

UNIT VI

TRIALS AND HOPE

CHAPTER 15 The Twenties and Thirties

With the end of World War I in 1918, a new era in U.S. history began. Although it lasted for more than a decade, it is commonly known as the Twenties. It was characterized by political conservatism, economic prosperity (for most), and great social change. The Twenties was followed by the Thirties, a time of economic upheaval and government intervention.

THREE REPUBLICAN PRESIDENTS

During the transition from war to peace, the United States experienced economic and social unrest. With the lifting of wartime controls in 1918–1919, prices rose sharply. Unionized workers, seeking to keep pace with the rising cost of living, struck for higher wages. Unemployment spread as many factories closed down to retool for peacetime production. The return of thousands of war veterans seeking jobs swelled the ranks of the unemployed. This was the situation as the presidential election of 1920 neared.

1. Harding in the White House. Since the Democrats were in power in 1920, they were blamed for the nation's problems. Then, too, the bickering over Senate ratification of the Versailles Treaty seemed to be a sign of Democratic party disunity. The Republicans chose as their presidential candidate in 1920 the amiable but otherwise undistinguished Senator Warren G. Harding of Ohio. The Democrats nominated Governor James M. Cox, also of Ohio.

Cox centered his campaign on favoring U.S. membership in the League of Nations. Americans, however, were more impressed with

Harding's pledge to return the country to "normalcy" (a time in the past without problems). Harding won by a landslide.

a. Turning back the clock. The Republican administration quickly reversed the Democratic policy of low tariffs. Congress passed an emergency tariff to raise rates on imported agricultural products. Then, in September 1922, it passed the Fordney-McCumber Tariff, which set high duties on manufactured imports. Without effective foreign competition, most American-made products rose in price.

The United States also acted to keep out foreigners. In 1921, Congress passed the Emergency Quota Act, the first law to set immigration quotas. It limited the total number of immigrants to 357,000 a year. It also limited the number of people from any one country who could enter the United States annually. The total was set at 3 percent of that country's nationals who were living in the United States in 1910. The Immigration Act of 1924 then lowered each country's quota from 3 to 2 percent, based on the census of 1890 instead of 1910. Far fewer people from Eastern and Southern Europe had lived in the United States at the earlier date. Thus, this law reduced immigration from those areas of Europe by nearly 85 percent, which was its intent. The 1924 law also put an end to all immigration by Asians.

b. Shady deals. Harding's chief qualification for high office was that—in the words of his campaign manager—"he looked like a president." He did choose some able advisers. Charles Evans Hughes became secretary of state; Herbert Hoover, secretary of commerce; and Andrew Mellon, secretary of the treasury.

While Harding was an honest man, some of his close associates were not. The head of the Veterans' Bureau and the Custodian of Alien Property were jailed for stealing huge sums of money from the government. Attorney General Harry Daugherty was charged with the illegal sale of pardons and liquor permits, and forced to resign. In the Teapot Dome scandal, Secretary of the Interior Albert B. Fall accepted bribes from oilmen in exchange for leasing them government oil reserves on good terms. Harding never knew the full extent of his friends' betrayals. He died of a heart attack in August 1923 before the story of their corruption became public knowledge. Vice President Calvin Coolidge was sworn in as his successor.

2. Coolidge as President. Coolidge was a native of Vermont and a resident of Massachusetts. Unlike the genial Harding, "Silent Cal" was severe, reserved, and frugal. But he was like Harding in his conservatism. People enjoyed Coolidge's homespun ways. When he ran

for president in his own right in 1924, voters elected him by a wide margin.

Coolidge was a firm believer in a "hands-off" policy toward business and agriculture. He took steps to lower the cost of government and reduce the national debt. His tax policy was based on the advice of Secretary of the Treasury Andrew Mellon, who believed that the rich should pay low taxes. They would, he claimed, then invest more in industry and help the nation's economy to expand. This point of view led to a series of tax laws that reduced the taxes of the wealthiest Americans by two-thirds.

3. The Election of Hoover. When Coolidge decided not to be a candidate for re-election in 1928, the Republicans nominated Herbert Hoover for the presidency. Hoover had served as secretary of commerce in the Harding and Coolidge administrations. His supporters promised "a chicken in every pot, a car in every garage" if Hoover won the election. The Democratic candidate was the governor of New York, Alfred E. Smith. From the point of view of rural and small-town Americans, Smith had several disadvantages: (1) He was a Roman Catholic. (2) He opposed prohibition of alcohol (discussed on page 295). If elected, he said, he would do everything he could to have the Eighteenth Amendment repealed. (3) Smith was a "city slicker" with ties to Tammany Hall, New York City's political machine. All these factors worked to the advantage of Hoover, who won by a landslide.

4. The Economy in the "New Era." The 1920s was a time of business expansion. Industrial activity rose to a new high level. So did the *gross domestic product (GDP)*—the total value of goods and services produced by the nation. Jobs were plentiful, and the average city family had a larger income than ever before. Most Americans believed that the nation had entered a "New Era"—a time of ever-increasing prosperity.

5. Expanding Industries. The best symbol of industrial growth in the 1920s was the automobile. Europeans had pioneered its development. The first Americans to build and successfully market an automobile were Charles and Frank Duryea, in the 1890s. Henry Ford introduced his first car in the same decade.

Early automobiles were so expensive that, in 1900, there were only 8,000 motor vehicles registered in the United States. Henry Ford changed all that. In 1908, he developed the Model T and set up a factory to mass-produce it. He combined the use of interchangeable parts with the *assembly line*—a system made up of workers, tools,

and a conveyor belt. As a car moved along the belt, each worker performed one or more operations on it. By 1916, a Ford could be made in 90 minutes and cost only \$345.

