

terms he served as assistant secretary of the navy. Then, in 1920, largely on the strength of his name, he became James Cox's running mate on the Democratic ticket. The following year, at age thirty-nine, his career was cut short by the onset of polio that left him permanently disabled, unable to stand or walk without braces. But the battle for recovery transformed the young aristocrat. He became less arrogant, less superficial, more focused, and more interesting. A friend recalled that Roosevelt emerged from his struggle with polio "completely warm-hearted, with a new humility of spirit" that led him to identify with the poor and the suffering. Justice Oliver Wendell Holmes later summed up his qualities this way: "a second-class intellect—but a first-class temperament."

For seven years, aided by his talented wife, Roosevelt strengthened his body to compensate for his disability, and in 1928 he won the governorship of New York. Reelected by a whopping majority of 700,000 in 1930, Roosevelt became the Democrats' favorite for president in 1932.

Partly to dispel doubts about his health, the Democratic nominee set forth on a grueling campaign tour in 1932. He blamed the Depression on Hoover and the Republicans, and he began to promise Americans a New Deal. Like Hoover, Roosevelt pledged to balance the budget, but he was willing to incur short-term deficits to prevent starvation and revive the economy. On the tariff he was evasive. On farm policy he offered several options pleasing to farmers and ambiguous enough not to alarm city dwellers. He called for strict regulation of utilities and for at least some government development of electricity, and he consistently stood by his party's pledge to repeal the Prohibition amendment. Perhaps most important, he recognized that a revitalized economy would require national planning and new ideas. "The country needs, and, unless I mistake its temper, the country demands bold, persistent experimentation," he said. "Above all, try something."

What came across to voters, however, was less the content of Roosevelt's speeches than his uplifting confidence. By contrast, Hoover lacked vitality and assurance. Democrats, Hoover argued, ignored the international causes of the Depression. They were also taking a reckless course. Roosevelt's proposals, he warned, "would destroy the very foundations of our American system." Pursue them, and "grass will grow in the streets of a hundred cities, a thousand towns." But few were listening. Amid the persistent depression the country wanted a new course, a new leadership, a new deal.

Some disillusioned voters took a dim view of both major candidates. Those who believed that only a radical departure would suffice supported the Socialist party candidate, Norman Thomas, who polled 882,000 votes, and a few preferred the Communist party candidate, who won 103,000.



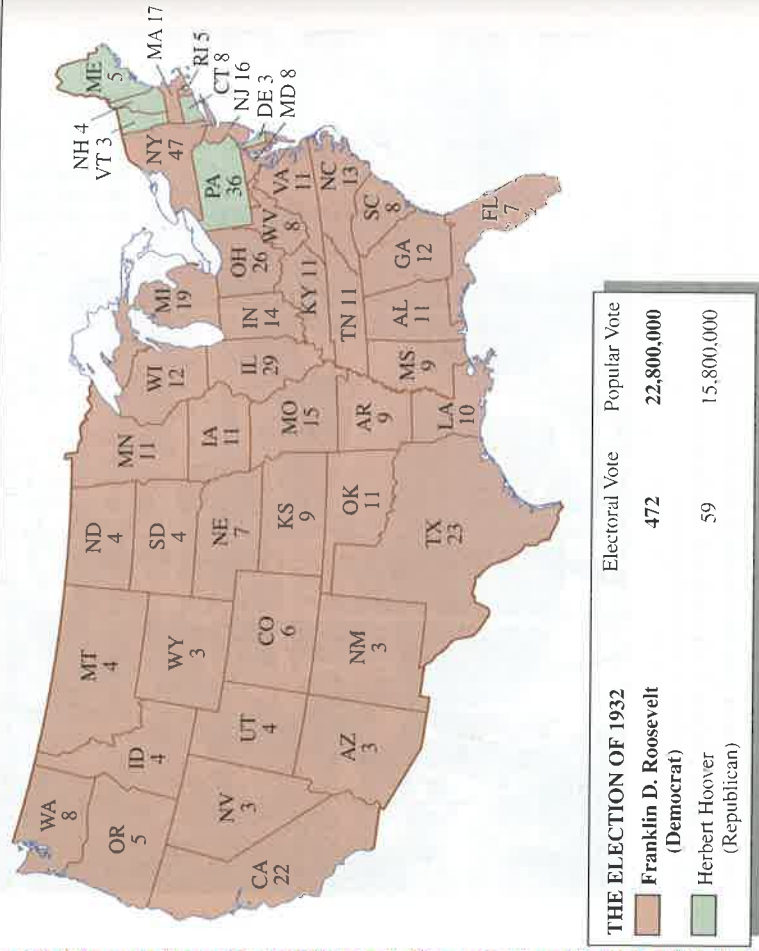
The "New Deal" candidate

Governor Franklin D. Roosevelt, the Democratic nominee for president in 1932, campaigning in Topeka, Kansas. Roosevelt's confidence inspired voters.

The wonder is that a desperate people did not turn in greater numbers to radical candidates. Instead, they swept Roosevelt into office with 23 million votes to Hoover's 16 million. Hoover carried only four states in New England plus Pennsylvania and Delaware and lost decisively in the Electoral College by 472 to 59.

THE INAUGURATION For the last time the country waited four months, until March 4, for a new president and Congress to take office. The Twentieth Amendment, ratified on January 23, 1933, provided that presidents would thereafter take office on January 20 and the newly elected Congress on January 3.

The bleak winter of 1932–1933 witnessed spreading destitution and misery. Unemployment increased, and panic struck the banking system. As bank after bank collapsed, people rushed to their own banks to remove their deposits. Many discovered that they, too, were caught short of cash. When the Hoover administration ended, four fifths of the nation's banks were closed, and the country teetered on the brink of economic paralysis.



Why did Roosevelt appeal to voters struggling during the Depression? What were Hoover's criticisms of Roosevelt's "New Deal"? What policies defined Roosevelt's New Deal during the presidential campaign?

The profound crisis of confidence that greeted Roosevelt when he took the oath of office on March 4, 1933, gave way to a mood of expectancy. The charismatic new president displayed monumental self-assurance when he declared "that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance." If need be, he said, "I shall ask the Congress for . . . broad executive power to wage a war against the emergency as great as the power that would be given me if we were in fact invaded by a foreign foe." It was a measure of the country's mood that this call for unprecedented presidential power received the loudest applause.

COMPETING SOLUTIONS When Roosevelt and his corps of New Dealers arrived in Washington, they confronted three major challenges:

reviving the economy, relieving the widespread human misery, and rescuing the farm sector and its desperate families. His "brain trust" of advisers offered conflicting opinions about how best to rescue the economy from depression. Some promoted vigorous enforcement of the anti-trust laws as a means of restoring business competition; others argued for the opposite, saying that anti-trust laws should be suspended so as to enable large corporations to collaborate with the federal government and thereby better manage the overall economy. Still others called for a massive expansion of welfare programs and a prolonged infusion of increased government spending to address the profound human crisis and revive the economy.

Roosevelt was willing to try some elements of each approach without ever embracing one completely. In part his flexible outlook reflected the political reality that conservative southern Democrats controlled the Congress and the new president could not risk alienating these powerful proponents of balanced budgets and limited government. Roosevelt's inconsistencies also reflected his own outlook. He was a pragmatist rather than an ideologue. As he once explained, "Take a method and try it. If it fails admit it frankly and try another." Roosevelt's New Deal would therefore take the form of a series of trial-and-error actions, some of which were misguided failures.

Roosevelt and his advisers initially settled on a three-pronged strategy. First, they sought to remedy the banking crisis and to provide short-term emergency relief for the jobless. Second, they tried to promote industrial recovery by increasing federal spending and by facilitating cooperative agreements between management and organized labor. Third, they attempted to raise depressed commodity prices (and thereby farm income) by paying farmers to reduce the size of their crops and herds. By reducing the overall supply of farm products, prices for grain and meat would rise. None of these initiatives worked perfectly, but their combined effect was to restore hope and energy to a nation paralyzed by fear and uncertainty.

