

Last Days of the New Deal

READING FOCUS

- What factors led to the recession of 1937, and how did the Roosevelt administration respond?
- What triumphs and setbacks did unions experience during the New Deal era?
- What effects did the New Deal have on American culture?
- What lasting effects can be attributed to the New Deal?

MAIN IDEA

Ultimately, the New Deal did not end the Depression. Yet it had lasting effects on many aspects of American life.

KEY TERMS

recession
national debt
revenue
coalition
sit-down strike

TAKING NOTES

Copy the chart below on a piece of paper. As you read, fill in the blanks by listing various effects of the New Deal.

Effects of the New Deal			
Economic	Political	Social	Cultural

Setting the Scene In 1936, writer James Agee and photographer Walker Evans made a six-week journey among the nation's poorest citizens, the tenant farmers of Alabama. Evans's photographs and Agee's descriptions were later published as *Let Us Now Praise Famous Men*, a book that left powerful images of the Great Depression in the nation's consciousness. The book bore witness to the survival of human dignity in the midst of deepest poverty. Here Agee, who shared meager lodgings with families, describes one farmer's revolving door of debt and despair:

“Years ago the Ricketts were, relatively speaking, almost prosperous. Besides their cotton farming they had ten cows and sold the milk, and they lived near a good stream and had all the fish they wanted. Ricketts went \$400 into debt on a fine young pair of mules. One of the mules died before it had made the first crop; the other died the year after; against his fear . . . Ricketts went into debt for other, inferior mules; his cows went one by one . . . ; he got congestive chills; his wife got pellagra [a disease caused by dietary deficiencies]; a number of his children died; . . . for ten consecutive years now . . . they have not cleared or had any hope of clearing a cent at the end of the year. . . .”

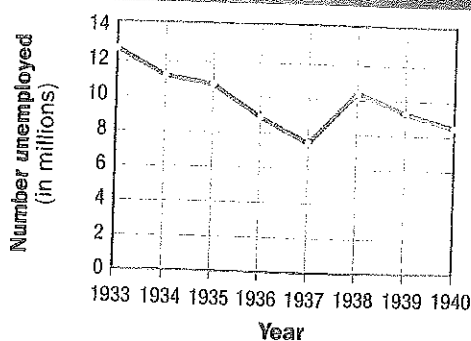
WPA work is available to very few tenants: they are, technically, employed, and thus have no right to it: and if by chance they manage to get it, landlords are more likely than not to intervene. They feel it spoils a tenant to be paid wages, even for a little while.

—James Agee, *Let Us Now Praise Famous Men*, 1941



VIEWING HISTORY Walker Evans's photographs captured both the plight and the dignity of the impoverished farm families he visited. Analyzing Visual Images
What impressions come to mind when you study this picture? Explain.

Unemployment, 1933–1940



SOURCE: *Historical Statistics of the United States, Colonial Times to 1970*

INTERPRETING GRAPHS

Combating unemployment was one of Roosevelt's greatest challenges during the Depression. Analyzing Visual Information (a) From your reading of Section 3, explain why unemployment rose during 1937. (b) By about how much did unemployment decline over the course of the New Deal?

CIO chief John L. Lewis addresses 10,000 textile workers in Massachusetts in 1937.

The Recession of 1937

The New Deal was no miracle cure for the Great Depression. While massive government spending led to some temporary economic improvement, in August 1937, the economy collapsed again. Industrial production fell, as did employment levels. The nation entered a **recession**, a period of slow business activity.

The new Social Security tax was partly to blame for this recession. The tax came directly out of workers' paychecks, through payroll deductions. With less money in their pockets, Americans bought fewer goods.

Americans also had less money because FDR had cut way back on expensive programs such as the WPA. The President had become distressed at the rising **national debt**, or the total amount of money the federal government borrows and has to pay back. (See Focus on Economics, page 550.) The government borrows when its **revenue**, or income, does not keep up with its expenses. To fund the New Deal, the government had to borrow massive amounts of money. As a result, the national debt rose from \$21 billion in 1933 to \$43 billion by 1940.

