

# **Individualism and Collectivism**

**U.S History ACP  
Social Studies Dept.  
Academic Year 2013-2014**

## **Thematic Unit III Outline: Individualism and Collectivism**

### **Unit Abstract:**

This unit examines the shift in the U.S. from a structure of loosely connected individuals to a society with greater interdependence. These connections provided mutual benefits to individuals, groups or the nation but at the expense of rights and power. This shift stemmed in large part from the growth of a laissez faire government to a government that created a highly interconnected economic system by establishing involuntary relationships between government, business, labor and people, thus giving this unit an economic focus. Oftentimes, these changes resulted from crises in the nation and permanently centralized the role of the government in people's lives.

### **Essential Question:**

- Have collective actions better ensured American ideologies (American dream, liberty, freedom, individualism, equality) over time?
- Has increased economic interdependence provided Americans with greater opportunity or freedom?
- Are collective actions designed to help people achieved at too great a cost? (e.g what is lost? Is that loss worth something greater?)

### **Unit Questions:**

1. At which moments did the government most significantly expand its role from the principles outlined in the Constitution?
2. How did the U.S. move from individualism to collectivism over time through reform and legislation? What role did government play in bringing about this shift?
3. How has the government addressed class inequality through legislation?
4. How have the definitions of individualism and collectivism evolved?
5. How have individualism and collectivism co-existed both throughout history and in contemporary American society?

# HISTORY NOW

## **Born Modern: An Overview of the West**

by Richard White

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The present American West is a creation of history rather than geography. There has never been a single West; American Wests come and go. At various times places now considered as thoroughly eastern as western Pennsylvania, western New York, or West Virginia have been the West, and over the course of the nineteenth century the term itself proceeded steadily westward. The arguments for defining the modern West as that section of the United States west of the Missouri River or, more narrowly, west of the ninety-eighth meridian, are historical, as are the arguments for pronouncing this region different from the Wests that preceded it. The modern American West is not the product of the arrival at the Pacific of a steadily moving frontier but is instead the result of transformative events and new processes.

To a remarkable degree, the modern West is the product of two wars – the Civil War, which brought it into being, and World War II, which utterly transformed it. Any broad overview of the history of the American West, such as this one, must recognize the lasting consequences of these events for the West.

Before it became the American West, the region west of the Missouri had for centuries been Indian country and a contested and uncontrolled borderland between empires. Between 1865 and 1869, it underwent a gestation, and a large chunk of it was reborn as a child of the Civil War. By the time this West reached adulthood, it would be fully under American control. Its identity was more than the result of conquest. Americans had been conquering land and dispossessing its prior inhabitants long before they reached the West, but both the pace and processes of conquest – military, political, economic and technological – changed in important ways following the Civil War. As a result, the West evolved differently from lands east of the Missouri River.

Before the Civil War there had been two parallel expansions – a northern expansion based on free labor and a southern expansion based on slave labor. Terms like Manifest Destiny disguise the deep tensions and divisions over westward expansion that surfaced again and again in the controversies over the admission of Missouri as a state, the annexation of Texas, and the organization of Kansas as a territory. The Civil War replaced this dual expansion with a unitary expansion. There would be no equivalent of the Mason-Dixon line or the Ohio River in the West. The West is one of the many places that the South lost and lost badly.

There was a second political consequence of the Civil War in the West, and that was the expansion of federal power. Before the Civil War, the federal government was quite weak. The Civil War created, in Richard Bense's nice phrase, a "Yankee Leviathan" – a powerful federal government. And although the power of this state diminished unevenly following the war, it remained strongest in the South during Reconstruction – and afterwards was strongest in the West. During the late nineteenth century, the West was the kindergarten of the American state, a place where federal government nurtured its power and produced its bureaucracies. After Reconstruction, most of the

American army was stationed in the West. The federal government controlled most of the West's lands and an important, if not particularly efficient, bureaucracy disposed of them. With their lives touched by institutions like the agency that became the Bureau of Indian Affairs, the U.S. Geological Survey, and — late in the century — the emerging Forest Service, Westerners, more than inhabitants of any other section, depended on the presence of the federal government.

Federal power, in turn, was linked to a distinctive pattern of development. The backcountry or frontier of the early nineteenth century initially had weak and uneven connections with national or international markets. Market connections depended on rivers and eventually canals. Areas newly settled by non-Indians thus were unevenly integrated into regional or national economies, and politics often reflected these connections — or the lack of them.

In the West, settlement tended to follow, rather than precede, connections to national and international markets. This was true in California with the Gold Rush and mineral rushes elsewhere, but it was most true after the Civil War when the railroads funded and subsidized by federal, state, and eventually local governments penetrated the region. "Population," in Richard Overton's words, "followed the rails." Except for Mormons, Anglo-American settlement of the West really had no pre-market or even weak market phase. There was subsistence agriculture in the West, but it was largely Indian and Mexican American. The great flood of migration brought commercial farmers who came in on railroads and depended upon them to get their crops to market. This was settlement by a mature commercial and increasingly industrial society, and from the beginning of the period, the West was a place of large and powerful corporations. There was no equivalent to these conditions in the settlement that took place further east.

The combination of a strong federal government and an industrial and commercial society had, in turn, further consequences. The first was that after the Civil War, Indian peoples were badly outmatched. They faced a modern army, shaped by the Civil War, able to move quickly due to the new railroad network, and equipped with ever more powerful weapons. "Experience proves," Grenville Dodge, a leading figure in the Union Pacific and Texas Pacific railroads, wrote, "the Railroad line through Indian Territory a Fortress as well as a highway." Or as Charles Francis Adams, president of the Union Pacific, put it, "The Pacific railroads have settled the Indian question."

Until the War of 1812, Indian peoples east of the Mississippi had been formidable opponents of American expansion. They were not only skilled fighters, but could call on European imperial allies. But Indians were warriors, not professional soldiers. They had to feed their families and could not remain in the field all year. The professional soldiers they faced suffered from neither of these liabilities. The soldiers might lose battles, but they did not lose wars. American advantages in numbers, equipment, and logistics were too formidable. Americans' tactics were too ruthless. The pressures they put on Indians were relentless.

The results of the forces unleashed by the Civil War and the growth of a modern industrial society were, in hindsight, astonishing. New York is roughly 1,150 miles from Omaha, Nebraska, which is on the Missouri River and was the jumping-off place for the Union Pacific Railroad. Omaha, in turn, was roughly 1,421 miles from San Francisco, which was the terminus of the Central Pacific Railroad, the second half of



the first transcontinental railroad. It had taken non-Indians roughly three and a half centuries to take control of the land east of the Missouri; it took less than thirty years to secure control of the remaining fifty-five percent of the continent. The United States, had, of course, claimed virtually this entire region since the Mexican War, but most of it had remained Indian Country beyond practical control by the United States and only marginally connected with national or international markets. This was not true by the turn of the twentieth century. In hindsight, parts of this rapid expansion now seem a mistake. Large areas were repeatedly deserted during nineteenth-century droughts, and large sections of the Great Plains and the interior basins and plateaus saw their populations peak around 1920. For many farmers in the high arid regions, the twentieth century would be a long, slow retreat.

The West that had emerged from this rapid conquest and occupation by non-Indians was by the twentieth century a hardscrabble place. Its economy was based on extractive industries such as mining, fishing, and logging or on agriculture and ranching. San Francisco, gradually Los Angeles, and to a lesser extent Seattle developed some manufacturing, but by and large the West produced raw materials and semi-finished goods. Outside of the Great Plains, it was more urban than the country as a whole, and much of it was marked by other distinctive demographic patterns. In many parts of the West men heavily outnumbered women, and immigration from China, and later Japan and Mexico led to a racialization of work and demonization of the Chinese and Japanese.

By the time the Depression hit in the 1930s, large parts of the West were already staggering under low commodity prices. This only increased the region's sense of resentment. It saw itself as the hewer of wood and carrier of water for the East and as exploited by Eastern capital and corporations. The New Deal gained immense popularity in the West not only because New Deal policies brought some immediate relief from the Depression but because so many New Deal projects — particularly the dams on Western rivers — built up a Western infrastructure that while of little use in the 1930s, would prove critical to Western development during and after World War II.

The Depression shifted public resources westward, but World War II moved them in that direction on a far more massive and enduring scale. The excess hydroelectric power developed during the Depression now provided electricity for factories and aluminum mills, as well as the new atomic works at Hanford, Washington. The West gained a disproportionate share of military bases and government funding. Virtually overnight, the West acquired a shipbuilding industry, and its infant aircraft industry expanded enormously. The West had not produced a single commercial cargo vessel in the 1930s, but during World War II, it accounted for fifty-two percent of American shipbuilding production. Los Angeles set out to make itself the Detroit of the aircraft industry, and it succeeded. As was the case in the wake of the Civil War, during World War II the government subsidized large corporations such as Boeing, Kaiser, and Lockheed that became critical to the Western economy.

Workers, including those who had taken part in the first large-scale African American migration from the South to Northern industrial cities, came west to work in relatively high-paying jobs in these factories. On the Pacific Coast, African American migrants often moved into neighborhoods vacated by Japanese Americans and older Japanese

immigrants who had been interned in concentration camps after Pearl Harbor. A region that had supported the deportation and eviction of Mexican workers and their Mexican American children in the 1930s urged their return in the 1940s. The West's population increased roughly three times as quickly as the population of the country as a whole. Much of this growth was on the Pacific Coast and most of it was urban. Westerners feared the boom and growth would end following the war, but with the onset of the Cold War, continued federal support for the new aerospace industry as well as the maintenance of military bases spurred further growth. That expansion was not even, of course, but the old extractive economy was no longer at the core of the West. Politically, the West remained more liberal and more supportive of a strong federal role in the economy into the 1960s, but gradually this changed, and the region grew steadily more conservative as the century went on.

In popular culture, the West is seen as dichromatic – with whites and Indians. In reality, the West was more diverse than that, with large-scale immigration from Asia, Mexico, and later other places in Latin America, as well as Europe and Canada.

What is perhaps most striking about such a broad overview of the West during the last century and a half is that a region defined in the popular mind by icons of individualism – cowboys, mountain men, gunfighters – can more accurately be seen as the child of government and large corporations. A place that we tend to define in terms of nature and a timeless past is actually probably the most modern section of the country. The West, as defined here, was born modern.

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***Born Modern: An Overview of the West*** by, Richard White, Ph. D.

*Directions: Please Read the attached article and answer the following questions below.*

1. Why does White argue that the West is not a creation of geography, but of history?
2. Why does White argue that "the West is one of the many places that the South lost and lost badly"?
3. How did the Civil War lead to the growth of federal power in the West?
4. What came first in the West - settlement or the development of economic markets? Why?
5. What type of economic society developed in the West after the Civil War? Why did it develop?

6. How did the combination of a strong federal government with an industrial and commercial society defeat Native Americans?
7. What were the consequences of such a rapid westward expansion?
8. How did the federal government's response ("The New Deal") to the Great Depression of the 1930s change the west?
9. How did World War II change the west?
10. According to White, what is striking when analyzing a broad overview of the West?

## The Novels of Horatio Alger

A young boy, perhaps an orphan, makes his perilous way through life on the rough streets of the city by selling newspapers or peddling matches. One day, his energy and determination catches the eye of a wealthy man, who gives him a chance to improve himself. Through honesty, charm, hard work, and aggressiveness, the boy rises in the world to become a successful man.

That, in a nutshell, is the story that Horatio Alger presented to his vast public in novel after novel—over 100 of them in all—for over forty years. During his lifetime, according to rough estimates, Americans bought over 100 million copies of his novels. After his death in 1899, his books (and others written in his name) continued to sell at an astonishing rate. Even today, when the books themselves are largely forgotten, the name Horatio Alger has come to represent the idea of individual advancement through (in a phrase Alger coined) "pluck and luck." *American Dream*

Alger was born in 1832 into a middle-class New England family, attended Harvard, and spent a short time as a Unitarian minister. He himself never experienced the hardships he later chronicled. In the mid-1850s, he turned to writing stories and books, and continued to do so for the rest of his life. His most famous novel, *Ragged Dick*, was published in 1868; but there were many others that were almost identical to it: *Tom, the Bootblack*; *Sink or Swim*; *Jed, the Poorhouse Boy*; *Phil, the Fiddler*; *Andy Grant's Pluck*. Most of his books were aimed at young people, and almost all of them were fables of a young man's rise "from rags to riches." The purpose of his writing, he claimed, was twofold. He wanted to "exert a salutary influence upon the class of whom [I] was writing, by setting before them inspiring examples of what energy, ambi-



**A NEWSBOY'S STORY** Alger's novels were even more popular after his death in 1899 than they had been in his lifetime. This reprint of one of his many "rags-to-riches" stories—about the rise of a New York newsboy to wealth and success—includes in the background a rendering of the "Met Life Building," an early skyscraper built in 1909.

tion, and an honest purpose may achieve. He also wanted to show his largely middle-class readers "the life and experiences of the friendless and vagrant children to be found in all our cities."

But Alger's intentions probably had little to do with the success of his books. Most Americans of the late nineteenth and early twentieth centuries were attracted to Alger because his stories helped them to believe in one of the most cherished of all their national myths: that it is possible for individuals to rise in the world with willpower and hard work that anyone can become a "self-made man." That belief was all the more important in the late nineteenth

century when the rise of large-scale corporate industrialization was making it increasingly difficult for individuals to control their own fates.

Alger placed great emphasis on the moral qualities of his heroes; their success was a reward for their virtue. But many of his readers ignored the moral message and clung simply to the image of sudden and dramatic success. After the author's death, his publishers responded to that yearning by abridging many of Alger's works to eliminate the parts of his stories where the heroes do good deeds. Instead, they emphasized the success of Alger's heroes in rising in the world.

Alger himself had very mixed feelings about the new industrial order he described. His books were meant to reveal not just the opportunities for advancement it sometimes created, but also its cruelty. That was one reason that in almost all his books, his heroes triumphed not just because of their own virtues or efforts, but because of some amazing stroke of luck. To Alger, at least, the modern age did not guarantee success through hard work alone; there had to be some providential assistance as well. Over time, however, Alger's admirers came to ignore his own misgivings about industrialism and to portray his books purely as celebrations of (and justifications for) laissez-faire capitalism and the accumulation of wealth.

An example of the transformation of Alger into a symbol of individual achievement is the Horatio Alger Award, established in 1947 by the American Schools and Colleges Association to honor "living individuals who by their own efforts had pulled themselves up by their bootstraps in the American tradition." Among its recipients have been Presidents Dwight D. Eisenhower and Ronald Reagan, Evangelist Billy Graham, and Supreme Court Justice Clarence Thomas.

According to the Horatio Alger novels, what makes up the American Dream?