STRENGTHENING THE MONETARY SYSTEM On his second day in office, Roosevelt called upon Congress to meet in a special session on March 9 and then declared a four-day bank holiday to allow the financial panic to subside. It took Congress only seven hours to pass the Emergency Banking Relief Act, which permitted sound banks to reopen and provided managers for those that remained in trouble. On March 12, in the first of his radio-broadcast "fireside chats," the president insisted that it was safer to "keep your money in a reopened bank than under the mattress." His reassurances soothed a nervous nation. The following day, deposits in reopened

banks exceeded withdrawals. The banking crisis had ended, and the new administration was ready to get on with its broader program.

Roosevelt next followed through on two pledges in the Democratic platform. At his behest, Congress passed an Economy Act, granting the executive branch the power to cut government workers' salaries, reduce payments to military veterans for non-service-connected disabilities, and reorganize federal agencies in the interest of reducing expenses. The Beer-Wine Revenue Act amended the Volstead Act to permit the sale of beverages with an alcohol content of 3.2 percent or less. The Twenty-first Amendment, already submitted by Congress to the states, would be declared ratified on December 5, thus ending the "noble experiment" of Prohibition.

The measures of March were but the beginning of an avalanche of new legislation. During a session that lasted from March 9 to June 16, the so-called Hundred Days, Congress received from the president, and enacted, fifteen major proposals with unprecedented speed:

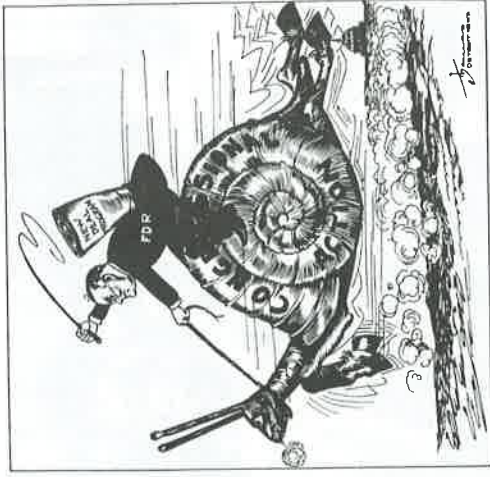
March 9	Passage of the Emergency Banking Relief Act
March 20	Passage of the Economy Act
March 31	Establishment of the Civilian Conservation Corps
April 19	Abandonment of the gold standard
May 12	Passage of the Federal Emergency Relief Act
May 12	Passage of the Agricultural Adjustment Act, including the Thomas Amendment, which gave the president the power to expand the money supply
May 12	Passage of the Emergency Farm Mortgage Act, providing for the refinancing of farm mortgages
May 18	Passage of the Tennessee Valley Authority Act, providing federal funds for the unified hydroelectric development of the Tennessee Valley
May 27	Passage of the Federal Securities Act, requiring full disclosure in issuing new securities
June 13	Passage of the Home Owners' Loan Act, setting up the Home Owners' Loan Corporation to refinance home mortgages
June 16	Passage of the National Industrial Recovery Act, providing for a system of industrial self-regulation under federal supervision and for a \$3.3-billion public-works program
June 16	Passage of the Banking Act, separating commercial and investment banking and establishing the Federal Deposit Insurance Corporation
June 16	Passage of the Farm Credit Act, which reorganized federal agricultural subsidies

With the banking crisis over, an acute debt problem remained for farmers and homeowners, along with a lingering distrust of the banks. By executive decree, Roosevelt reorganized all federal farm credit agencies into the Farm Credit Administration. By the Emergency Farm Mortgage Act and the Farm Credit Act, Congress authorized the extensive refinancing of farm mortgages at lower interest rates to stem the tide of foreclosures.

The Home Owners' Loan Act provided a similar service to city dwellers through the Home Owners' Loan Corporation, which refinanced mortgage loans at lower monthly payments for strapped homeowners, again helping to slow the rate of foreclosures. The Banking Act further shored up confidence in the banking system. Its Federal Deposit Insurance Corporation guaranteed personal bank deposits up to \$5,000. To prevent speculative abuses, the Banking Act separated investment and commercial banking corporations and extended the Federal Reserve Board's regulatory power. The Federal Securities Act required the full disclosure of information about new stock and bond issues, at first by registration with the Federal Trade Commission and later with the Securities and Exchange Commission, which was created to regulate the chaotic stock and bond markets.

RELIEF MEASURES Another urgent priority in 1933 was relieving the widespread personal distress caused by the Great Depression. Hoover had stubbornly resisted using the federal government to provide direct assistance to the unemployed and homeless. Roosevelt was more flexible. He asked Congress to create the Civilian Conservation Corps (CCC) to provide jobs to unemployed and unmarried young men aged eighteen to twenty-five.

Nearly 3 million men were hired to work at a variety of CCC jobs in forests, parks, and recreational areas and on soil-conservation projects. CCC workers built roads, bridges, campgrounds, and fish hatcheries; planted trees; taught farmers how to control soil erosion; and fought fires. They were paid a nominal



The galloping snail

A vigorous Roosevelt drives Congress to action in this *Detroit News* cartoon from March 1933.



Federal relief programs

Civilian Conservation Corps enrollees in 1933, on a break from work. Directed by army officers and foresters, the CCC adhered to a semi-military discipline.

sum of \$30 a month, of which \$25 went home to their families. The enrollees could also earn high-school diplomas.

The Federal Emergency Relief Administration (FERA) addressed the broader problems of human distress. Harry L. Hopkins, a tough-talking, big-hearted social worker who had directed Roosevelt's relief efforts in New York State, was appointed director of the FERA. The agency expanded the assistance to the unemployed that had begun under Hoover's RFC, but with a difference. Federal money flowed to the states in outright grants rather than "loans." Hopkins pushed an "immediate work instead of dole" approach on state and local officials, but they preferred the dole (direct cash payments to individuals) as a quicker way to reach the needy.

The first large-scale experiment with *federal* work relief, which put people directly on the government payroll at competitive wages, came with the formation of the Civil Works Administration (CWA). Created in November

1933, when it had become apparent that the state-sponsored programs funded by the FERA were inadequate, the CWA provided federal jobs and wages to those unable to find work that winter. It was hastily conceived and implemented but during its four-month existence put to work over 4 million people. The agency organized a variety of useful projects: making highway repairs and laying sewer lines, constructing or improving more than 1,000 airports and 40,000 schools, and providing 50,000 teaching jobs that helped keep rural schools open. As the number of people employed by the CWA soared, the program's costs skyrocketed to over \$1 billion. Roosevelt balked at such expenditures and worried that people would become dependent upon federal jobs. So in the spring of 1934, he ordered the CWA dissolved. By April some 4 million workers were again unemployed.

Roosevelt nevertheless continued to favor providing jobs over doling out cash to the unemployed. He thought the dole was a "narcotic, a subtle destroyer of the human spirit." Real jobs, on the other hand, nurtured "self-respect and self-reliance." In 1935, therefore, he asked for an array of new federal job programs, and Congress responded by passing a \$4.8-billion Emergency Relief Appropriation Act, providing work for the jobless. To manage these programs, Roosevelt created the Works Progress Administration (WPA), headed by Harry Hopkins, which replaced the FERA. Hopkins was told to create millions of jobs quickly, and as a result some of the new jobs appeared to be make-work or mere "leaning on shovels." Money was wasted, but by the time the WPA died, during World War II, it had left permanent monuments on the landscape in the form of buildings, bridges, hard-surfaced roads, airports, and schools.

The WPA also employed a wide range of talented Americans in the Federal Theatre Project, the Federal Art Project, the Federal Music Project, and the Federal Writers' Project. Writers such as Ralph Ellison, John Cheever, and Saul Bellow found work writing travel guides to the United States, and Orson Welles directed Federal Theatre Project's productions. Critics charged that these programs were frivolous, but Hopkins replied that writers and artists needed "to eat just like other people." The National Youth Administration (NYA), also under the WPA, provided part-time employment to students, set up technical training programs, and aided jobless youths. Twenty-seven-year-old Lyndon Johnson was director of an NYA program in Texas, and Richard Nixon, a penniless Duke University law student, found work through the NYA at 35¢ an hour. Although the WPA took care of only about 3 million out of some 10 million jobless at any one time, in all it helped some 9 million clients weather desperate times before it expired in 1943.