After 1937, Harry Hopkins and other advisors persuaded FDR to expand the WPA and other programs that had been cut back. The increased spending provided some economic relief. Still, hard times lasted until well into the 1940s.

Unions Triumph

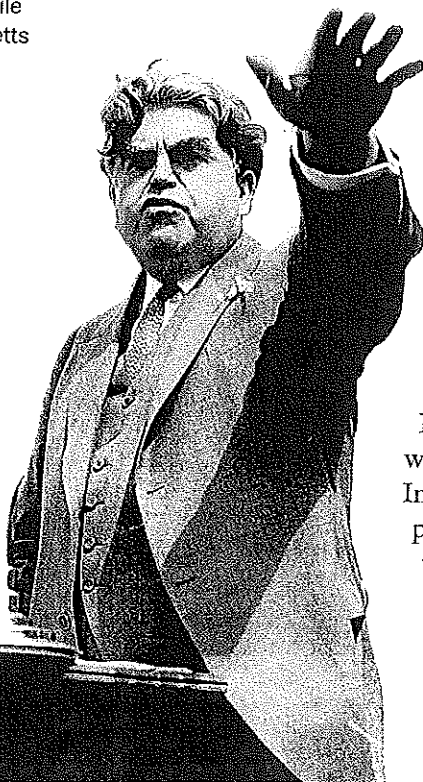
The New Deal changed the way many Americans thought about labor unions. New federal protections for unions under the 1935 Wagner Act made union membership more attractive to workers. Membership rose from about 3 million in 1933 to 10.5 million by 1941, a figure representing 11.3 percent of the nonagricultural work force. By 1945, some 36 percent were unionized, the all-time high for unions in the United States.

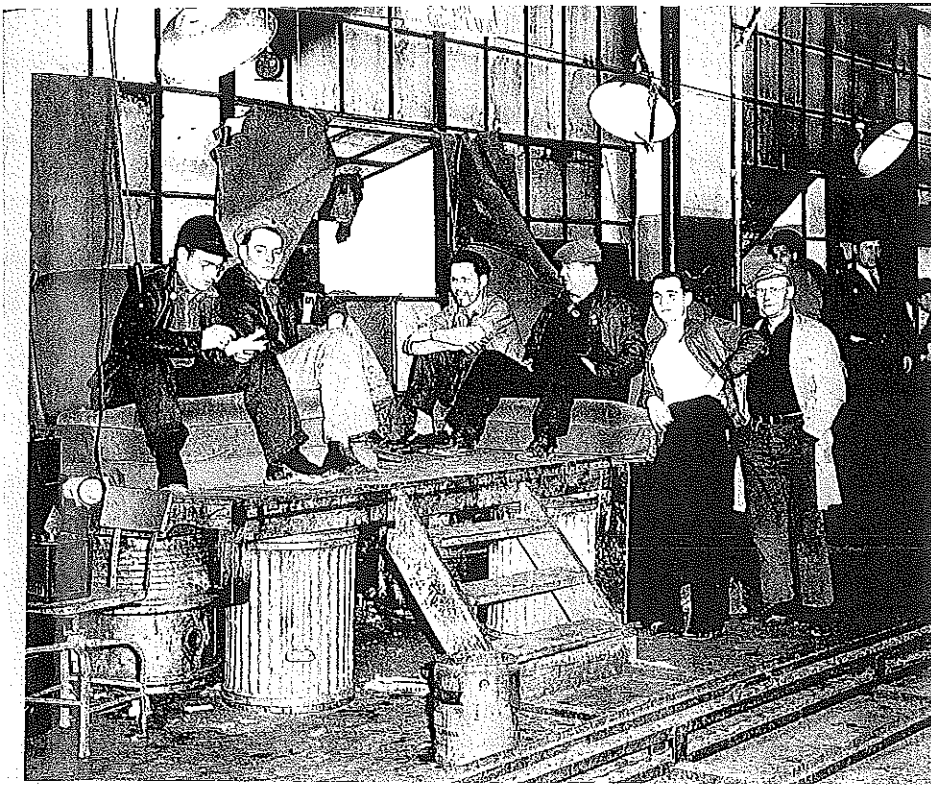
A New Labor Organization Activism by powerful union leaders helped increase membership. The cautious and craft-based American Federation of Labor (AFL) had done little to attract unskilled industrial workers during the

half-century of its existence. In 1935, United Mine Workers President John L. Lewis joined with representatives of seven other AFL unions to try to change this situation. They created a Committee for Industrial Organization (CIO) within the AFL.