## Two Speeches by Mary Elizabeth Lease (circa 1890)

### "WALL STREET OWNS THE COUNTRY" (CIRCA 1890)<sup>5</sup>

This is a nation of inconsistencies. The Puritans fleeing from oppression became oppressors. We fought England for our liberty and put chains on four million of blacks. We wiped out slavery and our tariff laws and national banks began a system of white wage slavery worse than the first. Wall Street owns the country. It is no longer a government of the people, by the people, and for the people, but a government of Wall Street, by Wall Street, and for Wall Street. The great common people of this country are slaves, and monopoly is the master. The West and South are bound and prostrate before the manufacturing East. Money rules, and our Vice-President [Levi Parsons Morton] is a London banker. Our laws are the out-put of a system which clothes rascals in robes and honesty in rags. The parties lie to us and the political speakers mislead us. We were told two years ago to go to work and raise a big crop, that was all we needed. We went to work and plowed and planted; the rains fell, the sun shone, nature smiled, and we raised the big crop that they told us to; and what came of it? Eight-cent corn, ten-cent oats, two-cent beef and no price at all for butter and eggs—that's what came of it. Then the politicians said we suffered from over-production. Over-production, when 10,000,000 little children, so statistics tell us, starve to death every year in the United States; and over 100,000 shop-girls in New York are forced to sell their virtue for the bread their niggardly wages deny them. . . . We want money, land and transportation. We want the abolition of the National Banks, and we want the power to make loans direct from the Government. We want the accursed foreclosure system wiped out. . . . We will stand by our homes and stay by our fireside by force, if necessary, and we will not pay our debts to the loan-shark companies until the Government pays its debts to us. The people are at bay; [so] let the bloodhounds of money who dogged us thus far beware.

### SPEECH TO THE WOMEN'S CHRISTIAN TEMPERANCE UNION (1890)<sup>6</sup>

Madame President and Fellow Citizens:—If God were to give me my choice to live in any age of the world that has flown, or in any age of the world yet to be, I would say, O God, let me live here and now, in this day and age of the world's history.

For we are living in a grand and wonderful time—a time when old ideas, traditions and customs have broken loose from their moorings and are hopelessly drifting on the great shoreless, boundless sea of human thought—a time when the gray old world begins to dimly comprehend that there is no difference between the brain of an intelligent woman and the brain of an intelligent man; no difference between

the soul-power or brainpower that nerved the arm of Charlotte Corday to deeds of heroic patriotism and the soul-power or brain-power that swayed old John Brown behind his death dealing barricade at Ossawatimie. We are living in an age of thought. The mighty dynamite of thought is upheaving the social and political structure and stirring the hearts of men from center to circumference. Men, women and children are in commotion, discussing the mighty problems of the day. The agricultural classes, loyal and patriotic, slow to act and slow to think, are today thinking for themselves; and their thought has crystallized into action. Organization is the key-note to a mighty movement among the masses which is the protest of the patient burden-bearers of the nation against years of economic and political superstition. . . .

Yes, after all our years of toil and privation, dangers and hardships upon the Western frontier, monopoly is taking our homes from us by an infamous system of mortgage foreclosure, the most infamous that has ever disgraced the statutes of a civilized nation. It takes from us at the rate of five hundred a month the homes that represent the best years of our life, our toil, our hopes, our happiness. How did it happen? The government, at the bid of Wall Street, repudiated its contracts with the people; the circulating medium was contracted in the interest of Shylock from \$54 per capita to less than \$8 per capita; or, as Senator [Preston] Plumb tells us, "Our debts were increased, while the means to pay them was decreased"; or as grand Senator [William Morris] Stewart puts it, "For twenty years the market value of the dollar has gone up and the market value of labor has gone down, till today the American laborer, in bitterness and wrath, asks which is the worst—the black slavery that has gone or the white slavery that has come?"

Do you wonder the women are joining the Alliance? I wonder if there is a woman in all this broad land who can afford to stay out of the Alliance. Our loyal, white-ribbon women should be heart and hand in this Farmers' Alliance movement, for the men whom we have sent to represent us are the only men in the councils of this nation who have not been elected on a liquor platform; and I want to say here, with exultant pride, that the five farmer Congressmen and the United States Senator we have sent up from Kansas—the liquor traffic, Wall Street, "nor the gates of hell shall not prevail against them."

Name:

Date:

Class:

"Robber Barons and Rebels" A People's History of the United States  
- Howard Zinn, 1999

Please read pages <sup>the following pages</sup> ~~253-258~~ of this chapter and answer the following question thoughtfully. As you are reading please think about if Zinn might have a bias or an agenda.

1. What examples does Zinn provide of the changing American environment between the Civil War and 1900? (253)
2. How was all this development accomplished? (254)
3. What was the result of fraud in the building of the transcontinental railroad? (255)
4. How did J.P. Morgan bring rationality/organization to the national economy? (256)

5. What did John D. Rockefeller realize about oil? What did he do as a result? (256-257)

6. How was the government involved in the growth of these industries (JP Morgan, Rockefeller, Carnegie)? (255-257)

7. Describe the cycle Zinn lays out at the bottom of pg 257.

8. What does it mean to have a monopoly on something?



## ROBBER BARONS AND REBELS

In the year 1877, the signals were given for the rest of the century: the black would be put back; the strikes of white workers would not be tolerated; the industrial and political elites of North and South would take hold of the country and organize the greatest march of economic growth in human history. They would do it with the aid of, and at the expense of, black labor, white labor, Chinese labor, European immigrant labor, female labor, rewarding them differently by race, sex, national origin, and social class, in such a way as to create separate levels of oppression—a skillful terracing to stabilize the pyramid of wealth.

Between the Civil War and 1900, steam and electricity replaced human muscle, iron replaced wood, and steel replaced iron (before the Bessemer process, iron was hardened into steel at the rate of 3 to 5 tons a day; now the same amount could be processed in 15 minutes). Machines could now drive steel tools. Oil could lubricate machines and power homes, streets, factories. People and goods could move by railroad, propelled by steam along steel rails; by 1900 there were 193,000 miles of railroad. The telephone, the typewriter, and the adding machine

replaced up the work of business.

Machines changed farming. Before the Civil War it took 61 hours of labor to produce an acre of wheat. By 1900, it took 3 hours, 19 minutes. Manufactured ice enabled the transport of food over long distances, and the industry of meatpacking was born.

Steam drove textile mill spindles; it drove sewing machines. It came in coal. Pneumatic drills now drilled deeper into the earth for coal. In 1860, 14 million tons of coal were mined; by 1884 it was 100 million tons. More coal meant more steel, because coal furnaces converted iron

into steel, by 1880 a million tons of steel were being produced; by 1910 25 million tons. By now electricity was beginning to replace steam. Electrical wire needed copper, of which 30,000 tons were produced in 1880; 500,000 tons by 1910.

To accomplish all this required ingenious inventors of new processes and new machines, clever organizers and administrators of the new corporations, a country rich with land and minerals, and a huge supply of human beings to do the back-breaking, unhealthful, and dangerous work. Immigrants would come from Europe and China, to make the new labor force. Farmers unable to buy the new machinery or pay the new railroad rates would move to the cities. Between 1860 and 1910 New York grew from 850,000 to 4 million, Chicago from 110,000 to 2 million, Philadelphia from 650,000 to 1½ million.

In some cases the inventor himself became the organizer of businesses—like Thomas Edison, inventor of electrical devices. In other cases, the businessman compiled other people's inventions, like Gustavus Swift, a Chicago butcher who put together the ice-cooled way car with the ice-cooled warehouse to make the first national ice-packing company in 1885. James Duke used a new cigarette-rolling machine that could roll, paste, and cut tubes of tobacco into 100,000 cigarettes a day; in 1890 he combined the four biggest cigarette producers to form the American Tobacco Company.

While some multimillionaires started in poverty, most did not. Study of the origins of 303 textile, railroad, and steel executives of the 1870s showed that 90 percent came from middle- or upper-class families. The Horatio Alger stories of "rags to riches" were true for a few men, but mostly a myth, and a useful myth for control.

Most of the fortune building was done legally, with the collaboration of the government and the courts. Sometimes the collaboration had to be paid for. Thomas Edison promised New Jersey politicians \$1,000 each to return for favorable legislation. Daniel Drew and Jay Gould spent \$1 million to bribe the New York legislature to legalize their issue of \$8 million "watered stock" (stock not representing real value) on the Erie Railroad.

The first transcontinental railroad was built with blood, sweat, tears, and thievery, out of the meeting of the Union Pacific and Central Pacific railroads. The Central Pacific started on the West Coast in 1862; it spent \$200,000 in Washington on bribes to get 9 million acres of free land and \$24 million in bonds, and paid \$79 million, an overpayment of \$36 million, to a construction company which really was its own. The construction was done by three thousand Irish and ten thousand Chinese, over a period of four years, working for one or two dollars a

The Union Pacific started in Nebraska going west. It had been given 12 million acres of free land and \$27 million in government bonds. It created the Credit Mobilier company, and gave them \$94 million for construction when the actual cost was \$44 million. Shares were sold cheaply to Congressmen to prevent investigation. This was at the suggestion of Massachusetts Congressman Oakes Ames, a shovel manufacturer and director of Credit Mobilier, who said: "There is no difficulty in getting men to look after their own property." The Union Pacific used twenty thousand workers—war veterans and Irish immigrants, who died 5 miles of track a day and died by the hundreds in the heat, the cold, and the battles with Indians opposing the invasion of their territory.

Both railroads used longer, twisting routes to get subsidies from towns they went through. In 1869, amid music and speeches, the two hooked lines met in Utah.

The wild fraud on the railroads led to more control of railroad finances by bankers, who wanted more stability—profit by law rather than by theft. By the 1890s, most of the country's railway mileage was concentrated in six huge systems. Four of these were completely or partially controlled by the House of Morgan, and two others by the bankers John, Loeb, and Company.

J. P. Morgan had started before the war, as the son of a banker who was selling stocks for the railroads for good commissions. During the Civil War he bought five thousand rifles for \$3.50 each from an army official, and sold them to a general in the field for \$22 each. The rifles were defective and would shoot off the thumbs of the soldiers using them. A congressional committee noted this in the small print of an annual report, but a federal judge upheld the deal as the fulfillment of a legal contract.

Morgan had escaped military service in the Civil War by paying \$300 to substitute. So did John D. Rockefeller, Andrew Carnegie, Philip Armour, Jay Gould, and James Mellon. Mellon's father had written to his son that "a man may be a patriot without risking his own life or endangering his health. There are plenty of lives less valuable." It was the firm of Drexel, Morgan and Company that was given a government contract to float a bond issue of \$260 million. The government could have sold the bonds directly; it chose to pay the firm \$5 million in commission.

On January 2, 1889, as Gustavus Myers reports:

"A circular marked 'Private and Confidential' was issued by the three banking houses of Drexel, Morgan & Company, Brown Brothers &

Company, and Kidder, Peabody & Company. The most painstaking care was exercised that this document should not find its way into the press or otherwise become public. . . . Why this fear? Because the circular was an invitation . . . to the great railroad magnates to assemble at Morgan's house, No. 2 Madison Avenue, there to form, in the phrase of the day, an iron-clad combination. . . . a compact which would efface competition among certain railroads, and unite those interests in an agreement by which the people of the United States would be bled even more effectively than before.

There was a human cost to this exciting story of financial ingenuity. That year, 1889, records of the Interstate Commerce Commission showed that 22,000 railroad workers were killed or injured.

In 1895 the gold reserve of the United States was depleted, while twenty-six New York City banks had \$129 million in gold in their vaults. A syndicate of bankers headed by J. P. Morgan & Company, August Belmont & Company, the National City Bank, and others offered to give the government gold in exchange for bonds. President Grover Cleveland agreed. The bankers immediately resold the bonds at high prices, making \$18 million profit.

A journalist wrote: "If a man wants to buy beef, he must go to the butcher. . . . If Mr. Cleveland wants much gold, he must go to the banker."

While making his fortune, Morgan brought rationality and organization to the national economy. He kept the system stable. He said: "I do not want financial convulsions and have one thing one day, and another thing another day." He linked railroads to one another, and them to banks, banks to insurance companies. By 1900, he controlled 100,000 miles of railroad, half the country's mileage.

Three insurance companies dominated by the Morgan group had a billion dollars in assets. They had \$50 million a year to invest—given by ordinary people for their insurance policies. Louis Brandeis, describing this in his book *Other People's Money* (before he began Supreme Court justice), wrote: "They control the people through the people's own money."

John D. Rockefeller started as a bookkeeper in Cleveland, became a merchant, accumulated money, and decided that, in the new industrial oil, who controlled the oil refineries controlled the industry. He had his first oil refinery in 1862, and by 1870 set up Standard Oil Company of Ohio, made secret agreements with railroads to ship his oil with a 10 percent rebate, and then, if they gave him rebates—discounts—on their prices, and thus squeezed competitors out of business.

One independent refiner said: "If we did not sell out. . . we would be crushed out. . . . There was only one buyer on the market and we had to sell at their terms." Memos like this one passed among Standard Oil officials: "Wilkerson & Co. received car of oil Monday 13th. . . . Please turn another screw." A rival refinery in Buffalo was rocked by a small explosion arranged by Standard Oil officials with the refinery's chief mechanic.

The Standard Oil Company, by 1899, was a holding company which controlled the stock of many other companies. The capital was \$110 million, the profit was \$45 million a year, and John D. Rockefeller's fortune was estimated at \$200 million. Before long he would move into iron, copper, coal, shipping, and banking (Chase Manhattan Bank). Profits would be \$81 million a year, and the Rockefeller fortune would total two billion dollars.

Andrew Carnegie was a telegraph clerk at seventeen, then secretary to the head of the Pennsylvania Railroad, then broker in Wall Street selling railroad bonds for huge commissions, and was soon a millionaire. He went to London in 1872, saw the new Bessemer method of producing steel, and returned to the United States to build a million-dollar steel plant. Foreign competition was kept out by a high tariff conveniently set by Congress, and by 1880 Carnegie was producing 10,000 tons of steel a month, making \$1½ million a year in profit. By 1900 he was making \$40 million a year, and that year, at a dinner party, he agreed to sell his steel company to J. P. Morgan. He scribbled the price on a note: \$492,000,000.

Morgan then formed the U.S. Steel Corporation, combining Carnegie's corporation with others. He sold stocks and bonds for \$1,300,000,000 (about 400 million more than the combined worth of the companies) and took a fee of 150 million for arranging the consolidation. How could dividends be paid to all those stockholders and bondholders? By making sure Congress passed tariffs keeping out foreign steel, by closing off competition and maintaining the price at \$28 a ton; and by working 200,000 men twelve hours a day for wages that barely kept their families alive.

And so it went, in industry after industry—shrewd, efficient businessmen building empires, choking out competition, maintaining high prices, keeping wages low, using government subsidies. These industries were the first beneficiaries of the "welfare state." By the turn of the century, American Telephone and Telegraph had a monopoly of the nation's telephone system, International Harvester made 85 percent of all farm machinery, and in every other industry resources became concentrated,

controlled. The banks had interests in so many of these monopolies as to create an interlocking network of powerful corporation directors, each of whom sat on the boards of many other corporations. According to a Senate report of the early twentieth century, Morgan at his death sat on the board of forty-eight corporations; Rockefeller, thirty-seven corporations.

Meanwhile the country

Annotate how business men justified their behavior  
 \* what is the philosophy of the business man?

187.

## VI. THE PHILOSOPHY OF THE BUSINESSMAN



If American businessmen at times employed harsh methods in accumulating wealth and expanding their industry, they justified their behavior by proclaiming, philosophically, that they operated in accordance with the laws of God and nature. The remaining vestiges of an old-time Puritanism in the American mind which had accustomed religious people to look for a sign of God's grace came to their aid. According to this belief the Creator, in His infinite wisdom, guided the fortunes of mankind according to His own mysterious design, favoring a few with wealth and the multitude with the miseries of poverty. Wealth was a sign of God's benevolence—an indication that He had smiled upon that particular person or class. Envy of the fortunate might prompt protest, but this was an expression of depraved, evil blasphemy to be properly denounced from the pulpit.