City Life

This mural, painted by WPA artist Victor Arnautoff, depicts a bustling New Deal-era street scene.

RECOVERY THROUGH REGULATION

In addition to rescuing the banks and providing immediate relief to the unemployed, Roosevelt and his advisers promoted the long-term recovery of agriculture and industry. The languishing economy needed a boost—a big one. There were 13 million people without jobs. Like the earlier progressives, Roosevelt's advisers insisted that the trend toward economic concentration was inevitable. Big businesses were not going to go away. They also believed that the mistakes of the 1920s showed that the only way to operate an integrated economy at capacity and in the public interest was through efficient federal regulation and central planning, not by breaking up huge corporations. The success of government-led economic planning during World War I reinforced such ideas, and new recovery programs sprang from those beliefs.

AGRICULTURAL RECOVERY The sharp decline in commodity prices after 1929 meant that many farmers could not afford to plant or harvest

their crops. Farm income had plummeted from \$6 billion in 1929 to \$2 billion in 1932. The Agricultural Adjustment Act of 1933 created a new federal agency, the Agricultural Adjustment Administration (AAA), which sought to raise prices for crops and herds by paying farmers to reduce production. The money for such payments came from a tax levied on the processors of certain basic commodities—cotton gins, for example, and flour mills.

By the time Congress acted, however, the growing season was under way. The prospect of another bumper cotton crop forced the AAA to sponsor a plow-under program. To destroy a growing crop was a “shocking commentary on our civilization,” Agriculture Secretary Henry A. Wallace lamented. “I could tolerate it only as a cleaning up of the wreckage from the old days of unbalanced production.” Moreover, given the oversupply of hogs, some 6 million pigs were slaughtered and buried. It could be justified, Wallace said, only as a means of helping farmers do with pigs what steelmakers did with pig iron—cut production to raise prices.

For a while these farm measures worked. By the end of 1934, Secretary of Agriculture Wallace could report significant declines in wheat, cotton, and corn production and a simultaneous increase in commodity prices. Farm income increased by 58 percent between 1932 and 1935. The AAA was only partially responsible for the gains, however. A devastating drought that settled over the plains states between 1932 and 1935 played a major role in reducing production and creating the epic “dust bowl” migrations so poignantly evoked in John Steinbeck’s *The Grapes of Wrath*. Many migrant families had actually been driven off the land by AAA benefit programs that encouraged large farmers to take land worked by tenants and sharecroppers out of cultivation.

Although it created unexpected problems, the AAA achieved successes in boosting the overall farm economy. But conservatives opposed its sweeping powers. On January 6, 1936, in *United States v. Butler*, the Supreme Court, by a vote of six to three, declared the AAA’s tax on food processors unconstitutional. The administration hastily devised a new plan in the Soil Conservation and Domestic Allotment Act, which it pushed through Congress in six weeks. The new act omitted processing taxes and acreage quotas but provided benefit payments for soil-conservation practices that reduced the planting of soil-depleting crops, thus indirectly achieving crop reduction.

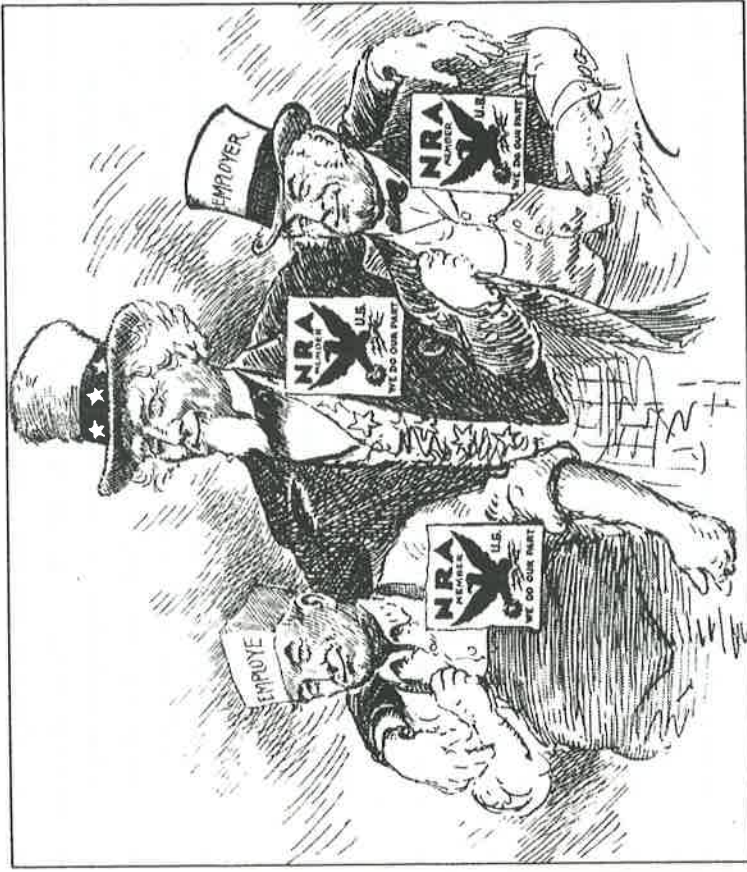
The act was an almost unqualified success as an engineering and educational project because it helped heal the scars of erosion and the plague of dust storms. But soil conservation nevertheless failed as a device for limiting production. With their worst lands taken out of production, farmers cultivated their fertile acres more intensively. In response, Congress passed the Agricultural Adjustment Act of 1938, which reestablished the earlier programs but

left out the processing taxes. Benefit payments would come from general federal funds. By the time the second AAA reached a test in the Supreme Court, changes in the Court's personnel had altered its outlook. This time the law was upheld as a legitimate exercise of federal power to regulate interstate commerce.

INDUSTRIAL RECOVERY The industrial counterpart to the AAA was the National Industrial Recovery Act (NIRA), the two major parts of which dealt with economic recovery and public-works projects. The latter part created the Public Works Administration (PWA), granting \$3.3 billion for government buildings, highway programs, flood control, and other improvements. Under the direction of Interior Secretary Harold L. Ickes, the PWA indirectly served the purpose of relief for the unemployed. Ickes focused it on well-planned permanent improvements, and he used private contractors rather than workers on the government payroll. PWA workers built Virginia's Skyline Drive, New York's Triborough Bridge, the Overseas Highway from Miami to Key West, and Chicago's subway system.

The more controversial and ambitious part of the NIRA created the National Recovery Administration (NRA), headed by Hugh S. Johnson, a colorful retired army general. Its purpose was twofold: (1) to stabilize business by reducing chaotic competition through the implementation of industry-wide codes that set wages and prices and (2) to generate more purchasing power for consumers by providing jobs, defining workplace standards, and raising wages. In each major industry, committees representing management, labor, and government drew up the fair practices codes. The labor standards featured in every code set a forty-hour workweek and minimum weekly wages of \$13 (\$12 in the South, where living costs were lower), which more than doubled earnings in some cases. Announcement of a proviso prohibiting the employment of children under the age of sixteen did "in a few minutes what neither law nor constitutional amendment had been able to do in forty years," Johnson said.

Labor unions, already hard-pressed by the economic downturn and a loss of members, were understandably concerned about the NRA's efforts to reduce competition by allowing competing businesses to cooperate in fixing wages and prices. To gain their support, the NRA included a provision that guaranteed the right of workers to organize unions. But while prohibiting employers from interfering with union-organizing efforts, the NRA did not create adequate enforcement measures, nor did it require employers to bargain in good faith with labor representatives.



“The Spirit of the New Deal”

In this cartoon, employer and employee agree to cooperate in the spirit of unity that inspired the National Recovery Administration.