Although the AFL did not support its efforts, the CIO sought to organize the nation's unskilled workers in mass-production industries. It sent organizers into steel mills, auto plants, and southern textile mills and encouraged all workers to join. In response, the AFL suspended CIO unions in 1936.

Two years later, the CIO had 4 million members. In November 1938, this **coalition**, or alliance of groups with similar goals, changed its name to the Congress of Industrial Organizations. John L. Lewis became its first president. The aim of this coalition of industrial unions was to challenge conditions in industry. Their main tool was the strike.





VIEWING HISTORY

Automobile workers stage a successful sit-down strike during the winter of 1936–1937 at the Fisher Body Plant No. 1, in Flint, Michigan. Here, workers guard a window during the strike. **Drawing Inferences** Make a list of the possible challenges these men faced during this long sit-down strike.

An Era of Strikes The Wagner Act legalized collective bargaining and required companies to bargain in good faith with certified union representatives. But the act did not force companies to accept unions' demands. Although the Wagner Act was designed to bring about industrial peace, in the short term it led to a wave of dramatic strikes.

Many of these work stoppages took the form of sit-down strikes. A weapon often used by the Congress of Industrial Organizations, the **sit-down strike** is a strike in which laborers stop working but refuse to leave the building. Supporters outside the workplace set up picket lines. Together, the strikers and the picket lines prevent the company from bringing in scabs, or non-union substitute workers. In areas where local authorities were New Deal Democrats, the workers' actions sometimes went unchallenged, making the sit-down strike an effective tool.

The first sit-down strikes took place in early 1936 at three huge rubber-tire plants in Akron, Ohio. The success of the sit-downs led to similar strikes later in the year at several General Motors (GM) auto plants. The most famous began on December 31, 1936. In this strike, laborers associated with the United Auto Workers (UAW) occupied GM's main plants in Flint, Michigan, and refused to leave.

GM executives turned off the heat and blocked entry to the plants so that the workers could not receive food. They also called in the police against the picketers outside. Violence erupted. The wife of a striker grabbed a bullhorn and urged other wives to join the picketers.

Women—both workers' wives and female employees—later organized food deliveries to supply the strikers. They set up a speakers' bureau to present the union's position to the public, and formed a Women's Emergency Brigade to take up picket duty. Governor Frank Murphy of Michigan and President Roosevelt refused to use the militia against the strike. By early February General Motors had given in.

Not all labor strikes were as successful. Henry Ford continued to resist unionism. In 1937, at a Ford Motor Company plant near Detroit, his men beat UAW officials when the unionists tried to distribute leaflets. Walter Reuther, a future UAW president, later testified about the incident:

READING CHECK

What made sit-down strikes effective to some extent?

They picked me up about eight different times and threw me down on my back on the concrete. While I was on the ground they kicked me in the face, head, and other parts of my body. . . . I never raised a hand.”

—Walter Reuther

Companies and the police were not the only instigators of violence. Mobs of striking unionists sometimes attacked strikebreakers trying to enter or leave a plant, or they destroyed company property. Unions generally opposed such actions, instead encouraging passive resistance. Still, strikers often fought back with bottles, bricks, stones, and bats.

Like Ford, the Republic Steel Company refused to sign with steelworkers' unions until war loomed in 1941. At one strike against Republic Steel on May 30, 1937, Chicago police killed several picketers and injured dozens. This Memorial Day tragedy was a sign that labor, despite its triumphs, still faced many challenges. Another sign came in the form of a Supreme Court ruling. In 1939, the Court outlawed the sit-down strike as being too potent a weapon and an obstacle to negotiation.