During the 1920s, the yearly output of passenger cars rose from 1.9 million to nearly 4.8 million. The automotive industry also turned out hundreds of thousands of trucks, buses, and tractors. The automobile provided employment for millions of people. Some workers made cars. Others had jobs in related industries, including tires, glass, steel, and oil refining. Still others worked in gas stations and garages. Thousands more built and maintained new and improved roads.

The Wright brothers had developed the airplane early in the 20th century. Planes had played a limited role in World War I. After the war, they began to be used commercially. By the end of the 1920s, about 50 private airlines were in operation. They carried the U.S. mail and some passengers.

Other industries that thrived during the Twenties were construction and home appliances. New houses were built throughout the country. Big cities were transformed by skyscrapers. Among the



Amelia Earhart, the first woman to fly solo across the Atlantic, stands next to her airplane. She disappeared in 1937 in the Pacific while trying to fly around the world.



The Twenties were "boom times" for some—but not for the farmers. (Fitzpatrick in the *St. Louis Post-Dispatch*)

many tall structures that altered skylines in the 1920s were New York City's Chrysler Building and Chicago's Tribune Tower. The average middle-class family owned a car, a refrigerator, a vacuum cleaner, and an electric iron. Most people bought these items "on time," using the installment plan.

6. Business Growth. An increasing number of Americans were making quick profits by buying and selling corporate shares. A rise in speculation propelled the number of shares traded from 236 million in 1923 to more than a billion in 1928.

The trend toward business consolidation, which had begun after the Civil War, continued in the 20th century. During the 1920s, larger concerns absorbed about 8,000 manufacturing and mining companies. Holding companies swallowed up some 5,000 public utilities. By 1929, roughly half the corporate wealth of the country was controlled by 200 business enterprises.

7. Agriculture and Labor. American farmers did not share in the prosperity of the 1920s. They had made good money during the war and had expanded their acreage. But when European farm production increased after the war, the U.S. supply exceeded demand, and prices fell sharply. While other sections of the economy were booming, farmers had to cope with declining incomes due to surplus crops

and heavy debts. Thousands went bankrupt. Many moved to cities and increased their already expanding populations. The census of 1920 showed for the first time that more people were living in urban areas than in rural ones.

Unions did poorly in the 1920s. Most individual workers earned a decent living. They made little progress, however, in the struggle for shorter hours and other benefits. Some companies, Ford among them, voluntarily raised wages. In general, however, business, government, and much of the public strongly opposed unions. Union membership declined from more than 5 million in 1920 to fewer than 3.5 million in 1929.

IDENTIFY OR DEFINE: Emergency Quota Act, Teapot Dome Scandal, GDP, assembly line.

CRITICAL THINKING: What was the U.S. government's attitude toward business in the 1920s? What specific actions and policies resulted from this attitude?

CHANGE AND TENSION

Society was being changed by the automobile. By making people more mobile, it fostered a sense of personal freedom, encouraged an exodus from central cities to suburban areas, and stimulated travel. The automobile reduced the isolation of rural dwellers. It also provided young people with freedom and privacy unknown to earlier generations. For some, the new ways were exciting. For others, they produced uncertainty and fear.

1. Attacks on Radicals. American society had long had its critics, such as the Populists and Progressives of the late 19th and early 20th centuries. But many critics of the Twenties had more extreme points of view.

One group, the *socialists*, opposed the capitalist economic system of free enterprise. They called for public rather than private ownership of factories, mines, utilities, and transportation systems. These changes, they believed, could be achieved through the democratic process. Eugene V. Debs, for example, helped form the Socialist party of America in 1901. Several crusading figures of the Progressive era, including Upton Sinclair, were socialists.

The *anarchists* believed in doing away with government altogether. Some resorted to terrorism. An anarchist had assassinated President McKinley in 1901. Some members of the political left, which included the socialists and anarchists, belonged to the Industrial Workers of the World (IWW), a labor union founded in 1905. These so-called "Wobblies" believed that the AFL was too timid to achieve real reform. All the various radical groups included sizable numbers of immigrants from Europe.

a. Wartime developments. Americans had always been suspicious of radicals, and World War I increased this distrust. During the war, *pacifists*—people opposed to all wars—were branded as "slackers" and even traitors for refusing to fight. Most radicals in Europe and the United States opposed the war, arguing that it would make capitalists rich at workers' expense. Congress passed laws that provided severe penalties for spying, obstructing the war effort, refusing to serve in the armed forces, and making disrespectful remarks about the U.S. government, Constitution, or flag. These laws authorized the government to arrest more than 1,500 persons. William Haywood, leader of the IWW, was sentenced to 20 years in prison; Debs, to 10 years.

In 1917, Russia was taken over by Bolsheviks. They were *Communists*—dedicated to achieving socialist aims by violence and by setting up a workers' dictatorship. They aimed to do this not only in Soviet Russia but all over the world. The American Communist party was organized in 1919.

b. The Red Scare. The so-called "Red Scare" in the United States began in the spring of 1919 and lasted about a year and a half. During this time, Americans of differing views clashed violently. Authorities took extreme steps to end the unrest. Most of the violence was blamed on "reds." Although people generally used this term to describe avowed Communists, they also applied it to union organizers, activist clergy, and other dissidents. Bitter strikes convinced many Americans that radical agitators wanted to destroy the country. In February 1919, one strike nearly shut down the city of Seattle, Washington. The following fall, Boston police went on strike. Coolidge, then governor of Massachusetts, gained nationwide fame when he spoke out firmly against the strike. An unexplained bombing in the nation's capital destroyed the home of Attorney General A. Mitchell Palmer. Another, on Wall Street in New York City, killed 38 people. Postal inspectors also discovered bombs in packages addressed to government officials.