Selected from a wide choice of evidence, one incident in the career of John D. Rockefeller spotlights this widely accepted doctrine. When a religious conference received an announcement of the initial check from Rockefeller for the establishment of a university at Chicago, its members rose and in unison sang "Praise God from Whom All Blessings Flow."<sup>1</sup> Shortly thereafter the multimillionaire explained his benevolence with, "The good Lord gave me the money, and how could I withhold it from Chicago?"<sup>2</sup>

The theory of classical economics asserting that an economy operates according to natural economic laws likewise gave broad intellectual support to the businessman. It was a faith that a national economy functions smoothly, resulting in equilibrium, only when the mechanical laws of nature are allowed to work

<sup>1</sup> Allan Nevins, *John D. Rockefeller* (New York: Charles Scribner's Sons, 1940), I, p. 228.  
<sup>2</sup> *Ibid.*, p. 230.

188

*The American Scene: 1860 to the Present*

freely without the interference of outside artificial forces. Laws such as freedom of contract, supply and demand, diminishing returns, among others, operate favorably for the creation of national prosperity, not by the Christian laying on of hands, but by hands off—"laissez-faire."

The philosophy of Social Darwinism, unfolded in a series of volumes by Herbert Spencer, also offered scientific justification for the businessman's favorable position in society. In the biological world a species is selected by nature for survival because it possesses superior physical qualities which allow it to adapt successfully to the trying conditions of the environment. This theory, transferred to the economic world, asserted that the wealthy businessman had secured his favorable position, not by sculduggery, but by having those qualities which allowed him to emerge victoriously in the struggle of the market place. These sterling qualities were perseverance, hard work, good judgment, grit and stick-to-itiveness. "Work and save if you will win the battle of life" was their motto. On the other hand, the poor were supposedly shiftless, lazy and complaining, could not follow orders and, when they received a dollar, instead of saving it for investment capital, spent it to gratify a capricious desire—usually in some saloon. The poverty of the poor, according to this philosophy, was the natural condition of those who, because of unfitness, failed in the struggle.

Social Darwinism became the respectable philosophy of this generation. Frederick A. P. Barnard, president of Columbia University, evaluated Spencer as the greatest philosopher since Aristotle. Justice Oliver Wendell Holmes Jr., however, was so exasperated because these ideas so thoroughly controlled the thinking of his colleagues that he admonished them in the dissenting opinion in *Lochner v. New York* (1905), saying that "the Fourteenth Amendment does not enact Mr. Herbert Spencer's *Social Statics*."

## How Big Businessmen Justified Their Acts

One of the important books of the nineteenth century was Charles Darwin's *The Origin of Species*. This work described all life as a struggle in which only the fittest individuals managed to survive. The result was a process of natural selection of the best specimens and a gradual evolution of creatures into more successful organisms. This view of animals fighting each other for a limited food supply had a great impact on the thinking of nineteenth-century businessmen.

Today we do not approve of John D. Rockefeller's forcing his competitors out of business by getting secret rebates from the railroad. In his day, however, businessmen saw this activity as a part of the natural struggle for survival. The world of business was like the jungle: if a man did not fight, he would be crushed. Only the strongest or swiftest stayed alive — or in the case of businessmen — only the shrewdest or toughest ended up millionaires. It is important to understand this point of view in order to see the post-Civil War years in clear perspective. It explains how the Rockefellers, the Carnegies, the Morgans, and the Vanderbilts could put together their economic empires ruthlessly but with clear consciences.

In the following brief selections we have quoted two statements arguing this position. The first is from Andrew Carnegie's "The Gospel of Wealth" (1889). Carnegie began as a Scottish immigrant and rose to be a fabulously wealthy steel manufacturer.

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THE price which society pays for the law of competition, like the price it pays for cheap comforts and luxuries, is also great; but the advantages of this law are also greater still, for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. But, whether the law be benign or not, we must say of it, as we say of the change in the

conditions of men to which we have referred: It is here; we cannot evade it; no substitutes for it have been found; and while the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment, the concentration of business, industrial and commercial, in the hands of a few, and the law of competition between these, as being not only beneficial, but essential for the future progress of the race. Having accepted these, it follows that there must be great scope for the exercise of special ability in the merchant and in the manufacturer who has to conduct affairs upon a great scale. ¶

The next statement is by William Graham Sumner, a professor of economics at Yale, who wrote about 1880:

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PRIVATE property . . . produces inequalities between men. The struggle for existence is aimed against nature. It is from her niggardly hand that we have to wrest the satisfactions for our needs, but our fellow-men are our competitors for the meager supply. Competition, therefore, is a law of nature. Nature is entirely neutral; she submits to him who most energetically and resolutely assails her. She grants her rewards to the fittest, therefore, without regard to other considerations of any kind. If, then, there be liberty, men get from her just in proportion to their works, and their having and enjoying are just in proportion to their being and their doing. Such is the system of nature. If we do not like it, and if we try to amend it, there is only one way in which we can do it. We can take from the better and give to the worse. We can deflect the penalties of those who have done ill and throw them on those who have done better. We can take the rewards from those who have done better and give them to those who have done worse. We shall thus lessen the inequalities. We shall favor the survival of the unfittest, and we shall accomplish this by destroying liberty. Let it be understood that we cannot go outside of this alternative: liberty, inequality, survival of the fittest; not-liberty, equality, survival of the unfittest. The former carries society forward and favors all its best members; the latter carries society downwards and favors all its worst members. ¶

Annotate Carnegie's ideas / rec  
what to do and what Not to do to <sup>on</sup> succeed in  
life.

Andrew Carnegie: *How to Succeed in Life*

Source: [http://www.clpgh.org/exhibit/neighborhoods/oakland/oak\\_n751.html](http://www.clpgh.org/exhibit/neighborhoods/oakland/oak_n751.html)  
From The Pittsburgh Bulletin, 19 December 1903. Reprinted from the New York Tribune.

Everybody wants to preach to the young, and tell them to be good and they will be happy. I shall not enter far upon that field, but confine myself to presenting from a business man's standpoint of view, a few rules, which, I believe, lie at the root of business success.

First--Never enter a bar-room. Do not drink liquor as a beverage. I will not paint the evil of drunkenness, or the moral crime; but I suggest to you that it is low and common to enter a bar-room, unworthy of any self-respecting man, and sure to fasten upon you a taint which will operate to your disadvantage in life, whether you ever become a drunkard or not.

Second--I wish young men would not use tobacco--not that it is morally wrong, except in so far as it is used in excess and injures health, which the medical faculty declares it does. But the use of tobacco requires young men to withdraw themselves from the society of women to indulge the habit. I think the absence of women from any assembly tends to lower the tone of that assembly. The habit of smoking tends to carry young men into the society of men whom it is not desirable that they should choose as their intimate associates. The practice of chewing tobacco was once common. Now it is considered offensive. I believe the race is soon to take another step forward, and that the coming man is to consider smoking as offensive as chewing was formally considered. As it is practically abandoned now, so I believe smoking will be.

Third--Having entered upon work, continue in that line of work. Fight it out on that line (except in extreme cases), for it matters little what avenue a young man finds first. Success can be attained in any branch of human labor. There is always room at the top in every pursuit. Concentrate all your thought and energy upon the performance of your duties. Put all your eggs into one basket and then watch that basket, do not scatter your shot. The man who is director in a half dozen railroads and three or four manufacturing companies, or who tries at one and the same time to work a farm, a factory, a line of street cars, a political party and a store, rarely amounts to much. He may be concerned in the management of more than one business enterprise, but they should all be of the one kind, which he understands. The great successes of life are made by concentration.

Fourth--Do not think a man has done his full duty when he has performed the work assigned him. A man will never rise if he does only this. Promotion comes from

exceptional work. A man must discover where his employer's interests can be served beyond the range of the special work allotted to him; and whenever he sees his employer's interests suffer, or wherever the latter's interests can be promoted, tell him so. Differ from your employers upon what you think his mistakes. You will never make much of a success if you do not learn the needs and opportunities of your own branch much better than your employer can possibly do. You have been told to "obey orders if you break owners." Do no such foolish thing. If your employer starts upon a course which you think will prove injurious, tell him so, protest, give your reasons, and stand to them unless convinced you are wrong. It is the young man who does this, that capital wants for a partner or for a son-in-law.

Fifth—Whatever your wages are, save a little. Live within your means. The heads of stores, farms, banks, lawyers' offices, physicians' offices, insurance companies, mills and factories are not seeking capital; they are seeking brains and business habits. The man who saves a little from his income has given the surest indication of the qualities which every employer is seeking for.

Sixth—Never speculate. Never buy or sell grain or stocks upon a margin. If you have savings, invest them in solid securities, lands or property. The man who gambles upon the exchanges is in the condition of the man who gambles at the gaming table. He rarely, if ever, makes a permanent success. His judgment goes; his faculties are snapped; and his end, as a rule, is nervous prostration after an unworthy and useless life.

Seventh—If you ever enter business for yourself, never indorse for others. It is dishonest. All your resources and all your credit are the sacred property of the men who have trusted you; and until you have surplus cash and owe no man, it is dishonest to give your name as an indorser to others. Give the cash you can spare, if you wish, to help a friend. Your name is too sacred to give.

Do not make riches, but usefulness, your first aim; and let your chief pride be that your daily occupation is in the line of progress and development; that your work, in whatever capacity it may be, is useful work, honestly conducted, and as such ennobling to your life.

To sum up, do not drink, do not smoke, do not indorse, do not speculate. Concentrate, perform more than your prescribed duties; be strictly honest in word and deed. And may all who read these words be just as happy and prosperous and long lived as I wish them all to be. And let this great fact always cheer them: It is impossible for any one to be cheated out of an honorable career unless he cheats himself.



### Andrew Carnegie: The Gospel of Wealth, 1889

Andrew Carnegie, "Wealth," *North American Review*, 148, no. 391 (June 1889): 653, 657-62.

*Andrew Carnegie (1835-1919) was a massively successful business man - his wealth was based on the provision of iron and steel to the railways, but also a man who recalled his radical roots in Scotland before his immigration to the United States. To resolve what might seem to be contradictions between the creation of wealth, which he saw as proceeding from immutable social laws, and social provision he came up with the notion of the "gospel of wealth". He lived up to his word, and gave away his fortune to socially beneficial projects, most famously by funding libraries. His approval of death taxes might surprise modern billionaires!*

The problem of our age is the administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship. The conditions of human life have not only been changed, but revolutionized, within the past few hundred years. In former days there was little difference between the dwelling, dress, food, and environment of the chief and those of his retainers. . . . The contrast between the palace of the millionaire and the cottage of the laborer with us to day measures the change which has come with civilization.

This change, however, is not to be deplored, but welcomed as highly beneficial. It is well, nay, essential for the progress of the race, that the houses of some should be homes for all that is highest and best in literature and the arts, and for all the refinements of civilization, rather than that none should be so. Much better this, great irregularity than universal squalor. Without wealth there can be no Maecenas [Note: a rich Roman patron of the arts]. The "good old times" were not good old times. Neither master nor servant was as well situated then as to day. A relapse to old conditions would be disastrous to both-not the least so to him who serves-and would sweep away civilization with it....

We start, then, with a condition of affairs under which the best interests of the race are promoted, but which inevitably gives wealth to the few. Thus far, accepting conditions as they exist, the situation can be surveyed and pronounced good. The question then arises-and, if the foregoing be correct, it is the only question with which we have to deal-What is the proper mode of administering wealth after the laws upon which civilization is founded have thrown it into the hands of the few? And it is of this great question that I believe I offer the true solution. It will be understood that fortunes are here spoken of, not moderate sums saved by many years of effort, the returns from which are required for the comfortable maintenance and education of families. This is not wealth, but only competence, which it should be the aim of all to acquire.

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the decedents; or it can be bequeathed for public purposes; or, finally, it can be administered during their lives by its possessors. Under the first and second modes most of the wealth of the world that has reached the few has hitherto been applied. Let us in turn consider each of these modes. The first is the most injudicious. In monarchical countries, the estates and the greatest portion of the wealth are left to the first son, that the vanity of the parent may be gratified by the thought that his name and title are to descend to succeeding generations unimpaired. The condition of this class in Europe to day teaches the futility of such hopes or ambitions. The successors have become impoverished through their follies or from the fall in the value of land.... Why should men leave great fortunes to their children? If this is done from affection, is it not misguided affection? Observation teaches that, generally speaking, it is not well for the

children that they should be so burdened. Neither is it well for the state. Beyond providing for the wife and daughters moderate sources of income, and very moderate allowances indeed, if any, for the sons, men may well hesitate, for it is no longer questionable that great sums bequeathed oftener work more for the injury than for the good of the recipients. Wise men will soon conclude that, for the best interests of the members of their families and of the state, such bequests are an improper use of their means.

As to the second mode, that of leaving wealth at death for public uses, it may be said that this is only a means for the disposal of wealth, provided a man is content to wait until he is dead before it becomes of much good in the world.... The cases are not few in which the real object sought by the testator is not attained, nor are they few in which his real wishes are thwarted....

The growing disposition to tax more and more heavily large estates left at death is a cheering indication of the growth of a salutary change in public opinion.... Of all forms of taxation, this seems the wisest. Men who continue hoarding great sums all their lives, the proper use of which for public ends would work good to the community, should be made to feel that the community, in the form of the state, cannot thus be deprived of its proper share. By taxing estates heavily at death, the state marks its condemnation of the selfish millionaire's unworthy life.

... This policy would work powerfully to induce the rich man to attend to the administration of wealth during his life, which is the end that society should always have in view, as being that by far most fruitful for the people.... There remains, then, only one mode of using great fortunes: but in this way we have the true antidote for the temporary unequal distribution of wealth, the reconciliation of the rich and the poor—a reign of harmony—another ideal, differing, indeed from that of the Communist in requiring only the further evolution of existing conditions, not the total overthrow of our civilization. It is founded upon the present most intense individualism, and the race is prepared to put it in practice by degrees whenever it pleases. Under its sway we shall have an ideal state, in which the surplus wealth of the few will become, in the best sense, the property of the many, because administered for the common good, and this wealth, passing through the hands of the few, can be made a much more potent force for the elevation of our race than if it had been distributed in small sums to the people themselves. Even the poorest can be made to see this, and to agree that great sums gathered by some of their fellow citizens and spent for public purposes, from which the masses reap the principal benefit, are more valuable to them than if scattered among them through the course of many years in trifling amounts.

This, then, is held to be the duty of the man of Wealth: First, to set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and after doing so to consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer, and strictly bound as a matter of duty to administer in the manner which, in his judgment, is best calculated to produce the most beneficial result for the community—the man of wealth thus becoming the sole agent and trustee for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer—doing for them better than they would or could do for themselves.

\* According to Carnegie, what is the gospel of wealth?

## Lifestyles At the Turn of the Century

The average American worker's annual wage at the turn of the twentieth century was around \$450. Some earned much more; others, considerably less. For example, in 1900 a cook earned about \$5 a week or \$260 a year. A maid earned less, around \$3.50 a week or \$180 a year.