For a time the NRA worked, perhaps because an air of confidence had overcome the depression blues, and the downward spiral of wages and prices had subsided. But as soon as economic recovery began, business owners expressed growing hostility toward the constraints of the NRA codes. Charges mounted that the larger companies dominated the code-making activities and that price-fixing robbed small producers of the chance to compete. In 1934 an investigating committee substantiated some of the charges. Moreover, allowing manufacturers to limit production had discouraged capital investment. And because the NRA wage codes excluded agricultural and domestic workers, three out of every four employed African Americans derived no direct benefit from the program. By 1935 the NRA had developed more critics than friends. When it effectively died, in May 1935, struck down by the Supreme Court as unconstitutional, few paused to mourn.

Yet the NRA experiment left an enduring mark. With dramatic suddenness the industrywide codes had set new workplace standards, such as the

forty-hour workweek and the abolition of child labor. The NRA's endorsement of collective bargaining spurred the growth of unions. Moreover, the codes advanced trends toward stabilization and rationalization that were becoming the standard practice of business at large and that, despite misgivings about the concentration of power, would be further promoted by trade associations. Yet as 1934 ended, economic recovery was nowhere in sight.

REGIONAL PLANNING The wide-ranging scope of the New Deal embraced several pathbreaking ideas. The creation of the Tennessee Valley Authority (TVA) was a truly bold venture designed to bring electrical power and jobs to one of the poorest regions in the nation. In May 1933, Congress created the TVA as a multipurpose public corporation. By 1936 it had six dams completed or under way and a master plan to build nine high dams on the Tennessee River, which would create the "Great Lakes of the South," and other dams on the tributaries. The agency, moreover, opened the rivers to boats and barges, fostered soil conservation and forestry, experimented with fertilizers, drew new industries to the region, encouraged the formation of labor unions, improved schools and libraries, and sent cheap electric power pulsating through the valley for the first time. But the construction of dams

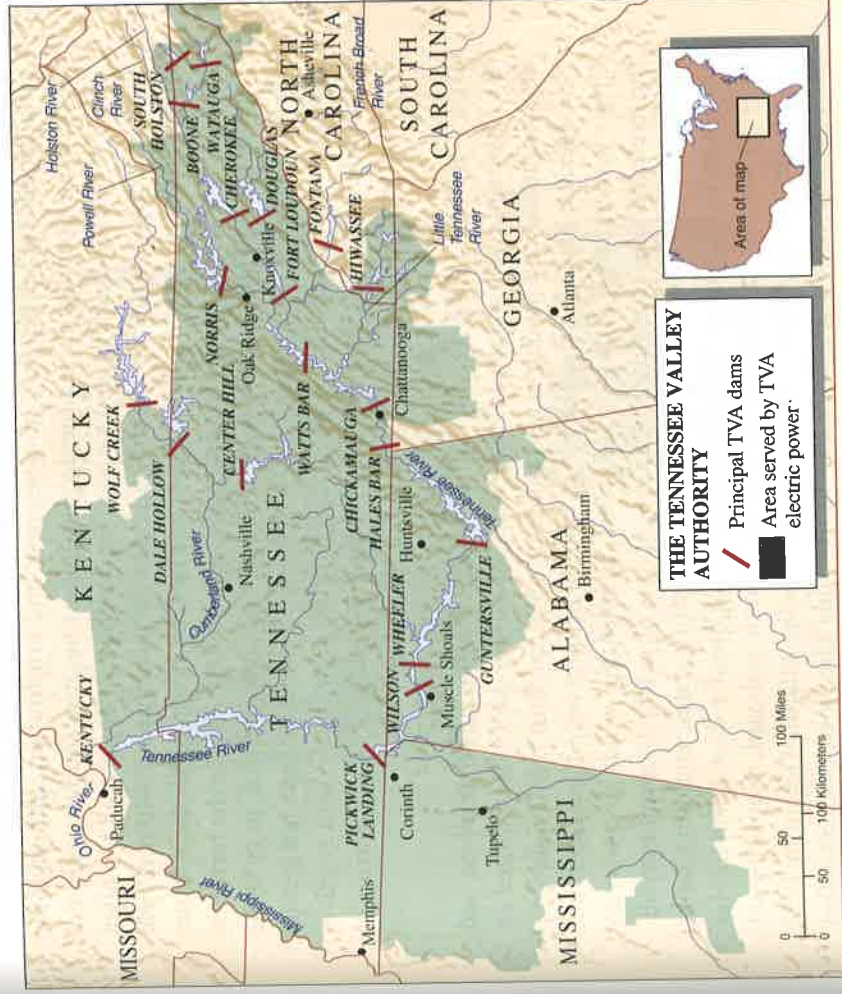
Norris Dam

The massive dam in Tennessee, completed in 1936, was essential to the TVA's effort to expand power production.



and the creation of huge power-generating lakes also meant the destruction of homes, farms, and communities. "I don't want to move," said an elderly East Tennessee woman. "I want to sit here and look out over these hills where I was born."

Inexpensive electricity became more and more the TVA's reason for being—a purpose that would become all the more important during World War II. The TVA's success at generating greater power consumption and lowering utility rates in distressed rural areas awakened private utilities to the mass consumer markets. Cheap power transported farmers of the valley from the age of kerosene to the age of electricity. The TVA's first rural cooperative, set up at Corinth, Mississippi, in 1934, pointed the way to the electrification of the nation's farms in the following decade.



What was the Tennessee Valley Authority? Why did Congress create it? How did it transform the Tennessee Valley?

form of entertainment during the 1930s—much more popular than they are today. The introduction of double features in 1931 and the construction of outdoor drive-in theaters in 1933 boosted interest and attendance. More than 60 percent of the population—70 million people—saw at least one movie each week.

The movies of the 1930s rarely dealt directly with hard times. Exceptions were the film version of *The Grapes of Wrath* (1940) and the classic documentaries of Pare Lorentz, *The Plow That Broke the Plains* (1936) and *The River* (1937). Much more popular were movies intended for pure entertainment; they transported viewers into the realm of adventure, spectacle, and fantasy. People relished shoot-'em-up gangster films, animated cartoons, spectacular musicals, "screwball" comedies, and horror films such as *Dracula* (1931), *Frankenstein* (1931), *The Mummy* (1932), and *Werewolf of London* (1935).

But the best way to escape the daily troubles of the Depression was to watch one of the zany comedies of the Marx Brothers, former vaudeville performers. As one Hollywood official explained, the movies of the 1930s

The Marx Brothers

In addition to their vaudeville antics, the Marx Brothers satirized social issues such as Prohibition.



were intended to "laugh the big bad wolf of the depression out of the public mind." *The Cocoanuts* (1929), *Animal Crackers* (1930), and *Monkey Business* (1931) introduced Americans to the anarchic antics of Chico, Groucho, Harpo, and Zeppo Marx, who combined slapstick humor with verbal wit to create plotless masterpieces of irreverent satire.

THE SECOND NEW DEAL

During Roosevelt's first year in office, his programs and his personal charms generated massive support. The president's travels and speeches, his twice-weekly press conferences, and his radio-broadcast fireside chats brought vitality and warmth in contrast to the aloof coldness of the Hoover White House. In the congressional elections of 1934, the Democrats increased their strength in both the House and the Senate, an almost unprecedented midterm victory for a party in power. Only seven Republican governors remained in office throughout the country.

ELEANOR ROOSEVELT One of the reasons for Roosevelt's unprecedented popularity was his wife, Eleanor, who had become an enormous political asset and would prove to be one of the most influential and revered leaders of the time. From an early



The First Lady

An intelligent, principled, and candid woman, Eleanor Roosevelt became a political figure in her own right. Here she is serving as guest host for a radio program, ca. 1935.

age, Eleanor Roosevelt had embraced social service and shown ardent concern for the rights of women and blacks. Her compassion resulted in part from the loneliness she had experienced as she was growing up and in part from the sense of betrayal she felt upon learning in 1918 that her husband was engaged in an extramarital affair with Lucy Mercer, her personal secretary. "The bottom dropped out of my own particular world," she recalled. In the face of personal setbacks, Eleanor Roosevelt "lived to be kind." Compassionate without being maudlin, more stoic

than sentimental, she exuded warmth and sincerity, and she challenged the complacency of the comfortable and the affluent. “No woman,” observed a friend, “has ever so comforted the distressed or so distressed the comfortable.” Eleanor Roosevelt redefined the role of the presidential spouse. She was the first woman to address a national political convention, to write a nationally syndicated column, and to hold regular press conferences. A tireless advocate and agitator, Eleanor crisscrossed the nation, representing the president and the New Deal, defying local segregation ordinances to meet with African American leaders, supporting women’s causes and organized labor, highlighting the plight of unemployed youth, and imploring people to live up to their egalitarian and humanitarian ideals.