Palmer set up a new division of the Justice Department to combat radicalism. (This division later became the FBI.) In November

1919 and in January 1920, Palmer ordered raids on the headquarters of radical organizations. Several thousand aliens were arrested. Some 800 of them were eventually deported. The "Palmer raids" ended when moderate leaders curbed the attorney general.

Nonetheless, suspicion and fear of radicals continued. Two Italian immigrants, Nicola Sacco and Bartolomeo Vanzetti, were anarchists accused of murdering the paymaster of a Massachusetts shoe factory and his guard. Tried and found guilty, Sacco and Vanzetti were sentenced to death in July 1921. Many people both in America and abroad felt that the two men had been convicted only because of their radicalism. In spite of repeated appeals and worldwide protests, Sacco and Vanzetti were executed in 1927.

2. African Americans: Problems and Achievements. Almost 400,000 African Americans served in the armed forces during World War I. Thousands of others moved north to take factory jobs. African Americans hoped that they would benefit from greater freedom and opportunity. Unfortunately, they still faced discrimination in jobs, housing, and civil rights. They also encountered racial antagonism and even violence. For the slightest of reasons, mobs lynched African Americans—many of them soldiers in uniform. Race riots broke out in more than 25 cities. The worst of them, in Chicago in 1919, left 38 dead.

Much of this brutality was the work of the newly revived Ku Klux Klan. The KKK had died out in the late 1800s. During the war, however, a new KKK began targeting Catholics, Jews, "reds," foreigners, and especially African Americans. The KKK worked secretly. White-robed and hooded members beat, tortured, and sometimes killed their victims. The organization was at its peak in the mid-1920s, with 5 million dues-paying members. In some states, Klansmen won election to high office and gained such political power that people were afraid to oppose them. Investigative reporters, however, began to publicize the Klan's terrorist activities. Charges of corruption within the movement finally led to its collapse in the late 1920s.

Although racial discrimination continued to make life hard for African Americans, they found ways to develop their vibrant culture. Many African Americans moved to the section of New York City called Harlem. There a group of writers started the movement known as the *Harlem Renaissance*. One of the best writers of this movement was Claude McKay. His poem "If We Must Die" is a passionate outcry against the racism that led to the postwar riots. Countee Cullen, another poet, wrote lyrical verses in the style of John Keats. The poems, novels, and plays of Langston Hughes display jazzlike verbal rhythms and a dry wit.



Langston Hughes (*left*) wrote in all forms of literature but is best known for his poetry. Bessie Smith (*right*) sang blues with a strong and beautiful voice.

African-American musicians, too, gained increasing fame during this period. They created the era's most distinctive style of music—jazz. It had moved from the South to the North with such early greats as Louis Armstrong, Joe “King” Oliver, and “Jelly Roll” Morton.

3. Prohibition. Early in 1919, the Eighteenth Amendment was ratified. It called for national prohibition, a ban on the manufacture, importation, and sale of all alcoholic beverages. Some Americans, determined to continue drinking these beverages, made liquor, wine, and beer at home. Many others bought from *bootleggers* (illegal sellers of alcohol). Bootleggers obtained their stock from American or foreign suppliers. Illegal bars, called “speakeasies,” opened in almost every town. Because the federal bureau set up to enforce prohibition had fewer than 3,500 agents, it could not track down all the sources of illegal liquor.

Criminal gangs controlled most of the illegal alcohol business. As they grew in wealth and power, these gangs extended their operations into a number of legitimate businesses. Hoover refused to admit that prohibition was a failure. It took until 1933 for a Democratic-controlled Congress to pass the Twenty-First Amendment, ending prohibition.

4. Women's New Freedom. The Twenties brought less rigid standards of behavior for women—especially young women. Full, ankle-length dresses gave way to close-fitting, knee-length shifts. Long

hair that had been worn in elaborate buns was cut short. Women began to use make-up and to smoke cigarettes. They went to speakeasies with their husbands and friends. The stylish young women of the period were known as “flappers.”

Women’s lives were changing in more important ways as well. More women than ever were going to college and working at salaried jobs. Although it was frowned on, some aimed at careers. Women’s housekeeping chores became easier as electrical appliances, packaged foods, and other labor-saving improvements became available. And women had fewer children. The birthrate declined about 25 percent between 1915 and 1929.

5. The Roaring Twenties. Because earlier standards of sedate conduct gave way to daring and even scandalous behavior, the 1920s came to be called the “Roaring Twenties.” Attracted by novelty and excitement, Americans idolized sports heroes, movie stars, and explorers. The most famous figure of the day was Charles Lindbergh, who made the first solo flight nonstop across the Atlantic in 1927.

Many people found the changes that took place during this decade to be troubling. The novelist F. Scott Fitzgerald describes the giddiness and anxiety that characterized the general mood of the period. His book *The Great Gatsby* (1925) describes the fate of a young bootlegger who fell in love with a rich, upper-class girl. Ernest Hemingway wrote of Americans living in Europe in *The Sun Also Rises*.

IDENTIFY OR DEFINE: socialist, anarchist, Communist, pacifist, Red Scare, Harlem Renaissance.

CRITICAL THINKING: How did American farmers fare in the 1920s? Explain your answer.