On the other end of the spectrum were the millionaires. In 1900, approximately one percent of the American population owned over eighty percent of the wealth. For example, Andrew Carnegie earned over \$23,000,000 that year, all of it tax-free, because the federal income tax system did not yet exist. Many millionaires of the time became rich quickly. They actually had to find ways to spend their money. Their spending fell into four major categories:

1. **Town Houses** – Millionaires built and furnished multi-million dollar homes, primarily in New York City.
2. **"Country Houses"** – Many millionaires had country estates in Newport, Rhode Island and on Long Island. William K. Vanderbilt's house in Newport allegedly cost over \$11 million. Another Vanderbilt house (called Idle Hour) had 110 rooms, 45 bathrooms, and a garage that could hold 100 automobiles. J. Pierpont Morgan owned a house in New York City, a country house outside the city, a 1,000-acre estate in New York's Adirondack Mountains, an apartment in a private club on the Georgia coast, a fishing retreat at Newport, a house in London, a country house outside London, hotel suites in Paris and Rome, a yacht for use on the Atlantic and the Mediterranean, and a private Nile steamer to use when he was in Egypt.
3. **Art** – Many millionaires bought both foreign and domestic art objects, such as paintings, tapestries, statues, and fabrics. One family owned two pianos made of gold.
4. **Entertainment** – Lavish parties were common. Below is a description of a dinner for forty held at the Waldorf Astoria Hotel in New York City in 1899:

*His guests found the Myrtle Room transformed into a garden with roses, hyacinths, and tulips in bloom and with hedges of fir. Nightingales, blackbirds, and canaries sang in the greenery. (It had been something of a trick to induce the zoo authorities to loan some nightingales for the affair.) The table was set in an arbor with a vine-covered trellis overhead and with green turf underfoot. The menus were painted in gold on scraped and polished coconuts. . . . And the dinner, which was served on gold plates, went as follows:*

- *Buffet Russe*
- *Cocktails*
- *Small Blue Point Oysters*
- *Lemardelais a la Princesse*
- *Amontillado Pasado*
- *Green Turtle Soup*
- *Bolivar*
- *Basket of Lobster*
- *Columbine of Chicken, California Style*
- *Roast Mountain Sheep, with Puree of Chestnuts (the sheep having been brought to New York by fast express in small portable refrigerators)*
- *Jelly*
- *Brussels Sprouts Saute*
- *New Asparagus, Cream Sauce and Vinaigrette*
- *Mumm's Extra Dry and Moet & Chandon Brut*
- *Diamond Black Terrapin*
- *Ruddy Duck (likewise rushed by express in small refrigerators)*
- *Orange and Grapefruit Salad*
- *Fresh Strawberries*
- *Blue Raspberries*
- *Vanilla Mousse*
- *Bonbons, Coffee Fruit \**

What did this dinner cost the host? In 1899, the bill was \$10,000. Today, the same dinner would cost over \$100,000. Newspapers frequently carried articles about such extravagant spending by American millionaires.

# Video Guide

## Heaven Will Protect the Working Girl Viewing Guide

Add descriptions to the items listed below.

City Life

Labor Problems

Immigration

Transportation

Buildings

Clothing

Activities conducted by people

Types of people (race, gender, class)

## 19-7 Conspicuous Consumption (1899)

Thorstein Veblen

START

Thorstein Veblen (1857-1929) published *The Theory of the Leisure Class* in 1899. Veblen's thesis centered on the idea of conspicuous consumption. In his view, the purchases and interests of the wealthy were intended to demonstrate their superiority. The theory proved more popular than its author. Something of an iconoclast, Veblen failed to capitalize on the critical success of his work. He held a series of teaching jobs before his death.

Source: Thorstein Veblen, *The Theory of the Leisure Class: An Economic Study of Institutions* (1899; reprint, New York: Modern Library, 1934), 73-75, 140-143.

During the earlier stages of economic development, consumption of goods without stint, especially consumption of the better grades of goods—ideally all consumption in excess of the subsistence minimum,—pertains normally to the leisure class.

The quasi-peaceable gentleman of leisure, then, not only consumes of the staff of life beyond the minimum required for subsistence and physical efficiency, but his consumption also undergoes a specialisation as regards the quality of the goods consumed. He consumes freely and of the best, in food, drink, narcotics, shelter, services, ornaments, apparel, weapons and accoutrements, amusements, amulets, and idols or divinities. In the process of gradual amelioration which takes place in the articles of his con-

sumption, the motive principle and the proximate aim of innovation is no doubt the higher efficiency of the improved and more elaborate products for personal comfort and well-being. But that does not remain the sole purpose of their consumption. The canon of reputability is at hand and seizes upon such innovations as are, according to its standard, fit to survive. Since the consumption of these more excellent goods is an evidence of wealth, it becomes honorific; and conversely, the failure to consume in due quantity and quality becomes a mark of inferiority and demerit.

This growth of punctilious discrimination as to qualitative excellence in eating, drinking, etc., presently affects not only the manner of life, but also the training and intellectual activity of the gentleman of leisure. He is no longer simply the successful, aggressive male,—the man of strength, resource, and intrepidity. In order to avoid stultification he must also cultivate his tastes, for it now becomes incumbent on him to discriminate with some nicety between the noble and the ignoble in consumable goods. He becomes a connoisseur in creditable viands of various degrees of merit, in manly beverages and trinkets, in seemly apparel and architecture, in weapons, games, dancers, and the narcotics.

underlined  
define the ~~key~~ words  
below. - look  
them up!

Define Conspicuous  
Consumption

# Edward Bellamy, *Looking Backward: 2000-1887* (1888)<sup>11</sup>

"And, in heaven's name, who are the public enemies?" exclaimed Dr. Leete. "Are they France, England, Germany, or hunger, cold, and nakedness? In your day governments were accustomed, on the slightest international misunderstanding, to seize upon the bodies of citizens and deliver them over by hundreds of thousands to death and mutilation, wasting their treasures the while like water; and all this oftenest for no imaginable profit to the victims. We have no war now, and our governments no war powers, but in order to protect every citizen against hunger, cold, and nakedness, and provide for all his physical and mental needs, the function is assumed of directing his industry for a term of years. No, Mr. West, I am sure on reflection you will perceive that it was in your age, not in ours, that the extension of the functions of governments was extraordinary. Not even for the best ends would men now allow their governments such powers as were then used for the most maleficent."

"Leaving comparisons aside," I said, "the demagoguery and corruption of our public men would have been considered, in my day, insuperable objections to any assumption by government of the charge of the national industries. We should have thought that no arrangement could be worse than to entrust the politicians with control of the wealth-producing machinery of the country. Its material interests were quite too much the football of parties as it was."

"No doubt you were right," rejoined Dr. Leete, "but all that is changed now. We have no parties or politicians, and as for demagoguery and corruption, they are words having only an historical significance."

"Human nature itself must have changed very much," I said. "Not at all," was Dr. Leete's reply, "but the conditions of human life have changed, and with them the motives of human action. The organization of society with you was such that officials were under a constant temptation to misuse their power for the private profit of themselves or others. Under such circumstances it seems almost strange that you dared entrust them with any of your affairs. Nowadays, on the contrary, society is so constituted that there is absolutely no way in which an official, however ill-disposed, could possibly make any profit for himself or anyone else by a misuse of his power. Let him be as bad an official as you please, he cannot be a corrupt one. There is no motive to be. The social system no longer offers a premium on dishonesty. But these are matters which you can only understand as you come, with time, to know us better."

"But you have not yet told me how you have settled the labor problem. It is the problem of capital which we have been discussing," I said. "After the nation had

assumed conduct of the mills, machinery, railroads, farms, mines, and capital in general of the country, the labor question still remained. In assuming the responsibilities of capital the nation had assumed the difficulties of the capitalist's position."

"The moment the nation assumed the responsibilities of capital those difficulties vanished," replied Dr. Leete. "The national organization of labor under one direction was the complete solution of what was, in your day and under your system, justly regarded as the insoluble labor problem. When the nation became the sole employer, all the citizens, by virtue of their citizenship, became employees, to be distributed according to the needs of industry."

"That is," I suggested, "you have simply applied the principle of universal military service, as it was understood in our day, to the labor question."

"Yes," said Dr. Leete, "that was something which followed as a matter of course as soon as the nation had become the sole capitalist. The people were already accustomed to the idea that the obligation of every citizen, not physically disabled, to contribute his military services to the defense of the nation was equal and absolute. That it was equally the duty of every citizen to contribute his quota of industrial or intellectual services to the maintenance of the nation was equally evident, though it was not until the nation became the employer of labor that citizens were able to render this sort of service with any pretense either of universal-ity or equity. No organization of labor was possible when the employing power was divided among hundreds or thousands of individuals and corporations, between which concert of any kind was neither desired, nor indeed feasible. It could only have happened then that vast numbers who desired to labor could find no opportunity, and on the other hand, those who desired to evade a part or all of their debt could easily do so."

"Service, now, I suppose, is compulsory upon all," I suggested. "It is rather a matter of course than of compulsion," replied Dr. Leete. "It is regarded as so absolutely natural and reasonable that the idea of its being compulsory has ceased to be thought of."

"Is the term of service in this industrial army for life?" "Oh, no; it both begins later and ends earlier than the average working period in your day. Your workshops were filled with children and old men, but we hold the period of youth sacred to education, and the period of maturity, when the physical forces begin to flag, equally sacred to ease and agreeable relaxation. The period of industrial service is twenty-four years, beginning at the close of the course of education at twenty-one and terminating at forty-five. After forty-five while discharged from labor, the citizen still remains liable to special calls, in case of emergencies causing a sudden great increase in the demand for labor, till reaches the age of fifty-five, but such calls are rarely, in fact almost never, made."

ment factories, in the mines, long hours, at puny wages. Their families were crowded into city slums.

People rebelled against these conditions. The farmers formed Granges, then the People's Party. Workers went on strike for the eight-hour day. Radicalism grew. Anarchism and socialism took root. Millions of people began to imagine that there might be a different kind of society, a different way of sharing the wealth of the nation, their ideas often put into words by writers like Henry George and Edward Bellamy.

...

Henry George was an itinerant typesetter and newspaper editor who became a skilled lecturer and critic of the economic system. His book *Progress and Poverty* made him famous, and he ran, unsuccessfully, for mayor of New York several times in the 1880s and 1890s. In this address, delivered in an opera house in Burlington, Iowa, George examines the social roots of poverty in the United States in the nineteenth century, challenging the myth of individual blame.

## Henry George, "The Crime of Poverty" (April 1, 1885)

I propose to talk to you tonight of the Crime of Poverty. I cannot, in a short time, hope to convince you of much; but the thing of things I should like to show you is that poverty is a crime. I do not mean that it is a crime to be poor. Murder is a crime; but it is not a crime to be murdered; and a man who is in poverty, I look upon, not as a criminal in himself, so much as the victim of a crime for which others, as well perhaps as himself, are responsible. That poverty is a curse, the bitterest of curses, we all know. [Thomas] Carlyle was right when he said that the hell of which Englishmen are most afraid is the hell of poverty; and this is true, not of Englishmen alone, but of people all over the civilized world, no matter what their nationality. It is to escape this hell that we strive and strain and struggle; and work on oftentimes in blind habit long after the necessity for work is gone.

The curse born of poverty is not confined to the poor alone; it runs through all classes, even to the very rich. They, too, suffer; they must suffer, for there can not be suffering in a community from which any class can totally escape. The vice, the crime, the ignorance, the meanness born of poverty, poison, so to speak, the very air which rich and poor alike must breathe.

I walked down one of your streets this morning, and I saw three men going along with their hands chained together. I knew for certain that those men were not

rich men; and, although I do not know the offence for which they were carried in chains through your streets, this I think I can safely say, that, if you trace it up you will find it in some way to spring from poverty. Nine tenths of human misery, I think you will find, if you look, to be due to poverty. . . . And it seems to me clear that the great majority of those who suffer from poverty are poor not from their own particular faults, but because of conditions imposed by society at large. Therefore I hold that poverty is a crime—not an individual crime, but a social crime, a crime for which we all, poor as well as rich, are responsible. . . .

I hold, and I think no one who looks at the facts can fail to see, that poverty is utterly unnecessary. It is not by the decree of the Almighty, but it is because of our own injustice, our own selfishness, our own ignorance, that this scourge, worse than any pestilence, ravages our civilization, bringing want and suffering and degradation, destroying souls as well as bodies. Look over the world, in this heyday of nineteenth century civilization. In every civilized country under the sun you will find men and women whose condition is worse than that of the savage: men and women and little children with whom the veriest savage could not afford to exchange. Even in this new city of yours with virgin soil around you, you have had this winter to institute a relief society. Your roads have been filled with tramps, fifteen, I am told, at one time taking shelter in a round-house here. As here, so everywhere; and poverty is deepest where wealth most abounds. . . .

Poverty necessary! Why, think of the enormous powers that are latent in the human brain! Think how invention enables us to do with the power of one man what not long ago could not be done by the power of a thousand. Think that in England alone the steam machinery in operation is said to exert a productive force greater than the physical force of the population of the world, were they all adults. And yet we have only begun to invent and discover. We have not yet utilized all that has already been invented and discovered. And look at the powers of the earth. They have hardly been touched. In every direction as we look new resources seem to open. Man's ability to produce wealth seems almost infinite—we can set no bounds to it. Look at the power that is flowing by your city in the current of the Mississippi that might be set at work for you. So in every direction energy that we might utilize goes to waste; resources that we might draw upon are untouched. . . .

I read in the New York papers a while ago that the girls at the Yonkers factories had struck. The papers said that the girls did not seem to know why they had struck, and intimated that it must be just for the fun of striking. Then came out the girls' side of the story and it appeared that they had struck against the rules in force. They were fined if they spoke to one another, and they were fined still more heavily if they laughed. There was a heavy fine for being a minute late. I visited a lady in Philadelphia who had been a forewoman in various factories, and I asked



her, "Is it possible that such rules are enforced?" She said it was so in Philadelphia. There is a fine for speaking to your next neighbor, a fine for laughing; and she told me that the girls in one place where she was employed were fined ten cents a minute for being late, though many of them had to come for miles in winter storms. She told me of one poor girl who really worked hard one week and made \$3.50; but the fines against her were \$5.25. That seems ridiculous; it is ridiculous; but it is pathetic and it is shameful.

But take the cases of those even who are comparatively independent and well off. Here is a man working hour after hour, day after day, week after week, in doing one thing over and over again, and for what? Just to live! He is working ten hours a day in order that he may sleep eight and may have two or three hours for himself when he is tired out and all his faculties are exhausted. That is not a reasonable life; that is not a life for a being possessed of the powers that are in man, and I think every man must have felt it for himself. I know that when I first went to my trade I thought to myself that it was incredible that a man was created to work all day long just to live. I used to read the *Scientific American*, and as invention after invention was heralded in that paper I used to think to myself that when I became a man it would not be necessary to work so hard. But on the contrary, the struggle for existence has become more and more intense. People who want to prove the contrary get up masses of statistics to show that the condition of the working classes is improving. Improvement that you have to take a statistical microscope to discover does not amount to anything. But there is not improvement. . . .

I say that all this poverty and the ignorance that flows from it is unnecessary; I say that there is no natural reason why we should not all be rich, in the sense, not of having more than each other, but in the sense of all having enough to completely satisfy all physical wants; of all having enough to get such an easy living that we could develop the better part of humanity. . . . There is enough and to spare. The trouble is that, in this mad struggle, we trample in the mire what has been provided in sufficiency for us all; trample it in the mire while we rear and tend each other.

