it so important that Roosevelt stabilize the banking system as quickly as possible?

4. Historical Interpretation
   What factors contributed to the growth of organized labor in the 1930s?

5. Comparison
   Compare and contrast the arguments made by Roosevelt’s critics on the left and the right. Why did Roosevelt worry much more about his critics on the left than his critics on the right?

6. Construct an Argument
   In your opinion what were the most important accomplishments of the New Deal? What were its greatest failures?

THE DEEP ROOTS OF WAR—THE UNITED STATES, EUROPE, AND ASIA
22.3 Analyze the international impact of the Depression, German and Japanese military expansion, and the initial U.S. response.

Review Questions
7. Historical Interpretation
   What connection can you make between economic events and the rise of Fascist parties to power in Germany, Italy, and Japan?

8. Contextualization
   Why were so many Americans committed to isolationism?