Eleanor Roosevelt also became her husband’s most visible and effective liaison with many liberal groups, bringing labor leaders, women activists, and African American leaders to the White House after hours and serving to deflect criticism of the president by taking progressive stands and running political risks he himself dared not attempt. He was the politician, she once remarked, and she was the agitator.

CRITICISM Public criticism of the New Deal during Roosevelt’s first year in office was muted, but not for long. The Depression’s downward slide had been halted, but unemployment remained high (10 million were still out of work in 1935, more than 20 percent of the workforce), and prosperity remained elusive. “We have been patient and long suffering,” said a farm leader in October 1933. “We were promised a New Deal. . . . Instead we have the same old stacked deck.” Even more unsettling to some was the dramatic growth of executive power and the emergence of welfare capitalism, whereby workers developed a sense of entitlement to federal support programs. In 1934 a group of conservative businessmen and politicians, including Alfred E. Smith and John W. Davis, two former Democratic presidential candidates, formed the American Liberty League to oppose New Deal measures as violations of personal and property rights.

More potent threats to Roosevelt came from the hucksters of social panaceas. The most flamboyant of the group was Louisiana’s “Kingfish,” Senator Huey P. Long. A short, strutting man, Long sported pink suits and pastel shirts, red ties, and two-toned shoes. He was a brilliant but unscrupulous reformer driven by a compulsive urge for power and attention. First as Louisiana’s governor, then as political boss of the state, Long had delivered tax favors, roads, schools, free textbooks, charity hospitals, and better public services. That he had become a sort of state dictator in the process, using bribery,

physical intimidation, and blackmail to achieve his ends, seemed irrelevant to many of his supporters.

In 1933, Long arrived in Washington as a Democratic senator. He initially supported Roosevelt and the New Deal but quickly grew suspicious of the NRA’s collusion with big business. He had also grown jealous of Roosevelt’s mushrooming popularity, having developed his own presidential aspirations. Promoting himself as a radical egalitarian, a true if self-indulgent friend of the people, Long devised his own plan for dealing with the Great Depression.

Long’s Share-the-Wealth program proposed to confiscate large personal fortunes so as to guarantee every poor family a cash grant of \$5,000 and every worker an annual income of \$2,500, provide pensions to the aged, reduce working hours, pay veterans’ bonuses, and ensure a college education for every qualified student. It did not matter to him that his projected budgets failed to add up or that his program offered little to promote an economic recovery. As he told a group of distressed Iowa farmers, “Maybe somebody says I don’t understand it. Well, you don’t have to. Just shut your damn eyes and believe it. That’s all.” Whether he had a workable plan or not, by early 1935 the charismatic Long was claiming 7.5 million supporters.

Another popular social scheme was hatched by a gray-haired California doctor, Francis E. Townsend. Outraged by the sight of three elderly women raking through garbage cans for scraps of food, Townsend called for government pensions for the aged. In 1934 he began promoting the Townsend Recovery Plan, which would pay \$200 a month to every citizen over sixty who retired from employment and promised to spend the money within each month. The plan had the lure of providing financial security for the aged and stimulating economic growth. Critics noted that the cost of his program, which would serve 9 percent of the population, would be more than half the national income. Yet Townsend, like Long, was indifferent to details and balanced budgets. “I’m not in the least interested in the cost of the plan,” he blandly told a House committee.



“The Kingfish”

Huey Long, governor of Louisiana. Although he often led people to believe he was a country bumpkin, Long was a shrewd lawyer and consummate politician.



Promoters of welfare capitalism

Dr. Francis E. Townsend, Rev. Gerald L. K. Smith, and Rev. Charles E. Coughlin (left to right) attended the Townsend Recovery Plan convention in Cleveland, Ohio.

A third huckster of panaceas, Father Charles E. Coughlin, the Roman Catholic “radio priest,” founded the National Union for Social Justice in 1935. In broadcasts over the CBS radio network, he promoted schemes for the coinage of more silver to increase the money supply and made attacks on bankers that increasingly hinted at anti-Semitism.

Coughlin, Townsend, and Long drew support largely from desperate lower-middle-class Americans. Of the three, Long had the widest following. A 1935 survey showed that he could draw over 5 million votes as a third-party candidate for president in 1936, perhaps enough to undermine Roosevelt’s chances of reelection. Beseated by pressures from both ends of the political spectrum, Roosevelt hesitated for months before deciding to “steal the thunder” from the left by instituting an array of new programs. “I’m fighting Communism, Huey Longism, Coughlinism, Townsendism,” Roosevelt told a reporter in early 1935. He needed “to save our system, the capitalist system,” from such “crackpot ideas.” Political pressures impelled Roosevelt to move to the left,

but so did the growing influence within the administration of jurists Louis Brandeis and Felix Frankfurter. These powerful advisers urged Roosevelt to be less cozy with big business and to push for restored competition in the marketplace and heavy taxes on large corporations.

OPPOSITION FROM THE COURT A series of Supreme Court decisions finally galvanized the president to act. On May 27, 1935, the Court killed the National Industrial Recovery Act by a unanimous vote. The defendants in *Schechter Poultry Corporation v. United States*, quickly tagged the “sick-chicken” case, had been convicted of selling an “unfit chicken” and violating other NRA code provisions. The high court ruled that Congress had delegated too much power to the executive branch when it granted the code-making authority to the NRA. In addition, Congress had exceeded its power under the commerce clause by regulating intrastate commerce. The poultry in question, the Court decided, had “come to permanent rest within the state,” although earlier it had been moved across state lines. In a press conference soon afterward, Roosevelt fumed: “We have been relegated to the horse-and-buggy definition of interstate commerce.” The same line of conservative judicial reasoning, he warned, might endanger other New Deal programs—if he did not act swiftly.

LEGISLATIVE ACHIEVEMENTS OF THE SECOND NEW DEAL To rescue his legislative program from such judicial and political challenges, Roosevelt in 1935 launched the second phase of the New Deal. He demanded several pieces of “must” legislation, most of which Congress passed within a few months. The National Labor Relations Act, often called the Wagner Act for its sponsor, New York senator Robert Wagner, gave workers the right to bargain through unions of their own choice and prohibited employers from interfering with union activities. The Wagner Act also created a National Labor Relations Board of five members to supervise plant elections and certify unions as bargaining agents where a majority of the workers approved. The board could also investigate the actions of employers and issue “cease-and-desist” orders against specified unfair practices.

The Social Security Act of 1935, Roosevelt announced, was the New Deal’s “cornerstone” and “supreme achievement.” Indeed, it has proved to be the most significant and far-reaching of all the New Deal initiatives. The basic concept was by no means new. Progressives during the early 1900s had proposed a federal system of social security for the aged, indigent, disabled, and unemployed. Other nations had already enacted such programs, but the United States



remained steadfast in its tradition of individual self-reliance. The hardships caused by the Great Depression revived the idea of a social security program, however, and Roosevelt masterfully guided the legislation through Congress.

The Social Security Act included three major provisions. Its centerpiece was a pension fund for retired people over the age of sixty-five and their survivors. Beginning in 1937, workers and employers contributed payroll taxes to establish the fund. Benefit payments started in 1940 and averaged \$22 per month, a modest sum even for those depressed times. Roosevelt stressed that the pension program was not intended to guarantee a comfortable retirement; it was designed to supplement other sources of income and protect the elderly from some of the “hazards and vicissitudes of life.” Only later did voters and politicians come to view Social Security as the *primary* source of retirement income for most of the aged.