THE CRASH AND ITS AFTERMATH

Only about 1.5 million Americans were invested in stocks and bonds in the late 1920s. But market trading was important as a gauge of the nation’s economy. By 1929, danger signals had appeared. One was unrealistically high stock prices that did not reflect what corporations were actually earning. Another was the practice of buying stocks *on margin* (paying only a small amount of cash to cover a stock purchase). Brokers lent the buyer the rest, with the stock as

a security. Buying on margin drove stock prices up and led to a risky credit situation.

1. Panic on Wall Street. On October 24, 1929—a day that became known as “Black Thursday”—wave after wave of selling hit the stock market, and stock prices began to fall sharply. This was known as the *stock market crash*. In less than three weeks, the average price of stocks dropped by 40 percent. Speculators who had bought on margin were asked to put up more cash to secure their loans. Those who could not do so lost everything. Billions of dollars in paper profits were wiped out.

2. Beginning of the Depression. The stock market crash of 1929 marked the beginning of the Great Depression.

a. Causes. Although the crash did not cause the Depression, it revealed several problems. Not everyone had been prosperous during the 1920s. Farmers had been in trouble since the end of World War I. Members of the following minorities tended to be poor: African Americans, Mexican Americans, and Native Americans. According to one estimate, a third of the U.S. population was living in or near poverty in the 1920s.

Financial practices were unsound. Selling stocks on margin encouraged speculation. Banks granted risky personal and business loans and sought quick profits in stock market trading. Such practices threatened the financial stability of the banks and the safety of their depositors' funds. (Over 300 banks had failed in 1929 *before* the crash.) Many consumers went deeply into debt by buying expensive goods on the installment plan. When they could not meet their payments, their purchases were repossessed.

The most serious problem was a lack of balance in the economy itself. Industrial production kept rising, but wage earners' incomes did not. People could not buy all the goods being manufactured. Foreign demand for American products was limited, too. Europe was still recovering from the effects of World War I and had serious economic problems of its own. High protective tariffs added to the slowdown in international trade.

b. Effects. The Great Depression showed dramatically how all parts of an industrial society depend on one another. After the crash, funds for investments dried up. Many businesses then cut production or closed down. Thousands of workers lost their jobs. Unable to meet mortgage payments, many people were forced to give up their homes. Those with savings tried to withdraw them from banks. But

many banks did not have ready cash because they had invested it. Hundreds of them simply closed their doors.

The worst year of the Depression was 1933. By that time, 100,000 businesses had gone bankrupt, and some 5,000 banks had failed. Farmers could no longer support their families. About 13 million people—25 percent of the workforce—were jobless. Thousands of those who still had jobs were forced to take pay cuts.

Homeless people jammed the country's roads, drifting from place to place looking for work. Makeshift villages of tar-paper shacks arose on the outskirts of cities. Local governments and private charities set up soup kitchens and tried to give some money to the destitute.

3. Hoover's Administration. In the beginning, President Herbert Hoover was optimistic. He knew that the country had recovered from earlier depressions in a year or two without government interference. The economy now, he said, was "fundamentally sound."

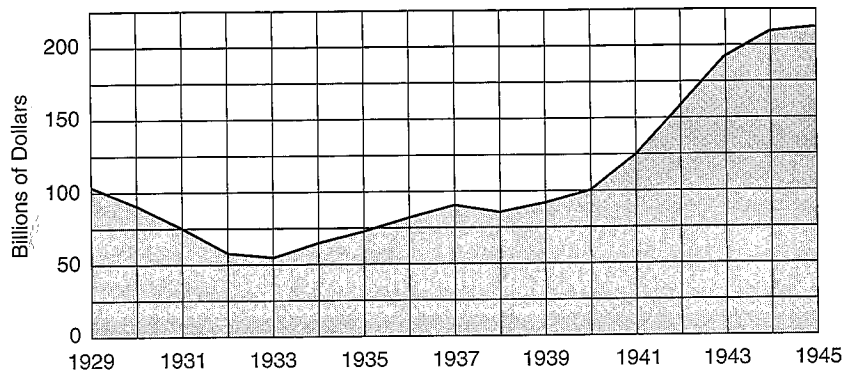
a. Government measures. Hoover's administration made several attempts to deal with the economy. Before the crash, it tried to solve the problem of falling farm prices by urging Congress to pass the Agricultural Marketing Act. This law aimed to stabilize farm prices by creating a federal farm board to buy and store crop surpluses. After three years, however, warehouses were full and farm prices were lower than ever.

After the crash, Congress passed the Hawley-Smoot Tariff (1930). It set rates at the highest level in U.S. history. The tariff was supposed to help manufacturers, but in fact it harmed them. Europeans reacted by raising their tariffs, and foreign trade almost stopped. At the same time, Americans cut back on investing overseas. In 1931, one of the biggest European banks failed. This led to a panic and *bank runs*. (A run occurs when depositors lose confidence in a bank and rush to withdraw their money.) A European depression followed.