The New Deal's Effects on Culture

Artists created enduring cultural legacies for the nation during the Great Depression. They were aided by federal funds allocated by Congress to support the popular and fine arts and to provide jobs.

Literature Several works of literature destined to become classics emerged during this period. One example is Pearl Buck's novel *The Good Earth* (1931), a saga of peasant struggle in China. In 1937, folklorist Zora Neale Hurston published *Their Eyes Were Watching God*, a novel about a strong-willed African American woman and the Florida town in which she lives. John Steinbeck wrote *The Grapes of Wrath* (1939), a powerful tale about Dust Bowl victims who travel to California in search of a better life. Funding from *Fortune* magazine allowed James Agee and Walker Evans to live for weeks with Alabama sharecroppers. The result of their experiences was the nonfiction masterpiece *Let Us Now Praise Famous Men* (1941).

Radio and Movies The new medium of radio became a major source of entertainment for American families. Comedy shows of the 1930s produced stars such as Jack Benny, Fred Allen, George Burns, and Gracie Allen. The first daytime dramas, called soap operas because soap companies often sponsored them, emerged in this period. These 15-minute stories, designed to provoke strong emotional responses, were meant to appeal to women who remained at home during the day. Symphonic music and opera also flourished on the radio.

By 1933, the movies had recovered from the initial setback caused by the early Depression. Americans needed an escape from hard times, and the movies provided that escape. For a quarter, customers could see a double feature (introduced in 1931) or take the whole family to a drive-in theater (introduced in 1933). Federal agencies used motion pictures to publicize their work. The Farm Security Administration, for example, produced documentaries of American agricultural life.

Some Hollywood studios concentrated on optimistic films about common people who triumphed over evil, such as Warner Brothers' *Mr. Smith Goes to Washington* (1939). Comedies were

Focus on CULTURE

The Grapes of Wrath The 1939 novel by John Steinbeck epitomizes the despair of downtrodden farmers during the Depression. The story pits powerful banks and corporate farming interests against powerless farmers. This bitter critique is told through the experiences of the Joad family, "Okies" forced to travel to California in an endless search for migrant labor. The family finds human kindness in the midst of misfortune, cruelty, hunger, and hopelessness. Steinbeck's intimate, searing portrayals shocked the nation and aroused sympathy for migrant workers.





Social Security

1935
"Young people have come to wonder what would be

their lot when they came to old age," says FDR, signing into law the Social Security Act. It provides retirement pensions financed by a tax on employers and employees. Initially, retirees received a one-time payment, averaging \$58.08.

1939 Act is amended to include benefits for spouses, minor children, and survivors, paid in monthly checks.

1950 Act is amended to increase the number of workers covered in the program from about 50 percent to nearly all workers; cost-of-living increases are enacted.

1956 Act is amended to cover disabled Americans.

1965 Creation of Medicare gives Social Security recipients health insurance.

2000 Social Security Trustees report that payment of full benefits can be guaranteed only through 2037. With the huge "baby boom" generation nearing retirement, concern about funding for the system prompts intense debate on proposals to reform Social Security.

? Why do you think the federal government kept enlarging the Social Security system and extending its benefits?



very popular, too. In this era, the zany Marx Brothers produced such comic classics as *Monkey Business* (1931) and *Duck Soup* (1933), both of which had first premiered as stage shows.