There is a cause for this poverty; and, if you trace it down, you will find its root in a primary injustice. Look over the world today—poverty everywhere. The cause must be a common one. You cannot attribute it to the tariff, or to the form of government, or to this thing or to that in which nations differ; because, as deep poverty is common to them all the cause that produces it must be a common cause. What is that common cause? There is one sufficient cause that is common to all nations; and that is the appropriation as the property of some of that natural element on which and from which all must live. . . .

Did you ever think of the utter absurdity and strangeness of the fact that, all over the civilized world, the working classes are the poor classes? Go into any city

in the world, and get into a cab and ask the man to drive you where the working people live. He won't take you to where the fine houses are. He will take you, on the contrary, into the squalid quarters, the poorer quarters. Did you ever think how curious that is? Think for a moment how it would strike a rational being who had never been on the earth before, if such an intelligence could come down, and you were to explain to him how we live on earth, how houses and food and clothing, and all the many things we need were all produced by work, would he not think that the working people would be the people who lived in the finest houses and had most of everything that work produces? Yet, whether you took him to London or Paris or New York, or even to Burlington, he would find that those called the working people were the people who live in the poorest houses.

...

On the evening of May 4, 1886, a meeting was called for Haymarket Square in Chicago to protest the killing of four strikers at the McCormick Harvester Works the day before. It was a peaceful meeting, and had dwindled from several thousand to a few hundred when a detachment of 180 policemen asked the crowd to disperse. The speaker said that the meeting was almost over and then a bomb exploded in the midst of the police, wounding sixty-six policemen, of whom seven later died. The police fired into the crowd, killing several people, wounding two hundred. Although there was no evidence of who threw the bomb, eight Chicago anarchists were arrested, tried, and sentenced to death. This became known worldwide as the Haymarket Affair. Four of the eight were executed, among them August Spies, who here addresses the court in his own defense. Just before his execution Spies said: "There will be a time when our silence will be more powerful than the voices you strangle today."

### August Spies, "Address of August Spies" (October 7, 1886)<sup>2</sup>

Your Honor: In addressing this court I speak as the representative of one class to the representative of another. I will begin with the words uttered five hundred years ago on a similar occasion, by the Venetian Doge Faleri, who addressing the court, said: "MY DEFENSE IS YOUR ACCUSATION." "The causes of my alleged crime your history!" I have been indicted on the charge of murder, as an accomplice or accessory. Upon this indictment I have been convicted. There was no evidence produced by the State to show or even indicate that I had any knowledge of the man who threw the bomb, or that I myself had anything to do with the

**I: View from the top: how do Captains of Industry live?**

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- 

**Define: Conspicuous Consumption**

1. How does Conspicuous Consumption help us to understand why the Captains of Industry lived the way they did?

2. Individualism or Collectivism? (circle one and explain below)

**II: View from the Bottom**

Let us examine how people lived at the bottom of this hierarchy. Complete a SIGHT analysis with a partner based on the images that are passed out.

Characteristics of Life at the bottom:

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**III: Justifications:** How do the wealthy justify their actions and lifestyles in the face of such inequality?

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## 19-2 A Visitor in Chicago (1892)

Giuseppe Giacosa

Rudyard Kipling said of Chicago, "Having seen it, I urgently desire never to see it again. It is inhabited by savages." Kipling might have added that the residents were smoke-eating savages, at that. Coal, used for residential heating and industrial power, led to what now would be recognized as a serious air pollution problem. Giuseppe Giacosa (1847-1906) encountered that problem during a visit from Italy in 1892.

Source: Giuseppe Giacosa, "Chicago and Her Italian Colony," *Nuova Antologia* (March 1893), 16-28, trans. L. B. Davis, in Bessie Louise Pierce, ed., *As Others See Chicago: Impressions of Visitors, 1673-1933*, 276-278. Copyright © 1933 by the University of Chicago Press. Reprinted by permission.

I had two different impressions of Chicago, one sensual and immediate, which comes from seeing persons and things. The other, intellectual and gradual, born from intelligence, induction and comparisons. To the eye, the city appears abominable. . . . I would not want to live there for anything in the world. I think that whoever ignores it is not entirely acquainted with our century and of what is its ultimate expression.

During my stay of one week, I did not see in Chicago anything but darkness: smoke, clouds, dirt and an extraordinary number of sad and grieved persons. Certain remote quarters are the exception, in which there breathes from little houses and tiny gardens a tranquil air of rustic habitation where a curious architecture with diverting and immature whims makes a pleasant appearance, where the houses seem to be toys for the use of the hilarious

who live there in complete repose, eating candy, swinging in their faithful little rocking chairs, and contemplating oleographs.<sup>1</sup>

But with the exception of these rare cases, the rich metropolis gave me a sense of oppression so grave that I still doubt whether, beyond their factories, there exist celestial spaces. Was it a storm-cloud? I cannot say, because the covered sky spreads a light equal and diffused, which makes no shade; while here, depending on the time of day, a few thick shadows line the houses. And I can not even say that a ghost of the sun shines, because the appearance of things close up makes me always uncertain and confused. I am inclined to believe that that spacious plain, ca

<sup>1</sup>An oleograph is a chromolithograph printed with oil paint on canvas in imitation of an oil painting.

*au lait* in colour, which stretches along the edge of the city, which appears to the eye three hundred paces wide, and which disappears in gray space, might be the lake; but I could not press close to it with security. Certainly the ships plow through a dense atmosphere rather than a watery plain.

I recall one morning when I happened to be on a high railroad viaduct. From it the city seemed to smolder a vast unyielding conflagration, so much was it wrapped in smoke. . . . Perhaps, in Chicago, I was influenced by bad weather, by which incentive I do not affirm how things may be, but that I saw them thus, and hence was born the ill-tempered, pouting expression which I read on almost every face. It made me feel, in noting it, how I interpose in such a crowd; a few might show a little courtesy, I do not mean with hats off, but by a nod or glance of recognition. They all were running about desperately. In New York there are more people than in Chicago, and none idle; nevertheless I observe on their streets our same quick friendliness. Here, it seems to me, all might be lost, as I, without company in the formidable tumult. Or if two persons should discourse together, their speech would be in a whining tone, low and nasal, without the least variance of accent. . . . They say that all Americans have nasal voices. That does not seem to me true of New Yorkers, or only slightly; but it could be said of Chicagoans that their voices come out of their nostrils, and that articulation is made in the pharynx. It is a positive fact that a great many noses in Chicago are in a continuous pathological condition. I have seen in many shop windows certain apparatus for covering the nose, a kind of nasal protector, or false nostrils—but

without intent to deceive. I did not see any in operation, however; October, as it seems, still yields to the most delicate the use of the natural nose, but the kingdom of the artificial must be nearby, and I cannot forgive myself for having missed seeing it.

Furthermore, the mass of factories is overpowering without being imposing. That immense building, the Auditorium, where there is a hotel for more than 1,000 guests, an abundance of seats and writing desks of every kind, a conservatory of music, and on the sixth or seventh floor, I don't recall which, a theatre seating 8,000 persons; is this not marvelous to think upon? Its vastness lacks ostentation; it is a vastness of the whole; ostentation means a coordination of parts. All the immense factories of Chicago have low, squatty doors and suffocating stories which the menacing building crushes ridiculously. The two floors of the Tolomei Palace at Siena would be, in Chicago, divided into eight compartments. Certain important houses of twenty stories do not measure one and half voltas, the height of the Stozzi Palace. Surely they take care to mask the frequency of compartments by means of openings which reach from the first floor to the fourth, but to see this from the street, in the height of a single window, three men seated at three writing desks, people and furniture almost suspended in the air, and leaning against a transparent wall, gives one a feeling of irritating unrest. . . .

The dominant characteristic of the exterior life of Chicago is violence. Everything leads you to extreme expressions: dimensions, movements, noises, rumors, window displays, spectacles, ostentation, misery, activity, and alcoholic degradation.

### Questions

1. Giacosa, familiar with historic Italian cities, might have had set notions about what a city should be. Does he betray any prejudices in describing Chicago?
2. What sources of pollution do you imagine Giacosa encountered?
3. Why might many Americans of the period have celebrated the smokiness of their cities?

### Questions for Further Thought

1. Why have Americans tended to view cities from the perspective of Giuseppe Giacosa (Document 19-2) and not that of Frederic Howe (Document 19-1)?
2. Using Giacosa as an example, discuss the advantages and problems facing a historian who uses eyewitness accounts.
3. Technology allowed city dwellers to build skyscrapers, design reliable mass-transit systems, and safeguard water supplies. In light of those successes, how do you explain the persistence of problems like inadequate education and housing?

answer on  
separate  
sheet

Name:

Date:

## When Should The Government Get Involved?

*Directions: For each of the following situations write yes if you feel the government should get involved or no if you feel it should not get involved.*

- \_\_\_\_\_ 1. A company has forced all its competitors out of business by secret deals and now has raised prices.
- \_\_\_\_\_ 2. Evidence suggests that meat-packing companies are selling rotten meat to the public.
- \_\_\_\_\_ 3. A white man refuses to rent an apartment in his home to a black man.
- \_\_\_\_\_ 4. A company has achieved a monopoly on its product by underselling all its competitors. It is a very efficient, well-run business.
- \_\_\_\_\_ 5. Lumber companies are wasting forests that have taken centuries to grow.
- \_\_\_\_\_ 6. Four railroads in an area have combined into one large railroad, leaving the people there at the mercy of the new monopoly.
- \_\_\_\_\_ 7. A company refuses to hire anyone unless the person promises not to join a union.
- \_\_\_\_\_ 8. Evidence suggests that a company does not take precautions to protect its workers. Several workers have been hurt, but the company will not pay benefits to the families.
- \_\_\_\_\_ 9. Some companies hire mostly children and pay them very low wages.
- \_\_\_\_\_ 10. Renters charge that their landlord is not making needed repairs in their apartments, which is endangering the renters' health.

*Write agree or disagree next to each statement.*

- \_\_\_\_\_ 11. People who inherit money don't deserve to keep it all. They should pay an inheritance tax.
- \_\_\_\_\_ 12. Rich people should be taxed at a higher rate than poor people.

Using the <sup>previous</sup> ~~next~~ pg, fill in the reasons why you think the gov't should or should not get involved for each of the #'s (1-12)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

Write down 6 ways that the Populists want the government to get involved: Then, write down why you think that is a valid reason or not for the government to intervene.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Based on what is happening in the 1890s, would you agree that the government MUST get involved? Why or why not?

struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influences dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them.

Neither do they now promise us any substantial reform. They have agreed together to ignore, in the coming campaign, every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham-battle over the tariff, so that capitalists, corporations, national banks, trusts, watered stock, the demonetization of silver, and the oppressions of the usurers may all be lost sight of. They propose to sacrifice our homes, lives and children on the altar of mammon; to destroy the multitude in order to secure corruption funds from the millionaires. Assembled on the anniversary of the birthday of the nation and filled with the spirit of the grand general chief, who established our independence, we seek to restore the government of the republic to the hands of "the plain people" with whose class it originated. We assert our purposes to be identical with the purposes of the national Constitution, to form a more perfect union and establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity.

We declare that this republic can only endure as a free government while built upon the love of the whole people for each other and for the nation; that it cannot be pinned together by bayonets; that the civil war is over and that every passion and resentment which grew out of it must die with it, and that we must be, in fact, as we are in name, one united brotherhood of freedmen.

\* What problems are identified in this platform?

## START

The Populist Party held its first convention in Omaha, Nebraska, in July 1892, and passed the so-called Omaha Platform, initially drafted by Minnesota politician Ignatius Donnelly. Here is an excerpt.

### The Omaha Platform of the People's Party of America (July 4, 1892)

The conditions which surround us best justify our cooperation: we meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot-box, the legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling places to prevent universal intimidation or bribery. The newspapers are largely subsidized or muzzled, public opinion silenced, business prostrated, our homes covered with mortgages, labor impoverished, and the land concentrating in the hands of the capitalists. The urban-workmen are denied the right of organization for self protection. An imported pauperized labor bears down their wages; a hireling standing army, recognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few unprecedented in the history of mankind, and the possessors of these, in turn, despise the republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes—tramps and millionaires.

The national power to create money is appropriated to enrich bondholders; a vast public debt payable in legal tender currency has been funded into gold bearing bonds, thereby adding millions to the burdens of the people.

Silver, which has been accepted as coin since the dawn of history, has been demonetized to add to the purchasing power of gold by decreasing the value of all forms of property as well as human labor, and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprise, and enslave industry. A vast conspiracy against mankind has been organized on two continents, and it is rapidly taking possession of the world. If not met and overthrown at once it forebodes terrible social convulsions, the destruction of civilization, or the establishment of an absolute despotism. We have witnessed for more than a quarter of a century, the

[print page](#)[close window](#)

**Populism (Overview)** *TASK: Read overview and complete Activity. Look up people, terms as they come up. Use pgs. 111-114 to help you.*

After the Civil War, the United States continued to industrialize. Railroads, manufacturing, and banking belonged to large corporations and a small number of wealthy people. The Second Industrial Revolution focused population growth and money in the cities.

Farmers, too, used more machines. Using machines increased productivity, but machines cost cash for purchase and maintenance. Farmers borrowed money to produce more. Then prices for farm products plunged.

### Falling Prices

In 1867, U.S. farmers produced 211 million bushels of wheat. The average price per bushel was \$2.01. One year later, in 1868, they plowed more land, planted more wheat, and harvested 246 million bushels. But this time, they received only \$1.46 per bushel. By 1869, with even more wheat produced, the price fell to 91 cents per bushel.



Cotton, the other major cash crop, saw a similar decline a few years later. In 1866, cotton brought 31 cents per pound. From 1870 to 1873, cotton averaged about 15.1 cents a pound. By 1878, it dropped to an average of 5.8 cents per pound. Cotton cost about seven cents per pound to produce.

In 1889, corn prices in Kansas dropped to 10 cents a bushel. With prices that low, farmers burned corn for fuel instead of selling it. The South and the West, as major farming areas, were hardest hit by falling prices.

### Who Is the Enemy?

Farmers looked for the cause of their problems. One easily identified culprit was the railroad. Farmers needed railroads to transport their products to markets. Railroads, having a monopoly on transportation, charged whatever they could get away with charging. They gave rebates to large shippers but no breaks to small farmers.

The financial system looked like an enemy, too. Bankers held mortgages and foreclosed on farms. The national monetary system, tied to gold, limited the amount of money in circulation. That drove up interest rates.

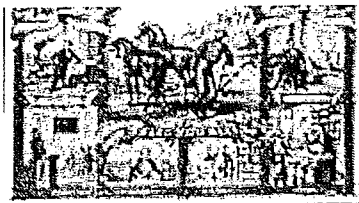
Taxes and tariffs also handicapped farmers. Farmers had to pay property taxes on land, regardless of whether they made money. Tariffs protected manufacturers from foreign competition but did not protect farmers.

### Coming Together



Farmers began to organize. First came the Patrons of Husbandry, commonly known as the Grange, started in Minnesota. The Grange started cooperatives that allowed farmers





to pool their money to get better prices on machinery and supplies. It also pushed for regulation of railroads and grain elevators.

After 1880, the Grange gave way to regional farmers' alliances. The Colored Farmers Alliance organized black farmers, and a few white farmers, in the South. Other regional alliances organized white farmers in the South and farmers in other parts of the country.

The farmers' alliances represented the people, not the moneyed interests. They were neither Democrats nor Republicans—they were populists.