The Social Security Act also set up a shared federal-state unemployment-insurance program, financed by a payroll tax on employers. In addition, the new legislation committed the national government to a broad range of social-welfare activities based upon the assumption that “unemployables”—people who were unable to work—would remain a state responsibility while the national government would provide work relief for the able-bodied. To that end the law inaugurated federal grants-in-aid for three state-administered public-assistance programs—old-age assistance, aid to dependent children, and aid for the blind—and further aid for maternal, child-welfare, and public health services.

When compared with similar programs in Europe, the new Social Security system was quite conservative. It was the only government pension

program in the world financed by taxes on the earnings of workers: most other countries funded such programs out of general revenues. The Social Security payroll tax was also a regressive tax: it entailed a single fixed rate for all, regardless of income level. It thus pinched the poor more than the rich, and it also impeded Roosevelt’s efforts to revive the economy because it removed from circulation a significant amount of money: the new Social Security tax took money out of workers’ pockets and placed it into a retirement trust fund, exacerbating the shrinking money supply that was one of the main causes of the Depression. By taking discretionary income away from workers, the government blunted the sharp increase in consumer spending needed to restore the health of the economy. In addition, the Social Security system initially excluded 9.5 million workers who most needed the new program: farm laborers, domestic workers, and the self-employed, a disproportionate percentage of whom were African Americans.

Roosevelt regretted the limitations of the Social Security Act, but he knew that they were necessary compromises in order to see the legislation through Congress and enable it to withstand court challenges. As he replied to an aide who criticized funding the pension program out of employee contributions:

I guess you’re right on the economics, but those taxes were never a problem of economics. They are politics all the way through. We put those payroll contributions there so as to give the contributors a moral, legal, and political right to collect their pensions and their unemployment benefits. With those taxes in there, no damn politician can ever scrap my Social Security program.

Another major bill making up the second phase of the New Deal was the Revenue Act of 1935, sometimes called the Wealth-Tax Act but popularly known as the soak-the-rich tax. The Revenue Act raised tax rates on annual income above \$50,000. Estate and gift taxes also rose, as did the corporate tax on all but small corporations (those with an annual income below \$50,000).

Business leaders fumed over Roosevelt’s tax and spending policies. They railed against the New Deal and Roosevelt, whom they called a traitor to his own class. By “soaking” the rich, Roosevelt stole much of the thunder from the political left, although the results of his tax policy fell short of the promise. The new soak-the-rich tax failed to increase federal revenue significantly, nor did it result in a significant redistribution of income. Still, the prevailing view among conservatives was that Roosevelt had moved in a dangerously radical direction. The newspaper editor William Randolph Hearst growled that the wealth tax was “essentially communism. This bastard proposal should

be ascribed to a composite personality which might be labeled Stalin Delano Roosevelt." Roosevelt countered by stressing his own basic conservatism and asserted that he had no love for socialism: "I am fighting communism. . . . I want to save our system, the capitalistic system." Yet he added that to save it from revolutionary turmoil required a more equal "distribution of wealth."

ROOSEVELT'S SECOND TERM

THE ELECTION OF 1936 On June 27, 1936, Roosevelt accepted the Democratic party's nomination for a second term. He promised a government motivated by "a spirit of charity" rather than a government "frozen in the ice of its own indifference." The popularity of Roosevelt and the New Deal impelled the Republican Convention in 1936 to avoid candidates too closely identified with the "hate-Roosevelt" contingent. The party chose

Campaigning for a second term

Roosevelt campaigning with labor leader John L. Lewis (to the right of Roosevelt) and Marvin McIntyre (far right) in Wilkes-Barre, Pennsylvania.



Governor Alfred M. Landon of Kansas, a former progressive Republican who had endorsed many New Deal programs. He was probably more liberal than most of his backers and clearly more so than the party's platform, which lambasted the New Deal for overextending federal power.

The Republicans hoped that the followers of Long, Coughlin, Townsend, and other dissidents would combine to draw enough Democratic votes away from Roosevelt to throw the election to them. But that possibility faded when an assassin, the son-in-law of a Louisiana judge whom Long had sought to remove, shot and killed the Kingfish in 1935. In the 1936 election, Coughlin, Townsend, and a remnant of the Long movement supported Representative William Lemke of North Dakota on a Union party ticket, but it was a forlorn effort, polling only 882,000 votes.

In 1936, Roosevelt forged a new electoral coalition that would affect national politics for years to come. While holding the support of most traditional Democrats, North and South, the president made strong gains in the West among beneficiaries of New Deal agricultural programs. In the northern cities he held on to the ethnic groups helped by New Deal welfare measures. Many middle-class voters whose property had been saved by New Deal measures flocked to support Roosevelt, as did intellectuals stirred by the ferment of new ideas coming from the government. The revived labor union movement threw its support to Roosevelt. And in the most profound new departure of all, African American voters for the first time cast the majority of their ballots for a Democratic president. "My friends, go home and turn Lincoln's picture to the wall," a Pittsburgh journalist told black Republicans. "That debt has been paid in full." The final tally in the 1936 election revealed that 81 percent of those with an income under \$1,000 a year opted for Roosevelt, as did 79 percent of those earning between \$1,000 and \$2,000. By contrast, only 46 percent of those earning over \$5,000 voted for Roosevelt. He later claimed that never before had business leaders been "so united against one candidate." They were "unanimous in their hate for me—and I welcome their hatred." In the 1936 election, Roosevelt wound up carrying every state except Maine and Vermont, with a popular vote of 27.7 million to Landon's 16.7 million. Democrats would also dominate Republicans in the new Congress, by 77 to 19 in the Senate and 328 to 107 in the House.

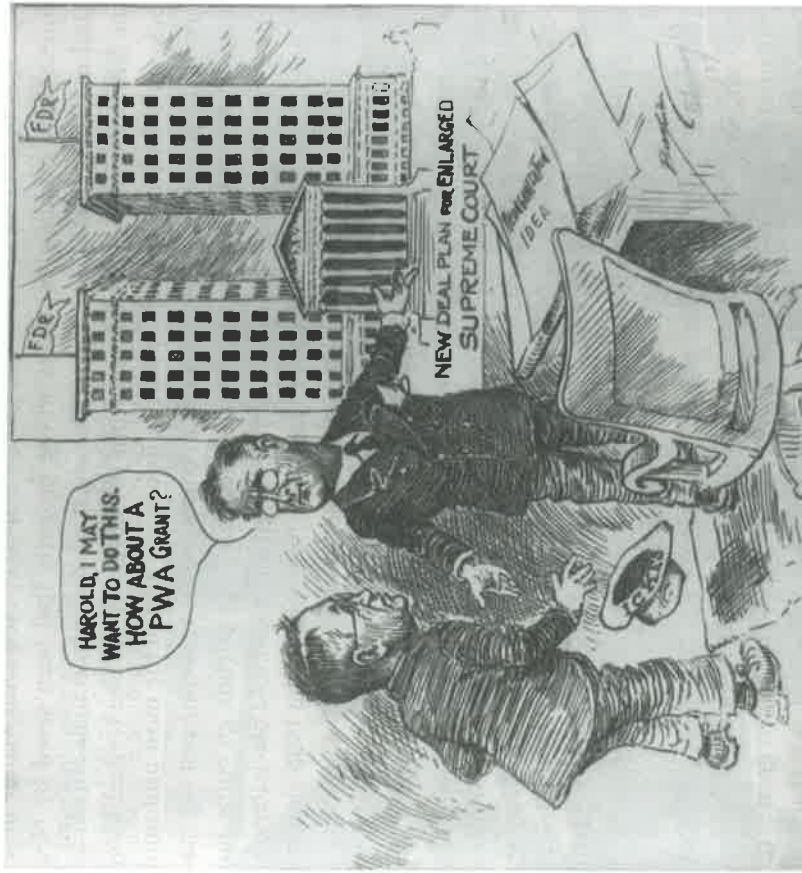
THE COURT-PACKING PLAN Soon after his landslide reelection, however, Roosevelt found himself deluged in a sea of troubles. His second inaugural address, delivered on January 20, 1937, promised even greater reforms. The challenge to American democracy, he maintained, was that millions of citizens "at this very moment are denied the greater part of what the

very lowest standards of today call the necessities of life. . . . I see one-third of a nation ill-housed, ill-clad, ill-nourished." Roosevelt argued that the election of 1936 had been a mandate for even more extensive government action. The overwhelming Democratic majorities in Congress ensured the passage of new legislation to buttress the Second New Deal. But one major roadblock stood in the way: the conservative Supreme Court.