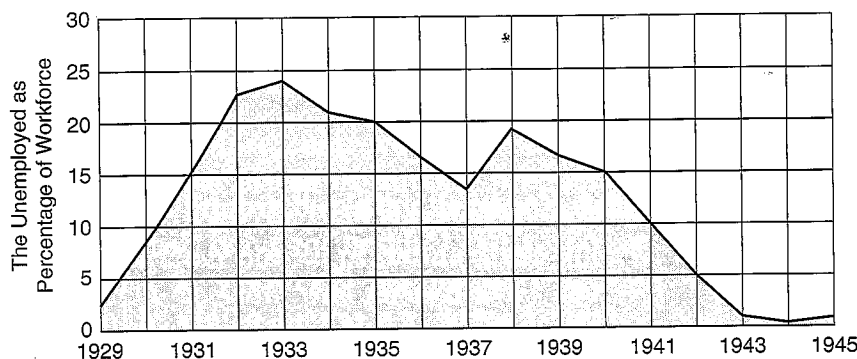
As the Depression dragged on, the Hoover administration took a bold step. On its recommendation, Congress in 1932 created the Reconstruction Finance Corporation (RFC). It lent money to banks, insurance companies, farm groups, and railroads. It also helped states in their relief efforts. But Hoover vetoed a proposal for large-scale federal public works. He thought that the states should have control over such matters.

b. The Bonus Army. In the summer of 1932, thousands of unemployed veterans of World War I arrived in Washington, D.C., asking Congress for early payment of their bonuses (which were not due

Gross Domestic Product, 1929–1945



Unemployment, 1929–1945



to be paid until 1945). When Congress failed to act, several thousand members of the Bonus Army stayed on in Washington, living in shanties. The administration used a U.S. Army unit under Douglas MacArthur to evict the veterans. The sight of soldiers attacking veterans shocked many Americans.

c. The Election of 1932. The Republicans, who renominated Hoover for the presidency in the summer of 1932, had little hope of winning. The public blamed the president for the Depression. The Democrats, on the other hand, had high hopes of regaining control of the White House. Their nominee was Franklin Delano Roosevelt (FDR), a distant relative of Theodore Roosevelt. He had served as assistant secretary of the navy under Wilson and had served as governor of New York since 1928.

The Democratic platform called for aid to the unemployed and farmers, banking and financial reforms, and repeal of prohibition. Roosevelt carried 42 states to Hoover's 6, and the Democrats gained control of both houses of Congress.

IDENTIFY OR DEFINE: on margin, stock market crash, bank run, Reconstruction Finance Corporation, Bonus Army.

CRITICAL THINKING: In what ways was the economy unsound during the 1920s before the stock market crash?

THE EARLY NEW DEAL

Hoover was the last president to remain in office for four months after his defeat. The Twentieth Amendment, ratified in February 1933, provided that future presidents would take over on January 20, instead of March 4.

1. Advisers and Aims. Roosevelt gathered around him a number of committed public servants. His Cabinet included Secretary of State Cordell Hull, a Southern supporter; Secretary of Labor Frances Perkins, the first woman to serve in a presidential Cabinet; and two Republicans: Secretary of Agriculture Henry A. Wallace and Secretary of the Interior Harold L. Ickes. Roosevelt also sought advice from many respected scholars and other professionals—a group that came to be known as the “brain trust.” Another influence on Roosevelt was his wife, Eleanor. She worked hard on behalf of the poor, minorities, and women.

Roosevelt and his advisers put forward a series of programs and set up a number of agencies that, together, made up the New Deal. Its aims are often summarized as relief, recovery, and reform—relief for the needy, recovery from the Depression, and economic reform to prevent future depressions.

Many New Deal measures had their roots in Progressivism. Roosevelt had no intention of overturning the free-enterprise system. But his willingness to experiment with new ideas led to the government's taking a more active role in American life. Roosevelt's personal charm won him the support of conservatives as well as liberals. He changed the presidential press conference from a formal question-and-answer session to a relaxed exchange of views with re-

porters. He gave informal talks over the radio—"fireside chats," which won the trust of ordinary Americans.

2. The Hundred Days. During Roosevelt's first 100 days, he rushed a number of bills through Congress. First of all, he ordered all banks in the country to close. This four-day "bank holiday" stopped the rising tide of bank runs. Sound banks were then permitted to reopen. In his first fireside chat, the president told his listeners that the reopened banks were backed by the resources of the federal government. His statement helped ease the banking crisis. A few months later, the Glass-Steagall Act was passed. It created the Federal Deposit Insurance Corporation (FDIC) to insure depositors' accounts against loss in case of bank failure.

a. Relief. The Federal Emergency Relief Administration (FERA) distributed federal funds to state and local agencies for direct relief of the unemployed. Millions of families received cash to buy food, clothing, and shelter. The Civilian Conservation Corps (CCC) hired young men for such conservation projects as replanting forests, controlling floods, and improving national parks.

b. Recovery. More controversial were two recovery measures that aimed to raise prices by cutting production. The Agricultural Adjustment Act (AAA) of 1933 was designed to help farmers. It paid them to reduce their output of commodities such as wheat, corn, and cotton. Because the law was passed after the start of the growing season, thousands of acres had to be plowed under—a distressing practice when people were hungry.

The National Industrial Recovery Act suspended antitrust laws and encouraged manufacturers to cooperate in setting up codes of fair competition. These included industry-wide schedules of production and prices, as well as agreements on workers' wages and hours. The act also recognized the right of labor to form unions. The National Recovery Administration (NRA), created to administer the act, was criticized because its many regulations helped big businesses rather than small ones. And it did little to help the average consumer.

c. Reform. One of the most successful reforms of the hundred days was the Tennessee Valley Authority (TVA). This was a giant public power project in the valley of the Tennessee River. Designed to control floods, it also improved the region's standard of living by providing cheaper electricity, producing fertilizers, halting soil erosion, and improving river navigation. Opponents criticized the TVA as socialistic, but it did help people in its area.