The various farmers' alliances met in Ocala, Florida in 1890 and backed candidates in the 1890 elections. They elected five U.S. senators, six governors, and 46 congressional representatives. With that electoral success, the alliances decided to work together. Meeting in Omaha in 1892, they agreed on six demands:

- . A permanent union of all working classes;
- . Wealth for the workers;
- . Government ownership of railroads;
- . Government ownership of all communications systems;
- . More flexible and fair distribution of the national currency;
- . No more ownership of land by those who do not actually use it.

## People's Party

In 1892, the Populist Party (also known as the People's Party) emerged as a national force. The Populist Party tried to unite white and black farmers in the South, farmers in the South and West, and farmers and workers. The Populist Party only got a million votes in the 1892 presidential election, but it elected 10 U.S. representatives, five U.S. senators, three state governors, and about 1,500 members of state legislatures.

## Panic of 1893

In 1893, a great depression struck known as the Panic of 1893, throwing as many as 20% of all people out of work. Banks and businesses failed. President Grover Cleveland decided that the way to get the country out of the depression was to stop buying silver and go back to the gold standard, reducing the amount of money in circulation. It didn't work.

In 1896, the Democrats nominated Populist William Jennings Bryan of Nebraska to run against Republican William McKinley. The Populists, some with great reluctance, joined in nominating Bryan. Even with two parties backing him, Bryan lost to McKinley. Bryan carried only farm states and the South. All of the cities of the industrial North voted Republican. The Populist Party never recovered from the defeat.



## ABC-CLIO Populism

You can find this activity by logging onto ABC-CLIO American History - search "Populism Activity" and click on Populism(Activity) when it pops up.

## ACTIVITY

## The Election of 1896

The presidential election of 1896 was one of the most exciting and complicated in U.S. history. It touched on many different themes that were important to life in the United States at the time, such as:

- Free Coinage of Silver: The most controversial issue in the election concerned the use of gold and/or silver to back the nation's currency. The nation was divided between those who believed in the unlimited coinage of silver (known as free silver) and those who supported the exclusive use of gold.
- Women's Issues: Even though women could only vote for national offices in three states, they were politically active throughout the election and called attention to issues that affected their lives.
- Farmers' Issues: Farmers argued for a looser money supply that would benefit debtors; lower tariffs that would benefit working-class consumers; an income tax on the wealthy; and a fight against monopolies and trusts.
- Prohibition: Some people believed that the consumption of alcoholic beverages threatened social, commercial, industrial, and political aspects of American life and were therefore opposed to its manufacture and sale.
- Tariffs: Tariffs had been a key political issue throughout the 19th century, with industrial and Northeastern interests generally in favor, farmers usually opposed.
- Trusts and Monopolies: Working-class people, many of whom faced either hazardous working conditions and low wages or had to pay prices imposed by monopolies, were opposed to the size and power of big business in America.

Think about the different views surrounding these divisive issues and how each might be portrayed in a political cartoon. Then click on the following political cartoons about the 1896 election. As you are looking at each cartoon, decide which one of the campaign issues it represents and which viewpoint it is portraying.

Click on <http://projects.vassar.edu/1896/0725judge.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
2. What is the main idea of this political cartoon?

next, click on <http://projects.vassar.edu/1896/1114cn.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
  
2. What is the main idea of this political cartoon?

next, click on <http://projects.vassar.edu/1896/0911sppp.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
  
2. What is the main idea of this political cartoon?

next, click on <http://projects.vassar.edu/1896/0921slpd.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
  
2. What is the main idea of this political cartoon?

next, click on <http://projects.vassar.edu/1896/0912ramshorn.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
  
2. What is the main idea of this political cartoon?

next, click on <http://projects.vassar.edu/1896/0914rmn.html>, then answer the following questions:

1. Which major theme of the 1896 presidential election does this cartoon portray?
  
2. What is the main idea of this political cartoon?

## 18-10 People's (Populist) Party National Platform (1892)

\* Annotate  
any ways  
that the  
Populists want  
the gov't to  
get involved or  
Not get involved.

Responding to the worsening economic situation and building on earlier organizational and political experience (the Patrons of Husbandry or Grange, the farmers' alliances), agrarians and other protesters, already active on the state level, formed a national party, framed a national platform, and ran a national ticket in 1892 (see text pp. 535-537, 585-594, and Map 18-1, text p. 587).

As the text notes (pp. 587-588), women played roles in the farmers' alliances and in the Populist Party that were closed to them in the two major parties. Mary Elizabeth Lease was one such woman, Luna Kellie another. Kellie served as secretary of the Nebraska Alliance and edited and wrote for an Alliance newspaper there. Kellie's "Personal Memoir" (Document 16-7) contains political observations within its personal reminiscences.

Source: Donald Bruce Johnson, comp., *National Party Platforms*, rev. ed., 2 vols. (Urbana: University of Illinois Press, 1978), vol. 1, 1840-1956, 89-91.

Assembled upon the 116th anniversary of the Declaration of Independence, the People's Party of America in their first national convention, invoking upon their action the blessing of Almighty God, put forth in the name and on behalf of the people of this country, the following preamble and declaration of principles:

## PREAMBLE

The conditions which surround us best justify our cooperation; we meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot-box, the Legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling places to prevent universal intimidation and bribery. The newspapers are largely subsidized or muzzled, public opinion silenced, business prostrated, homes covered with mortgages, labor impoverished, and the land concentrating in the hands of capitalists. The urban workmen are denied the right to organize for self-protection; imported pauperized labor beats down their wages, a hireling standing army, unrecognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind; and the possessors of these, in turn despise the Republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes—tramps and millionaires.

The national power to create money is appropriated to enrich bond-holders; a vast public debt payable in legal tender currency has been funded into gold-bearing bonds, thereby adding millions to the burdens of the people.

Silver, which has been accepted as coin since the dawn of history, has been demonetized to add to the purchasing power of gold by decreasing the value of all forms of property as well as human labor, and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprise, and enslave industry. A vast conspiracy against mankind has been organized on two continents, and it is rapidly taking possession of the world. If not met and overthrown at once, it forebodes terrible social convulsions, the destruction of civilization, or the establishment of an absolute despotism.

We have witnessed for more than a quarter of a century the struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influence dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them. Neither do they now promise us any substantial reform. They have agreed together to ignore, in the coming campaign, every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver and the oppressions of the usurers may all be lost sight of. They propose to sacrifice our homes, lives, and children on the altar of mammon; to destroy the multitude in order to secure corruption funds from the millionaires.

Assembled on the anniversary of the birthday of the nation, and filled with the spirit of the grand general and chief who established our independence, we seek to restore the government of the Republic to the hands of "the plain people," with which class it originated. We assert our purposes to be identical with the purposes of the National

Constitution, to form a more perfect union and establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity.

We declare that this Republic can only endure as a free government while built upon the love of the whole people for each other and for the nation; that it cannot be pinned together by bayonets; that the civil war is over and that every passion and resentment which grew out of it must die with it, and that we must be in fact, as we are in name, one united brotherhood of freemen.

Our country finds itself confronted by conditions for which there is no precedent in the history of the world; our annual agricultural productions amount to billions of dollars in value, which must, within a few weeks or months be exchanged for billions of dollars' worth of commodities consumed in their production; the existing currency supply is wholly inadequate to make this exchange; the results are falling prices, the formation of combines and rings, the impoverishment of the producing class. We pledge ourselves that, if given power, we will labor to correct these evils by wise and reasonable legislation, in accordance with the terms of our platform.

We believe that the power of government—in other words, of the people—should be expanded (as in the case of the postal service) as rapidly and as far as the good sense of an intelligent people and the teachings of experience shall justify, to the end that oppression, injustice and poverty, shall eventually cease in the land.

While our sympathies as a party of reform are naturally upon the side of every proposition which will tend to make men intelligent, virtuous and temperate, we nevertheless regard these questions, important as they are, as secondary to the great issues now pressing for solution, and upon which not only our individual prosperity, but the very existence of free institutions depend; and we ask all men to first help us to determine whether we are to have a republic to administer, before we differ as to the conditions upon which it is to be administered, believing that the forces of reform this day organized will never cease to move forward, until every wrong is remedied, and equal rights and equal privileges securely established for all the men and women of this country.

#### PLATFORM

We declare, therefore,

*First*—That the union of the labor forces of the United States this day consummated shall be permanent and perpetual; may its spirit enter into all hearts for the salvation of the Republic and the uplifting of mankind.

*Second*—Wealth belongs to him who creates it, and

every dollar taken from industry without an equivalent is robbery. "If any will not work, neither shall he eat." The interests of rural and civic labor are the same; their enemies are identical.

*Third*—We believe that the time has come when the railroad corporations will either own the people or the people must own the railroads, and should the government enter upon the work of owning and managing all railroads, we should favor an amendment to the Constitution by which all persons engaged in the government service shall be placed under a civil service regulation of the most rigid character, so as to prevent the increase of the power of the national administration by the use of such additional government employees.

*Finance*—We demand a national currency, safe, sound, and flexible, issued by the general government only, a full legal tender for all debts, public and private, and, that without the use of banking corporations, a just, equitable and efficient means of distribution direct to the people, at a tax not to exceed 2 per cent per annum, to be provided as set forth by the sub-treasury plan of the Farmers' Alliance, or a better system; also by payments in discharge of its obligations for public improvements.

1. We demand free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1.

2. We demand that the amount of circulating medium be speedily increased to not less than \$50 per capita.

3. We demand a graduated income tax.

4. We believe that the money of the country should be kept as much as possible in the hands of the people, and hence we demand that all State and national revenues shall be limited to the necessary expenses of the government, economically and honestly administered.

5. We demand that postal savings banks be established by the government for the safe deposit of the earnings of the people and to facilitate exchange.

*Transportation*—Transportation being a means of exchange and a public necessity, the government should own and operate the railroads in the interest of the people. The telegraph and telephone, like the post office system, being a necessity for the transmission of news, should be owned and operated by the government in the interest of the people.

*Land*—The land, including all the natural sources of wealth, is the heritage of the people, and should not be monopolized for speculative purposes, and alien ownership of land should be prohibited. All land now held by railroads and other corporations in excess of their actual needs, and all lands now owned by aliens, should be reclaimed by the government and held for actual settlers only.

## *The Jungle* by Upton Sinclair

When Upton Sinclair published *The Jungle* in 1906, he meant to open America's eyes to the plight of workers in the filthy, dangerous Chicago stockyards. Instead, popular outrage focused on the wider-reaching threat of spoiled meat. Congress quickly passed the nation's first legislation regulating the meat, food, and drug industries. Sinclair, disappointed by his failure to provoke more sympathy for the overworked, underpaid workers, noted "I aimed at the public's heart, and by accident I hit it in the stomach."

There was never the least attention paid to what was cut up for sausage. . . . There would be meat that had tumbled out on the floor, in the dirt and sawdust, where the workers had tramped and spit uncounted billions of consumption [tuberculosis] germs. There would be meat stored in great piles in rooms; and the water from leaky roofs would drip over it, and thousands of rats would race about on it. It was too dark in these storage places to see well, but a man could run his hand over these piles of meat and sweep off handfuls of the dried dung of rats. These rats were nuisances, and the packers would put poisoned bread out for them; they would die, and then rats, bread, and meat would go into the hoppers together. This is no fairy story and no joke; the meat would be shoveled into carts, and the man who did the shoveling would not trouble to lift out a rat even when he saw one—there were things that went into the sausage in comparison with which a poisoned rat was a tidbit. There was no place for the men to wash their hands before they ate their dinner, and so they made a practice of washing them in the water that was to be ladled into the sausage. There were the butt-ends of smoked meat, and the scraps of corned beef, and all the odds and ends of the waste of the plants, that would be dumped into old barrels in the cellar and left there. Under the system of rigid economy which the packers enforced, there were some jobs that it only paid to do once in a long time, and among these was the cleaning out of the waste barrels. Every spring they did it; and in the barrels would be dirt and rust and old nails and stale water—and cartload after cartload of it would be taken up and dumped into the hoppers with fresh meat, and sent out to the public's breakfast.

### Thinking Critically

1. **Analyze Literature** Describe the author's style in this excerpt.
2. **Evaluate Literature** How does Sinclair's way of writing boost his credibility?

## Theodore Roosevelt: American Experience

0-16:55

1. How does TR become President?
2. What does TR see as a problem in the US?
3. Who/which company does TR attack first? Why?
4. How does TR tackle the railroads? Why does he target them?
5. What does TR do to the relationship between business and the government? (give details of his actions)
6. What trusts does TR attack?
7. Is he a real trustbuster?
8. Big business must lead to bigger \_\_\_\_\_.
9. No one, not even the \_\_\_\_\_ was above the law.
10. What is a bully pulpit?
11. What did the strikers want?
12. What did the mine owners want?
13. How does TR deal with the Coal Strike of 1902? Why is this a departure from previous actions by Presidents?

14. What is the "Square Deal"? How does it work with the miners?

16:55

15. How did the country respond to Roosevelt? (at least 5 pts shown throughout the video)

16. What were his expectations for America? (i.e spelling, women)

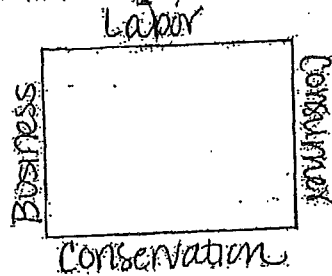
17. What is the "strenuous life"? How doe Roosevelt show he is strenuous?

18. Why does Roosevelt travel with a photographer?

19. What are his reforms for the nation? (at least 7 shown throughout the video)



## TR's Square Deal



**Directions:** Use your textbook chapter 17,3 pages 525-530 (this is in the middle of the section) to find and record information about TR's *Square Deal*.

What is a "bully pulpit"?

What was the Square Deal?

### 1. BUSINESS- "Trustbuster"

What act did TR use to prosecute trusts?

How do the examples below illustrate that TR was a trustbuster?  
Northern Securities Co.

Railroads & Hepburn Act

### 2. LABOR

How did TR involve himself in the struggles of labor?

How does this make him a unique president?

Goat Strike of 1902

Why did TR get involved?

How did TR end the strike?

### 3. CONSUMER

Identify when the following acts were passed and how each protected the consumer?

Pure Food and Drug Act

Meat Inspection Act

### 4. CONSERVATION

What is the difference between conservation and preservation?

Why did TR take an interest in conservation?

What was the Newlands

Reclamation Act passed & what was its function?

START  
Progressive

Progressivism was similar to the Populist Movement of the late 1800s. Both were reform movements that wanted to get rid of corrupt government officials and make government more responsive to people's needs. Both sought to eliminate the abuses of big business. Still, the two movements differed. At the forefront of Progressivism were middle-class people. They believed that highly educated leaders should use modern ideas and scientific techniques to improve society. Leaders of the Populist Movement, on the other hand, consisted mostly of farmers and workers.

**Progressives Target a Variety of Problems** Some Progressives thought that political reform was the most urgent need. For many women, the number one goal was winning the right to vote. Other Progressives considered honest government to be the most important goal. Reformers targeted city officials who built corrupt organizations, called political machines. The bosses of these political machines used bribery and violence to influence voters and win elections. They counted on the loyalty of city workers who looked the other way when they took public money for themselves. Bosses also helped people solve personal problems, which often kept voters loyal.