By the end of its 1936 term, the Court had ruled against New Deal programs in seven of the nine major cases it reviewed. Suits against the Social Security and Wagner Acts were pending. Given the tenor of the Court, the Second New Deal seemed in danger of being nullified, just as much of the original New Deal had been.

Court packing

An editorial cartoon commenting on Roosevelt's grandiose plan to enlarge the Supreme Court. He is speaking to Harold Ickes, director of the Public Works Administration (PWA).



For that reason, Roosevelt devised an ill-conceived plan to change the Court's conservative stance by enlarging it, a move for which there was ample precedent and power. Congress, not the Constitution, determines the size of the Supreme Court, which at different times has numbered six, seven, eight, nine, and ten justices and in 1937 numbered nine. On February 5, 1937, Roosevelt sent his plan to Congress, without having consulted congressional leaders. He wanted to create up to fifty new federal judges, including six new Supreme Court justices, and diminish the power of the judges who had served ten or more years or had reached the age of seventy.

But the "Court-packing" maneuver, as opponents quickly tagged the president's scheme, backfired. It was a shade too contrived, much too brazen, and far too political. The normally pro-New Deal *New York World-Telegram* dismissed it as "too clever, too damned clever." By implying that some judges were impaired by senility, Roosevelt affronted the elder statesmen of Congress and the Court, especially Justice Louis D. Brandeis, who was both the oldest and the most liberal of the Supreme Court judges. Roosevelt's Court-packing plan also ran headlong into a deep-rooted public veneration of the courts and aroused fears that a future president might use the precedent for quite different purposes.

As it turned out, unforeseen events blunted Roosevelt's drive to change the Court. A sequence of Court decisions during the spring of 1937 reversed previous judgments in order to uphold the Wagner and Social Security Acts. In addition, a conservative justice resigned, and Roosevelt named to the vacancy one of the most consistent New Dealers, Senator Hugo Black of Alabama.

Roosevelt later claimed he had lost the battle but won the war. The Court had reversed itself on important New Deal legislation, and the president was able to appoint justices in harmony with the New Deal. But the episode fractured the Democratic party and blighted Roosevelt's prestige. For the first time, Democrats in large numbers, especially southerners, opposed the president, and the Republican opposition found a powerful new issue to use against the administration. During the first eight months of 1937, the momentum of Roosevelt's 1936 landslide victory evaporated. As Secretary of Agriculture Henry Wallace later remarked, "The whole New Deal really went up in smoke as a result of the Supreme Court fight."

A NEW DIRECTION FOR UNIONS Rebellions erupted on other fronts even while the Court-packing bill pended. Under the impetus of the New Deal, the dormant labor union movement stirred anew. When the National Industrial Recovery Act demanded that every industry code affirm the

workers' right to organize a union, alert unionists quickly translated it to mean "the president wants you to join the union."

John L. Lewis, head of the United Mine Workers (UMW), was among the first to exploit the pro-union spirit of the NIRA. He rebuilt the UMW from 150,000 members to 500,000 within a year. Spurred by Lewis's success, Sidney Hillman of the Amalgamated Clothing Workers and David Dubinsky of the International Ladies Garment Workers organized workers in the clothing industry. As leaders of industrial unions (composed of all types of workers in a particular industry), which were in the minority by far, they found the smaller, more restrictive craft unions (composed of skilled male workers only, with each union serving just one trade) to be obstacles to organizing the country's basic industries.

In 1935, with the passage of the Wagner Act, the industrial unionists formed a Committee for Industrial Organization (CIO), and craft unionists began to fear submergence by the mass unions. Jurisdictional disputes divided them, and in 1936 the AFL expelled the CIO unions, which then formed a permanent structure, called after 1938 the Congress of Industrial Organizations (also known by the initials CIO). The rivalry spurred both groups to greater efforts.

Organized labor

CIO picketers jeer as nonstriking workers enter a mill, 1941.



The CIO's major organizing drives in the automobile and steel industries began in 1936, but until the Supreme Court upheld the Wagner Act in 1937, companies failed to cooperate with its pro-unionist provisions. Employers used blacklisting, private detectives, labor spies, vigilante groups, and other forms of intimidation to fight the infant unions. Early in 1937 automobile workers spontaneously adopted a new technique, the "sit-down strike," in which workers refused to leave a workplace until employers had granted collective-bargaining rights to their union.

Led by the fiery young autoworker and union organizer Walter Reuther, thousands of employees at the General Motors assembly plants in Flint, Michigan, occupied the factories and stopped all production. Female workers supported their male counterparts by picketing at the plant entrances. The wives, daughters, and mothers of the strikers formed a Women's Auxiliary to feed the "sit-down" strikers who slept at the plants. Yet management refused to recognize the union efforts. Company officials called in police to harass the strikers, sent spies to union meetings, and threatened to fire the workers. They also pleaded with President Roosevelt to dispatch federal troops. He refused, while expressing his displeasure with the sit-down strike. The standoff lasted over a month. Then, on February 11, 1937, the company relented and signed a contract recognizing the United Automobile Workers as a legitimate union. Other automobile manufacturers soon followed suit. And the following month, U.S. Steel capitulated to the Steel Workers Organizing Committee (later the United Steelworkers of America), granting the union recognition and its members a 10 percent wage hike and a forty-hour workweek.

The Wagner Act put the power of the federal government behind the principle of unionization. Roosevelt himself, however, had come late to the support of unions and sometimes took exception to their behavior. In the fall of 1937, he became so irritated with the warfare between the mercurial John L. Lewis and the Republic Steel Corporation that he pronounced "a plague on both your houses." The pompous Lewis, who for a year had been trying to organize a union for steelworkers, responded, "It ill behooves one who has supped at labor's table and who has been sheltered in labor's house to curse with equal fervor and fine impartiality both labor and its adversaries when they become locked in a deadly embrace." In 1940 an angry Lewis would back the Republican presidential candidate, but he could not carry the labor vote with him. As more wage workers became organized, they more closely identified with the Democratic party. By August 1937 the CIO claimed over 3.4 million members, more than the AFL. The unions made a difference in the lives of workers and in the political scene. Through their efforts, wages rose and

working conditions improved, and Roosevelt and the Democratic party were the beneficiaries of the labor movement. Workers became active voters and reliable Democrats. But unions made little headway in the South, where conservative Democrats and mill owners stubbornly opposed efforts to organize workers.

A SLUMPING ECONOMY During the years 1935 and 1936 the economy finally showed signs of revival. By the spring of 1937, output had moved above the 1929 level. The prosperity of early 1937 was achieved largely through federal spending. But in 1937, Roosevelt, worried about federal deficits and rising inflation, ordered sharp cuts in government spending. At the same time the Treasury began to diminish disposable income by collecting \$2 billion in Social Security payroll taxes. Private spending could not fill the gap left by reductions in government spending, and business leaders still lacked the faith to risk large investments. The result was that the economy suddenly stalled and then slid into a business slump deeper than that of 1929. The Dow Jones stock average fell some 40 percent between August and October of 1937. By the end of the year, 4 million more people had been thrown out of work.

The 1937 recession ignited a fierce debate among Roosevelt's advisers. One group, led by Treasury Secretary Henry Morgenthau Jr., favored less spending and a balanced budget. The slow pace of recovery, Morgenthau thought, resulted from the reluctance of business to invest in new plants and equipment, which resulted in turn from a fear that federal spending would bring inflation and heavy taxes. The other group, which included Harry Hopkins and Harold Ickes, argued for renewed government spending. The recession, they noted, had coincided with cutbacks in federal spending. Their view echoed that of the prominent English economist John Maynard Keynes, who had explored the idea in his book *The General Theory of Employment, Interest, and Money* (1935). Keynesian economics offered a convenient theoretical justification for what New Dealers had already done in pragmatic response to existing conditions.