3. After the Hundred Days. The early months of the New Deal did not bring the quick recovery everyone had hoped for.

a. New Deal critics. Some people argued that the New Deal had gone too far. Among these critics were wealthy Republicans and conservative Democrats, including 1928 presidential candidate Al Smith. A group of these anti-New Dealers formed the Liberty League to defend the free enterprise system from what they regarded as Roosevelt's attacks on it.

Other Americans believed that the New Deal had not gone far enough. Father Charles Coughlin (the "radio priest") advocated the Populist cure-all of silver inflation. Dr. Francis E. Townsend proposed government-funded pensions for the elderly. The critic with the biggest following was Senator Huey P. Long of Louisiana. His "Share Our Wealth" program promised to tax the rich and use the money to provide an annual income to the poor.

b. The Second New Deal. Roosevelt launched the so-called "Second New Deal" in 1935. It included a huge public works program, to be supervised by the Works Progress Administration (WPA). The WPA built and repaired highways, bridges, hospitals, schools, and parks. It also employed people in the arts. Writers produced state histories, painters created murals in public buildings, and entertainers toured the country in plays and musicals.

The Wagner Act (or National Labor Relations Act) was designed to protect workers' rights. It banned "unfair practices" by management, such as firing workers who joined unions. The act also set up the National Labor Relations Board (NLRB) to supervise collective bargaining and union elections.

The other major reform of the Second New Deal was the creation of the Social Security system. The Social Security Act provided for (1) pensions to retired workers or their survivors, (2) aid to states so that they could offer unemployment compensation, and (3) aid to states so that they could help support dependent and differently abled children.

IDENTIFY OR DEFINE: FDIC, CCC, AAA, NRA, TVA, WPA, Wagner Act.

CRITICAL THINKING: What were the three broad aims of the New Deal during the hundred days? Give an example of a measure in each of the three categories.

LATER YEARS

In the presidential election of 1936, Roosevelt ran against Alf Landon, the governor of Kansas and a former Progressive. FDR won 62 percent of the popular vote and the electoral votes of all but two states. Even so, Roosevelt's domestic policies met with greater resistance during his second term.

1. Trouble Over the Supreme Court. The Supreme Court had ruled against the NRA and the AAA in 1935 and 1936. Roosevelt was afraid it would do the same with the Wagner Act and Social Security. Early in 1937, Roosevelt sent a proposal to Congress that came to be called his "court-packing plan." He suggested that six new justices be added to the Supreme Court. Roosevelt presented his plan as a way to ease the Court's workload.

There was nothing unconstitutional about changing the number of Supreme Court justices. But both the public and the Democratic-controlled Congress considered the plan an attempt to destroy the independence of the judiciary. After five months of debate, the proposal was rejected.



"The Spirit of '37": Who is the man in the middle? What does he mean by saying, "Fall in"?"

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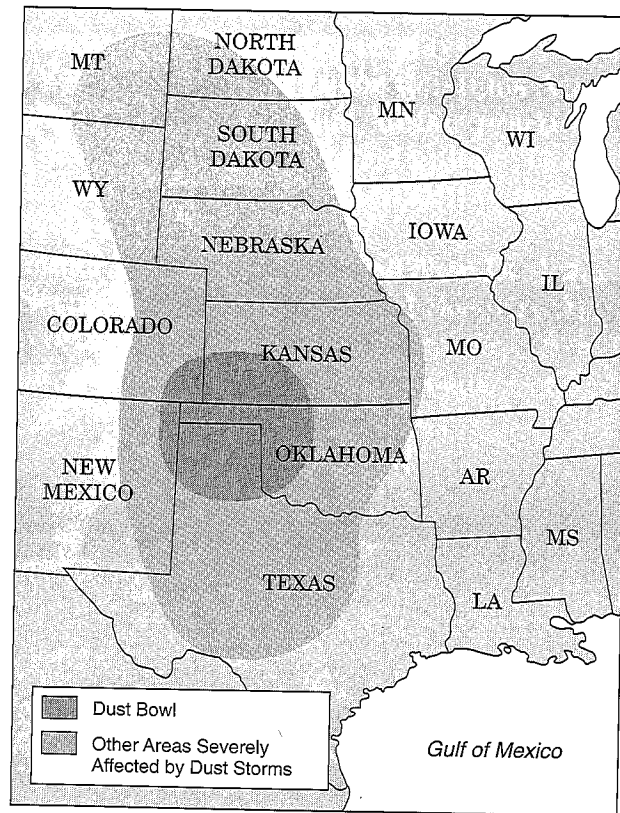
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Shortly afterward, the Supreme Court upheld the Social Security and Wagner Acts. Then a conservative justice resigned, and Roosevelt nominated a liberal. By 1941, he was to fill seven vacancies. Thus, on the Supreme Court issue, Roosevelt lost the battle but won the war.

2. Labor Problems. The Wagner Act encouraged labor unions to recruit new members. Union membership grew from fewer than 3 million in 1933 to almost 9 million in 1939. But some union leaders disliked the AFL because its member unions were made up of skilled workers only. Several leaders wanted to organize workers into *industrial unions*, ones that would admit all the workers (skilled and unskilled) in a given industry. In 1935, John L. Lewis, head of the United Mine Workers (UMW), and his supporters formed a committee within the AFL. Three years later, they broke away and formed the independent Congress of Industrial Organizations (CIO). It contained a number of industrial unions.

The Dust Bowl



Industrial organizers faced opposition from both corporations and from the AFL. Workers in the auto industry could not gain recognition for their industrial union, the United Auto Workers (UAW). So in the winter of 1936–1937 they staged a series of *sit-down strikes*, staying in the auto plants but refusing to work. Afraid of property damage, management did not use force against the auto workers. Eventually, the strikers won recognition. So did steelworkers, after a number of pitched battles with the police.