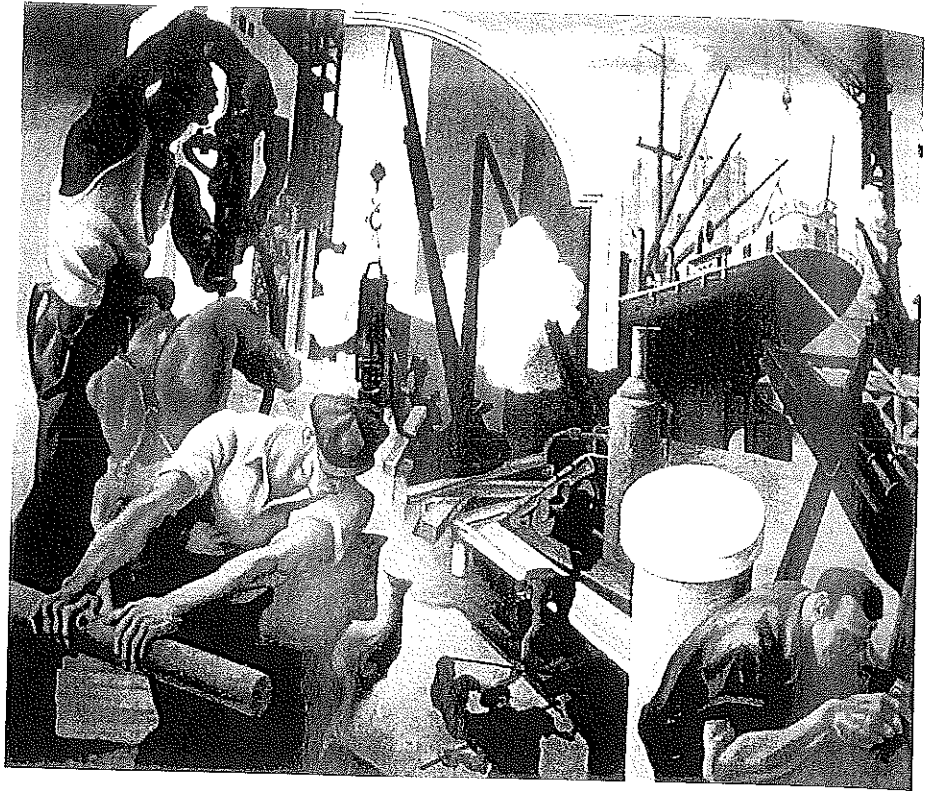
The greatest box-office hits were movies that distracted Americans from the gloom of the Depression. *The Wizard of Oz*, released in 1939, allowed viewers to escape to a whole different world. Moviegoers flocked to musicals that featured large orchestras and lavishly choreographed dance numbers. No one understood the needs of Depression-era audiences better than Walt Disney, whose Mickey Mouse cartoons delighted moviegoers everywhere. Disney also released the classic cartoon *Snow White and the Seven Dwarfs* (1938) during this period.

The WPA and the Arts FDR believed that the arts were not luxuries that people should have to give up in hard times. For this reason, he earmarked WPA funds to support unemployed artists, musicians, historians, theater people, and writers. The Federal Writers' Project, established in 1935, assisted more than 6,000 writers, including Richard Wright, Saul Bellow, Margaret Walker, and Ralph Ellison. Historians with the project surveyed the nation's local government records, wrote state guidebooks, and collected life stories from about 2,000 former slaves.

Other government projects supported music and the visual arts. The Federal Music Project started community symphonies and organized free music lessons. It also sent music specialists to lumber camps and small towns to collect and preserve a fast-disappearing folk music heritage.

The Federal Art Project, begun in 1935, put thousands of artists to work. They painted some 2,000 murals, mainly in public buildings. They also produced about 100,000 other paintings, 17,000 sculptures, and many other works of art.

VIEWING FINE ART New Deal support for the arts led to many lasting works, including this mural painted by Thomas Hart Benton in 1930 for the New School of Social Research in New York City. Analyzing Visual Information *How does this mural celebrate the values and spirit of the era? Support your answer with specifics from the painting.*



READING CHECK

Why did the federal government fund new arts programs during the Depression?

The Federal Theatre Project, directed by Vassar College Professor Hallie Flanagan, was the most controversial project. Flanagan used drama to create awareness of social problems. Her project launched the careers of many actors, playwrights, and directors who later became famous, including Burt Lancaster, Arthur Miller, John Houseman, and Orson Welles.

Accusing the Federal Theatre Project of being a propaganda machine for international communism, the House Un-American Activities Committee (HUAC) investigated the project in 1938 and 1939. In July 1939, Congress eliminated the project's funding.