Corrupt and ineffective government combined with the booming growth of cities produced other problems. The people living in America's crowded cities needed paved streets, safe drinking water, decent housing, and adequate municipal services. The lack of adequate services led to wretched living conditions for the urban poor. Too often, dishonest business owners and politicians controlled municipal services. Bribes and shady deals made them rich while conditions for urban residents remained unsafe and little changed.

While some Progressives focused on government, others were worried about big business. As you have learned, wealthy industrialists took over businesses and built huge trusts that limited competition and raised prices. Middle-class Progressives wanted the government to “bust the trusts” and so create more economic opportunities for smaller businesses. Progressives complained that the Sherman Antitrust Act of 1890 was inadequate and ineffective in limiting the abuses of big business.

Other Progressive reformers, often motivated by their religious faith, sought to reduce the growing gap between the wealthy and the poor. Progressives attacked the harsh conditions endured by miners, factory workers, and other laborers. They wanted better conditions for poor people living in city slums. They wanted social welfare laws to help children, as well as government regulations to aid workers and consumers.

### Checkpoint What problems did Progressive reformers hope to solve?

### Directions

\* use 3 different color highlighters or pens to underline or highlight changes @ the various levels of gov't.

Key

- National level

□ State level

□ Local Level.



THE SHARP METHOD.—IT WORKS WITH ANY BOARD OF ADDRESS

## Analyzing Political Cartoons

**Business and Government Corruption** In the 1880s, Jacob A. Scharf expanded his streetcar business by bribing New York City aldermen and other government officials.

1. What symbols represent the corruption of city government?
2. According to the cartoonist, what is the effect of the street railroad monopoly on the taxpayer?

## Muckrakers Reveal the Need for Reform

Socially conscious journalists and other writers dramatized the need for reform. Their sensational investigative reports uncovered a wide range of ills afflicting America in the early 1900s. Even though Theodore Roosevelt agreed with much of what they said, he called these writers muckrakers because he thought them too fascinated with the ugliest side of things. (A muckrake is a tool used to clean manure and hay out of animals' stables.) The writers were angry at first but in time took up Roosevelt's taunting name as a badge of honor. The muckrakers' articles appeared in magazines and newspapers that entered millions of American homes. People across the nation were horrified by the conditions that were revealed to them.

**Journalists Uncover Injustices** One leading muckraker was Lincoln Steffens, managing editor at *McClure's*, a magazine known for uncovering social problems. In 1903, Steffens published *The Shame of the Cities*, a collection of articles on political corruption. His reports exposed how the government of Philadelphia let utility companies charge their customers excessively high fees. He showed how corrupt politicians won elections by bribing and threatening voters, and revealed how political corruption affected all aspects of life in a city.

### Primary Source

"The visitor [to St. Louis] is told of the wealth of the residents, of the financial strength of the banks, and of the growing importance of the industries; yet he sees poorly paved, refuse-burdened streets, and dusty or mud-covered alleys; he passes a ramshackle firetrap crowded with the sick and learns that it is the City Hospital. . . . Finally, he turns a tap in the hotel to see liquid mud flow into [the] wash basin or bathtub."

—Lincoln Steffens and Claude Wetmore, "Corruption and Reform in St. Louis," *McClure's Magazine*, October 1902

Jacob Riis ▼



### INFOGRAPHIC

## EXPOSING HOW THE OTHER HALF LIVES

"Long ago it was said that 'one half of the world does not know how the other half lives.' . . . It did not know because it did not care." Jacob Riis, believing that the "poor were the victims rather than the makers of their fate," used images and words to make the public confront the conditions of New York City's tenement slums.

Riis's 1890 book ▼

▲ A horse lies dead in a New York City street as children play nearby. A lack of city services forced slum-dwellers to live in unsanitary conditions.

Another influential muckraker was **Jacob Riis**, a photographer for the *New York Evening Sun*. Riis turned his camera on the crowded, unsafe, rat-infested tenement buildings where the urban poor lived. Between 1890 and 1903, he published several works, including *How the Other Half Lives* (see Infographic below), that shocked the nation's conscience and led to reforms.

Other outraged writers joined Riis and Steffens. In *The History of Standard Oil*, Ida Tarbell reported that John D. Rockefeller used ruthless methods to ruin his competitors, charge higher prices, and thereby reap huge profits. Others proclaimed the need to improve schools or warned of the breakdown of family life because mothers had to work long hours in factories. John Spargo focused attention on the dangerous and difficult lives of child workers. (See the Witness History at the beginning of this section.)

**Novelists Defend the Downtrodden** Fiction writers put a human face on social problems. They developed a new genre—the naturalist novel—that honestly portrayed human misery and the struggles of common people. Theodore Dreiser, a midwesterner raised in poverty, published *Sister Carrie* in 1900. His provocative novel traces the fate of a small-town girl drawn into the brutal urban worlds of Chicago and New York.

Naturalist novels became very popular. Frank Norris's *The Octopus* fascinated readers by dramatizing the Southern Pacific Railroad's stranglehold on struggling California farmers. In *The Jungle*, Upton Sinclair related the despair of immigrants working in Chicago's stockyards and revealed the unsanitary conditions in the industry. (See an excerpt from the novel at the end of this section.) African American author Frances Ellen Watkins portrayed some of the struggles of black Americans in her 1892 novel *Iola Leroy*.

**Checkpoint** What role did journalists and other writers play in the Progressive Movement?

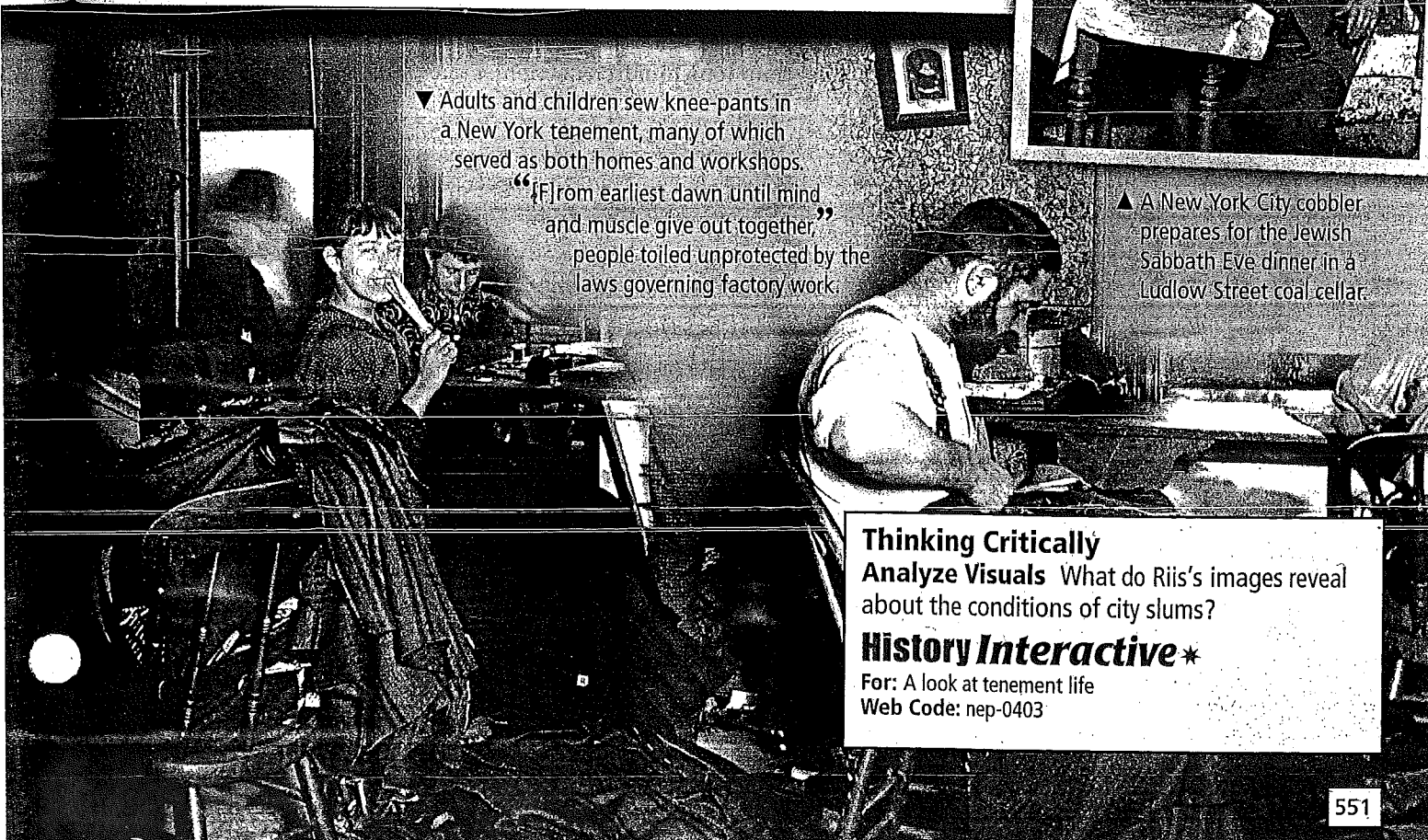
## WITNESS HISTORY DVD

Watch *The Jungle: A View of Industrial America on the United States Witness History DVD* to learn more about city life in the industrial age.

**Discovery**  
EDUCATION



▲ A New York City cobbler prepares for the Jewish Sabbath Eve dinner in a Ludlow Street coal cellar.



▼ Adults and children sew knee-pants in a New York tenement, many of which served as both homes and workshops.

"[F]rom earliest dawn until mind and muscle give out together," people toiled unprotected by the laws governing factory work.

## Thinking Critically

**Analyze Visuals** What do Riis's images reveal about the conditions of city slums?

## History Interactive★

For: A look at tenement life  
Web Code: nep-0403

**Protecting Children and Improving Education** Progressives also tried to help children. Leading the effort was a lawyer named Florence Kelley. Kelley helped convince the state of Illinois to ban child labor, and other states soon passed similar laws. In 1902, Kelley helped form the National Child Labor Committee, which successfully lobbied the federal government to create the U.S. Children's Bureau in 1912. This new agency examined any issue that affected the health and welfare of children. The agency still works to protect children today.

But progress in children's rights had a long way to go. In 1916, Congress passed the Keating-Owens Act, which banned child labor. However, two years later, the Supreme Court ruled the law unconstitutional. It was not until 1938 that Congress would end child labor for good.

Progressives also tried to better children's lives by improving education. A number of states passed laws that required children to attend school until a certain age. However, there were heated debates about what children should learn and how they should learn. Some argued that they should be taught only work skills. Others said they should learn to appreciate literature and music. Most educators agreed that girls should learn different things from boys.

Educator John Dewey criticized American schools for teaching children to memorize facts but not to think creatively. Dewey wanted schools to teach new subjects such as history and geography, as well as practical skills like cooking and carpentry. His ideas were not adopted at once, but in later years, many states put them into effect.

**Progressives Help Industrial Workers** In the early 1900s, the United States had the highest rate of industrial accidents in the world. Long hours, poor ventilation, hazardous fumes, and unsafe machinery threatened not only workers' health but also their lives. Each year some thirty thousand workers died on the job, while another half a million were injured.

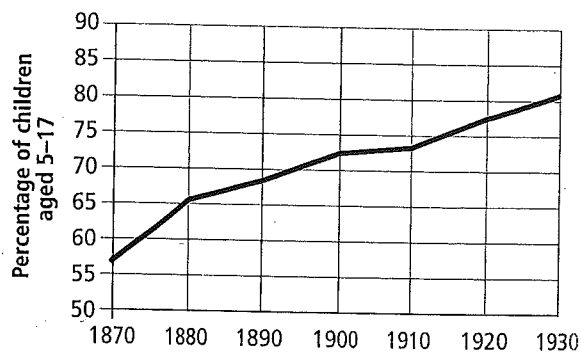
In March 1911, a fire at the Triangle Shirtwaist Factory in New York City shocked Americans and focused attention on the need to protect workers. Workers in the factory had little chance to escape the raging fire because managers had locked most of the exits. The fire killed 146 workers, most of them young women. Many jumped from the windows in desperation. Inside the smoldering ruins, firefighters found many more victims, "skeletons bending over sewing machines."

After the blaze, outraged Progressives intensified their calls for reform. New York passed laws to make workplaces safer, and other cities and states followed suit. Many states also adopted workers' compensation laws, which set up funds to pay workers who were hurt on the job.

Progressives also persuaded some states to pass laws limiting the workday to 10 hours. However, their efforts suffered a blow in 1905 when the Supreme Court ruled in *Lochner v. New York* that such laws were unconstitutional.

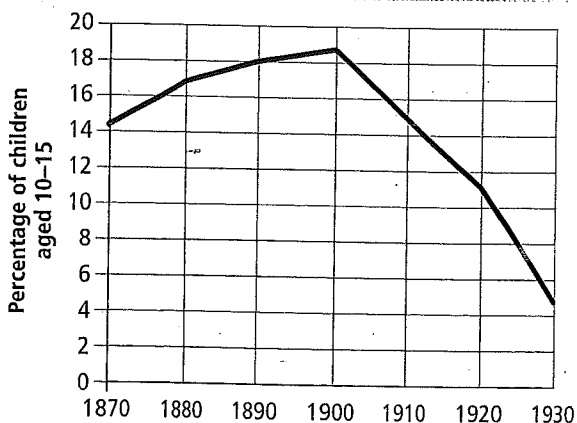
**Checkpoint** How did Progressives work to help the urban poor?

**Children Enrolled in Public School, 1870–1930**



SOURCE: Historical Statistics of the United States

**Children Employed, 1870–1930**



SOURCE: U.S. Census Bureau

**Graph Skills** During the Progressive Era, child labor declined sharply while school enrollment increased. According to the graphs, how did the percentage of children employed change from 1890 to 1920? How did school enrollment change during the same period?



## Progressives Reform Society

The work of the muckrakers increased popular support for Progressivism and helped the Progressives bring about reforms. Progressive activists promoted laws to improve living conditions, public health, and schools. They urged government to regulate businesses. They believed that careful social planning would make American life better.

**The Social Gospel Guides Reform Efforts** Many reformers, like Walter Rauschenbusch, thought that Christianity should be the basis of social reform. A child of German immigrants, Rauschenbusch had become a Baptist minister. He blended ideas from German socialism and American Progressivism into a plan for building a better society. His book *Christianity and the Social Crisis* outlined what he called the **Social Gospel**. By following the Bible's teachings about charity and justice, he explained, people could make society "the kingdom of God."