3. Farm Problems. Despite New Deal efforts to help farmers, many of them were still very poor in the late 1930s. Beginning in 1933, several years of serious drought had led to severe dust storms in the southern plains. Winds swept away tons of topsoil. One region became known as the *Dust Bowl*. (See the map.) Thousands of families, unable to survive there, piled into their old cars and moved to California. There they looked for work, often as migrant farm laborers.

To fight the effects of the drought, Roosevelt introduced a series of conservation measures. Millions of trees were planted on the plains. They protected open fields from the force of the wind and held the topsoil down. To improve their land, farmers were urged to use contour plowing and crop rotation.



The federal government sent photographers around the country to document the results of the Great Depression.

To cope with the continuing problem of farm surpluses, Congress passed a second Agricultural Adjustment Act, in 1938. Like the first one, it paid farmers to limit production. The government stored surpluses for future use. Meanwhile, it made loans to farmers at rates that were below *parity* (a figure based on earlier prices—in this case, prices between 1909 and 1914). If the market price rose to parity or higher, farmers were allowed to sell their crops and repay the loans. If not, farmers kept the money and the government kept the crops. This method of keeping agricultural income fairly stable through farm subsidies was used for decades.

4. Final New Deal Legislation. In June 1938, Congress passed the Fair Labor Standards Act to help nonunion workers. It set maximum hours and minimum wages in industries that engaged in interstate commerce. It also banned the employment of children under 16, except on farms. In order to get the bill passed, Congress had to exempt several categories of workers, including farm laborers, domestic servants, and professionals. By this time, enthusiasm for the New Deal had waned. And events abroad were so threatening that Americans were more and more concerned with national defense.

THE NEW DEAL LEGACY

Roosevelt was feared, and even hated, by some people. They felt that he had endangered the American way of life by undercutting “rugged individualism.” Business leaders and the wealthy denounced him as a “traitor to his class.” But millions of other Americans admired, even idolized, FDR. They felt that he had saved the country from disaster.

The New Deal did not end the Great Depression. In 1939, there were still 9.5 million people out of work. Only the increased spending of the World War II era finally ended the depression. But the New Deal had a number of important consequences. Perhaps the most fundamental was the restoration of national confidence. Other lasting results may be summed up in four main areas.

1. Minority Participation. Segregation of African Americans continued, even in such New Deal programs as the CCC. But there were improvements. The Roosevelts had closer contacts with the African-American community than did earlier presidents or their wives. The

government hired more African Americans. And African Americans benefited from relief and recovery programs.

Native Americans also benefited from relief measures. To correct the abuses caused by the Dawes Act, the Wheeler-Howard Act was enacted in 1934. It put an end to individual land sales and restored surplus reservation land to tribal ownership. It also encouraged Native Americans to form tribal cooperatives and maintain their ethnic traditions.

More than previous administrations, the New Deal brought Americans other than white, Anglo-Saxon Protestants into government. While only 3 percent of all the judges appointed by Harding, Coolidge, and Hoover were Catholics, under Roosevelt, the proportion rose to 26 percent. For the first time, an African American served as a federal judge (in the Virgin Islands). Opportunities in education and the professions also began to improve for minorities.

2. The New Deal Coalition. Roosevelt served longer than any other president in history. During his years in office (1933–1945), the Democrats became a majority party for the first time since the Civil War. FDR built a coalition that was to last nearly 50 years. (A *coalition* is an alliance of people or groups with different views.) The “old guard” of the New Deal coalition was made up of politicians from the Solid South and from big-city machines, such as that of Chicago. New Democrats included most African Americans, Catholics, Jews, and labor union members.

3. A Welfare State. The New Deal had created a *welfare state*—one in which the government assumes prime responsibility for the well-being of its citizens. Before the 1930s, only private or local charities helped victims of economic hardship. The New Deal convinced most Americans that the government had a duty to provide economic security for all citizens.

4. Big Government. A welfare state requires more personnel and more money than does a simpler type of government. Just as the late 1800s saw the rise of big business, the 1930s saw the rise of big government. The number of civilian federal employees grew from under 600,000 in 1929 to almost a million ten years later. Government expenses mounted, too. In 1932—Hoover’s last year as president—the U.S. government spent about \$4.6 billion for all purposes. In 1939, it spent about \$9 billion. The government was spending more than it took in (a practice known as *deficit spending*). The government covers deficits by borrowing money through the sale of bonds. The national debt rose higher than ever during the Roosevelt

administration. Most of this increase, however, was the result of wartime spending, rather than the cost of peacetime programs.

IDENTIFY OR DEFINE: industrial union, CIO, sit-down strike, Dust Bowl, maximum hours, minimum wage, welfare state.

CRITICAL THINKING: Why did some Americans dislike FDR and oppose the New Deal?

Chapter Review



MATCHING TEST

Column A

1. Nicola Sacco and Bartolomeo Vanzetti
2. Louis Armstrong
3. Orville and Wilbur Wright
4. Charles and Frank Duryea
5. Charles Lindbergh

Column B

- a. developers of first airplane
- b. early jazz musician
- c. radicals whose trial drew worldwide attention
- d. first aviator to make solo nonstop flight across Atlantic
- e. first Americans to produce commercially successful autos



MULTIPLE-CHOICE TEST

1. The chief targets of the revived Ku Klux Klan in the 1920s were (a) carpetbaggers (b) Catholics (c) Jews (d) African Americans.
2. The Great Depression began with the stock market crash of (a) 1928 (b) 1929 (c) 1932 (d) 1933.
3. A major agency created during the Hoover administration to combat the Depression was the (a) Reconstruction Finance Corporation (b) Civilian Conservation Corps (c) Civil Works Administration (d) Securities and Exchange Commission.
4. The Glass-Steagall Act set up the (a) FTC (b) FHA (c) FDIC (d) WPA.
5. The Second New Deal brought about all the following *except* the (a) Works Progress Administration (b) Wagner Act (c) Social Security Act (d) Tennessee Valley Authority.