Lasting New Deal Achievements

The New Deal attacked the Great Depression with a barrage of programs that affected nearly every American. The New Deal did not end the nation's suffering, but it led to some profound changes in American life. Voters began to expect a President to formulate programs and solve problems. People accepted more government intervention in their lives, and they grew accustomed to a much larger government. Laborers demanded more changes in the workplace.

The New Deal did not vanish completely when the Depression ended. Its accomplishments continued in many forms. This legacy ranges from physical monuments that dot the American landscape to towering political and social achievements that still influence American life.

Public Works and Federal Agencies Many New Deal bridges, dams, tunnels, public buildings, and hospitals exist to this day. These durable public works are visual reminders of this extraordinary period of government intervention in the economy.

Some of the federal agencies from the New Deal era have also endured. The Tennessee Valley Authority remains a model of government planning. The Federal Deposit Insurance Corporation still guarantees bank deposits. The Securities and Exchange Commission continues to monitor the workings of the stock exchanges.

And in rural America, farmers still plant according to federal crop allotment policies adopted after the Supreme Court struck down AAA crop-reduction plans.

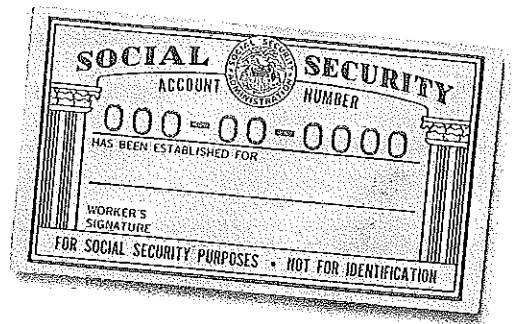
Social Security Despite its enduring support throughout American society, the Social Security system has had many critics. At first, Social Security came under attack because its payments were very low.

For a long time the system discriminated against women. It assumed, for example, that the male-headed household was typical. A mother could lose benefits for her children if a man, whether providing support for her or not, lived in her house. Women who went to work when their children started school rarely stayed in the work force long enough or earned high enough wages to receive the maximum benefits from the system. In addition, when a male recipient died, his benefits ended, leaving his family without an income.

In 1939, Congress and the Social Security Administration developed a series of amendments to the system attempted to address some of the weaknesses in the system. The amendments raised benefit amounts and provided monthly benefit checks instead of one-time payments. They also provided benefits for recipients' dependents and survivors. Later amendments included farm workers and others previously excluded from coverage, and added disability coverage.

A Legacy of Hope Of all of its achievements, perhaps the New Deal's greatest was to restore a sense of hope. People poured out their troubles to the President and First Lady. Eleanor and Franklin Roosevelt received thousands of letters daily during the late Depression era. Every letter contained a story of continued personal suffering. In their distress, people looked to their government for support. Indeed, government programs did mean the difference between survival and starvation for millions of Americans.

Nevertheless, economic recovery in the United States would not come until well into the 1940s, and it did not come through more New Deal programs. The return of a robust economy was set in motion on the battlefields of Europe in the late 1930s, where another test of American character was brewing: a second world war.



Sample Social Security card, with zeroes representing an individual's Social Security number

Section

3

Assessment

READING COMPREHENSION

1. Why did the United States slide back into a **recession** in 1937?
2. Why did FDR become concerned about the **national debt**?
3. (a) What gains and setbacks did unions experience during the New Deal era? (b) What impact did the Congress of Industrial Organizations (CIO) have on union strategies?
4. What did critics dislike about the Social Security system?

CRITICAL THINKING AND WRITING

5. **Testing Conclusions** FDR's advisors concluded that certain actions were needed to combat the recession of 1937. What actions did they recommend, and what were the consequences?
6. **Writing an Opinion** Write an essay that examines the legacy of the New Deal. In your opinion, what positive or negative effects did it have on the country? Should the federal government have become involved in creating jobs in theater and the other arts?



Take It to the Net

Activity: Interdisciplinary

Connections Examine examples of federally funded arts projects during the New Deal. State your opinion on whether federal sponsorship of the arts was valuable and appropriate. Explain your reasoning. Use the links provided in the *America: Pathways to the Present* area of the following Web site for help in completing this activity.

www.pltisciool.com