ECONOMIC POLICY AND LATER REFORMS Roosevelt waited as the rival theorists sought his approval. When the spring of 1938 failed to bring economic recovery, he asked Congress to adopt a new large-scale federal spending program, and Congress voted almost \$3.3 billion in new expenditures. In a short time the increase in spending reversed the economy's decline, but the recession and Roosevelt's reluctance to adopt the truly massive,

sustained government spending called for in Keynesian theory forestalled the achievement of full recovery. Only during World War II would employment reach pre-1929 levels.

The Court-packing fight, the sit-down strikes, and the 1937 recession all undercut Roosevelt's prestige and power. When the 1937 congressional session ended, the only major new bills were the Wagner-Steagall National Housing Act and the Bankhead-Jones Farm Tenant Act. In 1938 the Democratic Congress enacted three more major reforms, the last of the New Deal era: the second Agricultural Adjustment Act; the Food, Drug and Cosmetic Act; and the Fair Labor Standards Act.

The Housing Act set up the U.S. Housing Authority in the Department of the Interior, which extended long-term loans to local agencies willing to assume part of the cost of slum clearance and public housing in blighted city neighborhoods. The agency also subsidized rents for poor people. Later, during World War II, it financed housing for workers in new defense plants.

The Farm Tenant Act addressed the epidemic of rural poverty. In some ways the New Deal's larger farm program, the AAA, had aggravated agrarian distress; although tenants were supposed to be kept on farms in spite of government-sponsored cutbacks in production, landlords often evicted workers and pocketed their share of the benefit payments. The Farm Tenant Act was administered by a new agency, the Farm Security Administration (FSA).

The program provided rehabilitation loans to shore up marginally profitable farmers and prevent them from sinking into tenancy. It also made loans to tenants for the purchase of their own farms. In the end, however, the FSA proved to be little more than another relief operation that tided a few farmers over during difficult times. Sadly, a more effective answer to the problem awaited national mobilization for war, which landed many struggling tenant farmers in military service or the defense industry, broadened their horizons, and taught them new skills.

The Agricultural Adjustment Act of 1938 addressed problems created by



“A Prop against Human Erosion”

Editorial cartoonist Daniel Fitzpatrick comments on the passing of the Minimum Wage and Hour Law.

the renewed crop surpluses and price declines of the recession. It reenacted the basic devices of the earlier AAA, encouraging farmers to reduce production. The new Food, Drug, and Cosmetic Act broadened the coverage of the 1906 Pure Food and Drug Act and forbade the use of false or misleading advertising. Enforcement of the advertising provision became the responsibility of the Federal Trade Commission. The Fair Labor Standards Act applied only to enterprises engaged in *interstate* commerce. It set a minimum wage of 40¢ an hour and a maximum workweek of forty hours, to be put into effect over several years. The act also prohibited the employment of children under the age of sixteen.

THE LEGACY OF THE NEW DEAL

SETBACKS FOR THE PRESIDENT During the late 1930s the Democratic party fragmented. The conservative southern wing felt threatened when in 1936 the Democratic Convention eliminated the two-thirds rule for nominations, thereby removing the South's veto power, and seated African American delegates. Many southern Democrats balked at the national party's growing dependence on organized labor and northern blacks. Ellison "Cotton Ed" Smith of South Carolina and several other southern delegates walked out of the 1936 convention, with Smith declaring that he would not support any party that views "the Negro as a political and social equal." Other critics believed that Roosevelt was exercising too much power and spending too much money. Some disgruntled southern Democrats drifted toward a coalition with conservative Republicans. By the end of 1937, a bipartisan conservative bloc had coalesced against the New Deal.

In 1938 the conservative opposition stymied an attempt by Roosevelt to reorganize the executive branch, claiming that it would lead to dictatorship. Members of the opposition also secured drastic cuts in the undistributed-profits and capital-gains taxes to help restore business "confidence." That year the House of Representatives set up a Committee on Un-American Activities, chaired by Martin Dies of Texas, who took to the warpath against Communists. Soon he began to brand New Dealers as Communists. "Stalin baited his hook with a 'progressive' worm," Dies wrote in 1940, "and New Deal suckers swallowed the bait, hook, line, and sinker."

As the political season of 1938 advanced, Roosevelt unfolded a new idea as momentous as the Court-packing plan: a proposal to reshape the Democratic party in the image of the New Deal. He announced his plan to intervene in state Democratic primaries as the party leader, "charged with the responsibility of

carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic platform." He wanted his own supporters nominated in the state primaries. The effort backfired, however, and broke the spell of Roosevelt's invincibility, or what was left of it. As in the Court-packing fight, the president had risked his prestige while handing his adversaries a combustible issue to use against him. His opponents tagged his intervention in the primaries an attempt to "purge" the Democratic party of its southern conservatives; the word evoked visions of Adolf Hitler and Joseph Stalin, tyrants who had purged their Nazi and Communist parties with blood.

The elections of November 1938 handed the administration another setback, partly a result of the friction among the Democrats. Roosevelt had failed in his efforts to liberalize the party by ousting southern conservatives. The Democratic dominance in the House fell from 229 to 93, in the Senate from 56 to 42. The margins remained large, but the president now headed a divided party. In his State of the Union message in 1939, Roosevelt for the first time proposed no new reforms but spoke of the need "to invigorate the process of [economic] recovery, in order to *preserve* our reforms." In the same year the administration won an expansion of Social Security and finally put through a plan to streamline the federal bureaucracy. Under the Administrative Reorganization Act the president could "reduce, coordinate, consolidate, and reorganize" government agencies. Thereafter, however, Roosevelt lost widespread congressional and popular support. The conservative coalition of Republicans and southern Democrats had stalemated the Roosevelt juggernaut. As one observer noted, the New Deal "has been reduced to a movement with no program, with no effective political organization, with no vast popular party strength behind it."

A HALFWAY REVOLUTION The New Deal had petered out as war was erupting in Europe and Asia, but it had wrought several enduring changes. By the end of the 1930s, the power of the national government was vastly larger than it had been in 1932, and hope had been restored to people who had grown disconsolate. But the New Deal entailed more than just bigger government and revived public confidence. It also constituted a significant change from the older liberalism embodied in the progressivism of Theodore Roosevelt and Woodrow Wilson. Those reformers, despite their sharp differences, had assumed that the function of progressive government was to use aggressive regulation of industry and business to ensure that the people had an equal opportunity to pursue their notions of happiness.

Franklin Roosevelt and the New Dealers went beyond this concept of regulated capitalism by insisting that the government not simply *respond* to

paradoxically, both profoundly revolutionary and profoundly conservative. Roosevelt sharply increased the regulatory functions of the federal government and laid the foundation for what would become an expanding welfare system. Despite what his critics charged, however, his initiatives fell far short of socialism; they left the basic capitalist structure in place. In the process of such bold experimentation and dynamic preservation, the New Deal represented a “halfway revolution” that permanently altered the nation’s social and political landscape.

social crises but also take positive steps to *avoid* them. To this end the New Deal’s various benefit programs sought to ensure a minimum level of well-being for all Americans. The New Deal had established minimum qualitative standards for labor conditions and public welfare and helped middle-class Americans hold on to their savings, their homes, and their farms. The protection afforded by bank-deposit insurance, unemployment pay, and Social Security pensions would come to be universally accepted as a safeguard against future depressions.

In implementing his domestic program, Roosevelt steered a zigzag course between the extremes of laissez-faire capitalism and socialism. The first New Deal experimented for a time with a managed economy under the NRA but abandoned that experiment for a turn toward enforcing competition and increasing government spending. This tactic finally produced full employment during World War II.

Roosevelt himself, impatient with political theory, was flexible in developing policy: he kept what worked and discarded what did not. The result was,

Meeting of the anti-New Dealers

Senator Ellison D. “Cotton Ed” Smith of South Carolina cringes at the thought of a fourth term for Roosevelt, while meeting with fellow anti-New Dealers at the Mayflower Hotel in Washington.