6. Roosevelt's court-packing plan for the Supreme Court was aimed at (a) increasing the justices' workload (b) decreasing the total number of justices (c) ensuring a more favorable attitude toward New Deal legislation (d) creating a more conservative Court.
7. The NLRB (a) repairs highways and bridges (b) supervises union elections (c) provides unemployment compensation (d) halts soil erosion.
8. The purpose of the second AAA was to (a) increase agricultural production (b) keep farm income up (c) aid migrant farm workers (d) fight soil erosion.
9. The Great Depression ended (a) in 1935 (b) in 1938 (c) during World War II (d) in 1946.
10. The New Deal coalition included all of the following *except* (a) the Solid South (b) African Americans (c) organized labor (d) wealthy business leaders.



ESSAY QUESTIONS

1. Why was Ford's Model T an important breakthrough? What effects did automobiles have on the American economy? On society?
2. What was the Red Scare? What events helped bring it about?
3. How did women's lives change in the 1920s?
4. In what ways did the New Deal help labor?
5. What were the most important consequences of the New Deal?

DOCUMENT-BASED QUESTION

This question is based on the accompanying documents (1–5). It will improve your ability to work with historical documents.

Historical Context:

The decade of the 1920s in the United States was a time of conservative politics. The policies of Presidents Warren G. Harding, Calvin Coolidge, and Herbert Hoover generally pleased business leaders. They all favored lower taxes, reduced government spending, and

higher tariffs. Because of rising prosperity, the 1920s are sometimes called the "Golden Twenties."

Task:

Using information from the documents and your knowledge of United States history, read each document and answer the question that follows it. Your answers to the questions will help you write the document-based essay.

Document 1. Study the political cartoon and its caption on page 291.

According to the cartoon, who was enjoying the "boom" of the Twenties? Who was not?

Document 2. Excerpt from the book *Barrio Boy*, in which Ernesto Galarza described growing up in California in the 1920s:

Ours was a neighborhood of leftover houses. The cheapest rents were in the back quarters of the rooming houses, the basements, and the run-down clapboard rentals in the alley. . . . Bed and meals were provided [to newcomers from Mexico] . . . on trust, until the new *Chicano* found a job.

Source: Galarza, Ernesto. *Barrio Boy*. South Bend, IN: University of Notre Dame Press, 1971, pp. 201, 203.

Why do you think the people in the neighborhood were willing to provide bed and meals "on trust"?

Document 3. Excerpt from "The Klan's Fight for Americanism," by Hiram W. Evans, who became the leader of the Ku Klux Klan in 1926:

The Ku Klux Klan, in short, is an organization which gives expression, direction and purpose to the most vital instincts, hopes, and resentments of the old-stock Americans, provides them with leadership, and is enlisting and preparing them for militant, constructive action toward fulfilling their racial and national destiny. . . . The Klan . . . attempts to build an America which shall fulfill the aspirations and justify the heroism of the men who made the nation. These are the instincts of loyalty to the white race, to the traditions of America, and to the spirit of Protestantism, which has been an essential part of Americanism ever since the days of Roanoke and Plymouth Rock.

Source: Evans, Hiram W. "The Klan's Fight for Americanism," *North American Review*, No. 223 (March 1926), pp. 38-39.

Does this excerpt show that the Klan in the 1920s was opposed to more groups than just African Americans? Explain your answer.

Document 4. Excerpt from an article “Me and My Flapper Daughters,” by W.O. Saunders in 1927:

I am the father of two flappers: trim-legged, scantily dressed, bobbed-haired, hipless, corsetless, amazing young female things, full of pep, full of joy, full of jazz. . . . Moving pictures bring to them every aspect of human society, at its worst as well as its best. The newsstands are loaded with cheap and trashy magazines in which these young people find frank discussions of phases of life in which they are by nature intensely interested, and about which we older folks maintain a prudish silence in the presence. . . . And so these amazing young folks . . . look down upon us older folks as a lot of old fogies. And having discovered much insincerity, much inconsistency and much hypocrisy in us as well, they flaunt our authority.

Source: W.O. Saunders, “Me and My Flapper Daughters,” *The American Magazine*, CIV (Aug. 1927), pp. 27, 121–125.

Was W.O. Saunders praising his daughters? Explain your answer.

Document 5. Excerpt from a campaign speech by Herbert Hoover, the Republican party candidate in the 1928 presidential election:

By adherence to the principles of decentralized self-government, ordered liberty, equal opportunity, and freedom to the individual, our American experiment in human welfare has yielded a degree of well-being unparalleled [unequaled] in all the world. It has come nearer to the abolition of poverty, to the abolition of fear of want, than humanity has ever reached before. Progress of the past seven years is proof of it.

Source: *The New York Times*, October 23, 1928.

To what did Herbert Hoover give the credit for the “progress of the past seven years”?

DOCUMENT-BASED ESSAY

Using information from the above documents and your knowledge of United States history, write an essay in which you:

- Explain why the 1920s was or was not a good time to be living in the United States.