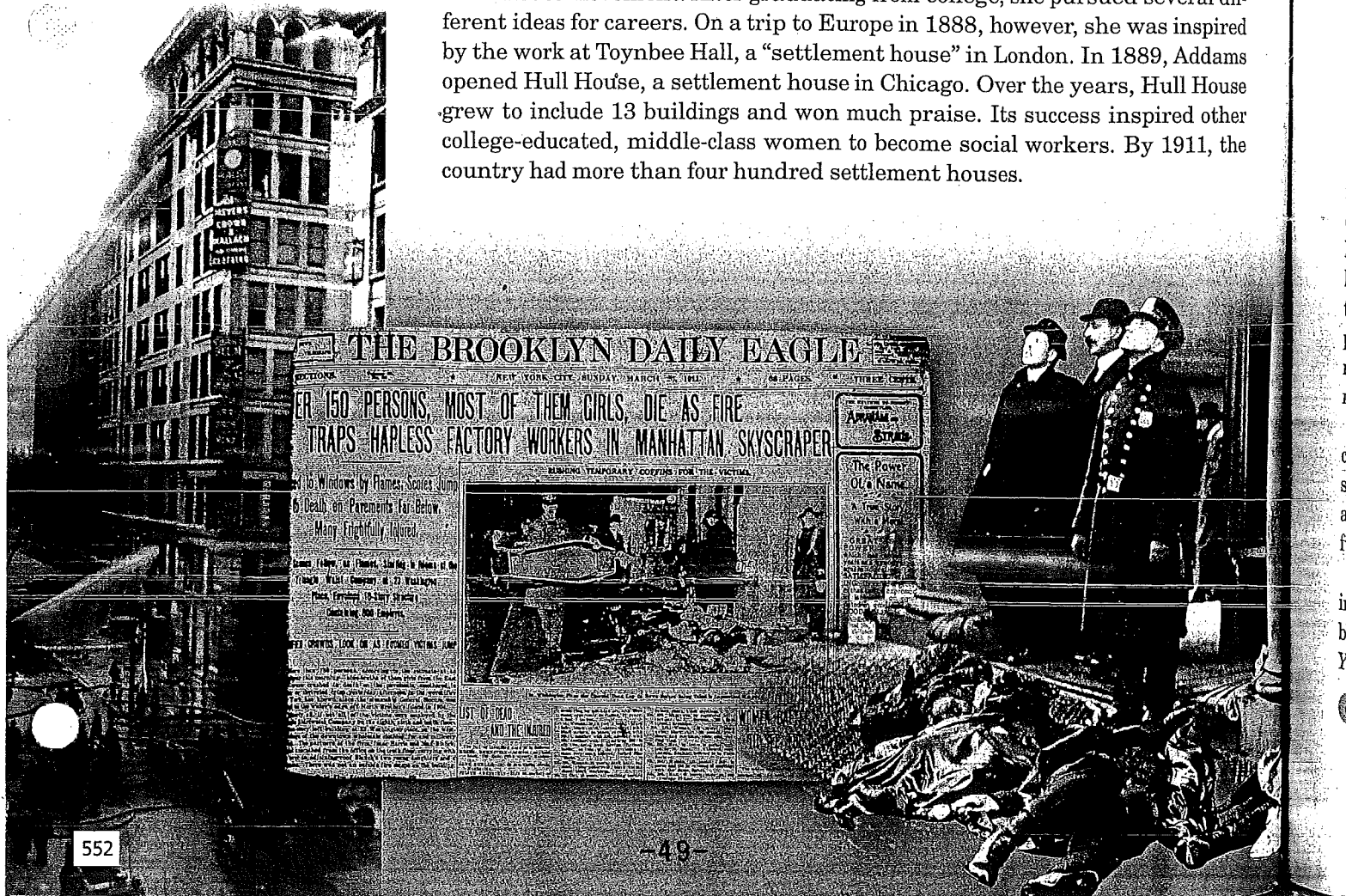
Many Protestant leaders followed Rauschenbusch's program. They began to urge the end of child labor and a shorter workweek. They also pushed for the federal government to limit the power of corporations and trusts.

### The 1911 Triangle Shirtwaist Factory Fire

Victims of the Triangle Shirtwaist Factory fire lie at the feet of a police officer as he looks up at the deadly blaze. *How did the fire help or hurt Progressives' efforts to reform workplace conditions?*

**Settlement House Workers Aid the Urban Poor** An important goal of many Progressives was to improve the lives of poor people in the cities. One approach was the **settlement house**, a community center that provided social services to the urban poor. Settlement house workers gave mothers classes in child care and taught English to immigrants. They ran nursery schools and kindergartens. They also provided theater, art, and dance programs for adults.

A young woman named **Jane Addams** became a leading figure in the settlement house movement. After graduating from college, she pursued several different ideas for careers. On a trip to Europe in 1888, however, she was inspired by the work at Toynbee Hall, a "settlement house" in London. In 1889, Addams opened Hull House, a settlement house in Chicago. Over the years, Hull House grew to include 13 buildings and won much praise. Its success inspired other college-educated, middle-class women to become social workers. By 1911, the country had more than four hundred settlement houses.





### Post-Hurricane Reforms in Galveston

- Galveston adopts a new commission form of government that spreads to other reform-minded cities.
- New city government builds a 17-foot-high seawall as protection against future storms.
- City government uses landfill to raise low-lying neighborhoods above sea level.

### Devastated Galveston

The coastal city of Galveston, Texas, hit by a powerful hurricane, adopted a new form of government to lead the rebuilding. *What features would a city government need to handle a reconstruction job of the scale seen here?*

## Reforming Government

Progressive reformers realized that they needed to reform the political process in order to reform society. They would have to free government from the control of political bosses and powerful business interests. They wanted to give people more control over their government and make government more effective and efficient in serving the public.

**Reformers Improve City Government** Just as the Triangle Shirtwaist Factory fire spurred reformers to action, so did another disaster. In 1900, a massive hurricane left the city of Galveston, Texas, in ruins. The greatest national calamity in American history, the hurricane killed more than 8,000 people. As an emergency measure, Galveston replaced its mayor and board of aldermen with a five-person commission. The commission form of government proved very efficient as the city carried out a tremendous rebuilding effort. The following year, Galveston decided to permanently adopt the commission form of government.

Known as the Galveston plan, many other cities decided to take up the commission form of government. By 1918, nearly 500 cities had adopted some form of the Galveston plan. Dayton, Ohio, and other cities modified the plan by adding a city manager to head the commission. The new city governments curbed the power of bosses and their political machines. The reform governments purchased public utilities so that electric, gas, and water companies could not charge city residents unfairly high rates.

**Progressives Reform Election Rules** Progressives also pushed for election reforms, taking up some Populist ideas. Traditionally, it was the party leaders who picked candidates for state and local offices. But in Wisconsin, reform governor Robert M. La Follette established a **direct primary**, an election in which citizens themselves vote to select nominees for upcoming elections. By 1916, all but four states had direct primaries.




Progressives also wanted to make sure that elected officials would follow citizens' wishes. To achieve this goal, they worked for three other political reforms: the initiative, the referendum, and the recall. The **initiative** gave people the power to put a proposed new law directly on the ballot in the next election by collecting citizens' signatures on a petition. This meant that voters themselves could pass laws instead of waiting for elected officials to act. The **referendum** allowed citizens to approve or reject laws passed by a legislature. The **recall** gave voters the power to remove public servants from office before their terms ended.

Progressives won yet another political reform: They adopted the Populist call for the direct election of senators by voters, not state legislators. That reform became law in 1913, when the Seventeenth Amendment to the Constitution was approved.

**Progressive Governors Take Charge** Dynamic Progressives became the leaders of several states, and chief among them was Robert La Follette of Wisconsin. Elected governor in 1900, "Fighting Bob" won the passage of many reform laws. Under his leadership, the Wisconsin state government forced railroads to charge lower fees and pay higher taxes. La Follette helped his state to improve education, make factories safer, and adopt the direct primary. Progressives called Wisconsin the "laboratory of democracy."

Hiram Johnson, governor of California, shattered the Southern Pacific Railroad's stranglehold on state government. He put in place the direct primary, initiative, referendum, and recall. He also pushed for another goal of some Progressives—planning for the careful use of natural resources such as water, forests, and wildlife.

Other Progressive governors included Theodore Roosevelt of New York and Woodrow Wilson of New Jersey. Roosevelt worked to develop a fair system for hiring state workers and made some corporations pay taxes. Wilson reduced the railroads' power and pushed for a direct primary law. Both Roosevelt and Wilson later became President and brought reforms to the White House.

 **Checkpoint** How did Progressive reformers change local and state governments?

**Vocabulary**  
dynamic—(dī NAM ī k) *energetic; reforming; productive*

## SECTION

# 1

## Assessment

### Progress Monitoring *Online*

For: Self-test with vocabulary practice  
Web Code: nea-0402

### Comprehension

1. **Terms** Explain how each of the following terms is an example of a social or political reform.

- settlement house
- direct primary
- initiative
- referendum
- recall

2. **NoteTaking Reading Skill:**

**Identify Details** Use your flowchart to answer the Section Focus Question: What areas did Progressives think were in need of the greatest reform?

### Writing About History

3. **Quick Write: Compare and Contrast Points of View** In a narrative essay, you may compare and contrast points of view on an issue through the opinions of various individuals. Compare and contrast Social Darwinism with Social Gospel through the personalities of William Graham Sumner, Bill Sunday, and Dwight L. Moody. Use library or Internet resources to complete this assignment.

### Critical Thinking

4. **Recognize Cause and Effect** What problems did muckrakers expose and what effects did their work have on Progressive reform?
5. **Summarize** Describe Walter Rauschenbusch's ideas about Social Gospel and the Progressive Movement.
6. **Identify Points of View** Which groups in U.S. society might have opposed Progressive reform? Explain.

In a speech on the New Freedom, Wilson outlined his aim to provide more opportunities—more freedom—for small businesses.

### Primary Source

“The man with only a little capital is finding it harder and harder to get into the field, more and more impossible to compete with the big fellow. Why? Because the laws of this country do not prevent the strong from crushing the weak.”

—Woodrow Wilson, “The New Freedom,” 1913

Though he did not win the majority of the popular vote, Wilson received more than four times the number of Electoral College votes that went to Roosevelt or to Taft. The pious and intellectual son of a Virginia minister, Wilson was the first man born in the South to win the presidency in almost 60 years.

**Checkpoint** How did Republican divisions help Wilson win the presidency?

### Vocabulary Builder

**intellectual**—(ihn tuh LEHK choo uhl) *adj.* guided by thought; possessing great power of thought and reason

## Wilson Regulates the Economy

President Wilson attacked what he called the “triple wall of privilege”—the tariffs, the banks, and the trusts—that blocked businesses from being free. Early in his first term, he pushed for new laws that would bring down those three walls and give the government more control over the economy.

**Congress Lowers Tariffs and Raises Taxes** First, Wilson aimed to protect workers. He began by trying to prevent big manufacturers from charging unfairly high prices to their customers. One way to do this was to lower the tariffs on goods imported from foreign countries, so that if American companies’ prices were too high, consumers could buy foreign goods. Wilson called a special session of Congress and convinced the group to pass the Underwood Tariff Bill, which cut tariffs.

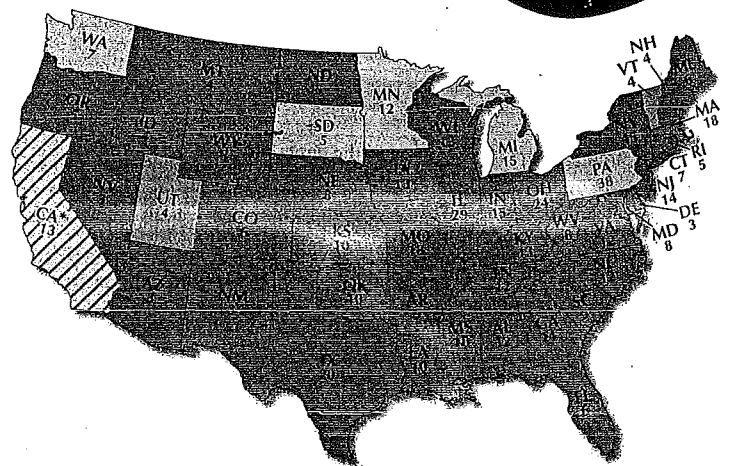
The Underwood Tariff Act included a provision to create an income tax, which the recently passed **Sixteenth Amendment** gave Congress the power to do. The revenue from the income tax more than made up for the money the government lost by lowering tariffs on imports.

**Federal Reserve Act** Next, Wilson tried to reform the banking system. At the time, the country had no central authority to supervise banks. As a result, interest rates for loans could fluctuate wildly, and a few wealthy bankers had a great deal of control over the national, state, and local banks’ reserve funds. This meant that a bank might not have full access to its reserves when customers needed to withdraw or borrow money. Wilson pushed Congress to pass the **Federal Reserve Act (1913)**. This law placed national banks under the control of a Federal Reserve Board, which set up regional banks to hold the reserve funds from commercial banks. This system, still in place today, helps protect the American economy from having too much

Progressive Party button

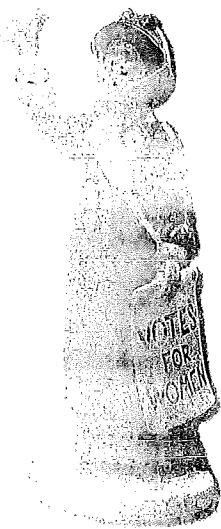


## Presidential Election of 1912



Candidate (Party)	Electoral Vote	Popular Vote	% Electoral Vote	% Popular Vote
Woodrow Wilson (Democrat)	435	6,296,547	82	42
Theodore Roosevelt (Progressive)	88	4,118,571	17	27
William H. Taft (Republican)	8	3,486,720	1	23

\*Two of California’s electors voted for Wilson



money end up in the hands of one person, bank, or region. The Federal Reserve Board also sets the interest rate that banks pay to borrow money from other banks, and it supervises banks to make sure they are well run. Historians have called the Federal Reserve Act the most important piece of economic legislation before the 1930s.

**Wilson Strengthens Antitrust Regulation** Like Presidents before him, Wilson focused on trusts. Wilson agreed with Roosevelt that trusts were not dangerous as long as they did not engage in unfair practices. In 1914, he persuaded Congress to create the **Federal Trade Commission (FTC)**. Members of this group were named by the President to monitor business practices that might lead to monopoly. The FTC was also charged with watching out for false advertising or dishonest labeling. Congress also passed the **Clayton Antitrust Act** (1914), which strengthened earlier antitrust laws by spelling out those activities in which businesses could not engage.

These laws are still in effect today, protecting both businesses and consumers from abusive business activities. In recent years, the FTC has prosecuted companies that traded stocks dishonestly and fined companies that published false ads. The FTC also regulates buying on the Internet.

#### Progressive Era Legislation and Constitutional Amendments

Legislation/Amendment	Effect
Sherman Antitrust Act (1890)	Outlawed monopolies and practices that restrained trade, such as price fixing
Reclamation Act (1902)	Provided for federal irrigation projects by using money from the sale of public lands
Elkins Act (1903)	Imposed fines on railroads that gave special rates to favored shippers
Adamson Act (1916)	Authorized the federal government to regulate railroad rates and set maximum prices for ferries, bridge tolls, and oil pipelines
Meat Inspection Act (1906)	Allowed the federal government to inspect meat sold across state lines and required inspection of meat-processing plants
Pure Food and Drug Act (1906)	Allowed federal inspection of food and medicine and banned the shipment and sale of impure food and the mislabeling of food and medicine
Sixteenth Amendment (1913)	Gave Congress the power to collect taxes on people's income
Seventeenth Amendment (1913)	Instituted the direct election of senators by the people of each state
Tariff Act (1909)	Lowered tariffs on imported goods and established a graduated income tax
Federal Reserve Act (1913)	Created the Federal Reserve Board to oversee banks and manage reserve funds
Federal Trade Commission Act (1914)	Established the Federal Trade Commission to monitor business practices, false advertising, and dishonest labeling
Clayton Antitrust Act (1914)	Strengthened the Sherman Antitrust Act by spelling out specific activities businesses could not do
Eighteenth Amendment (1919)	Banned the making, selling, and transporting of alcoholic beverages in the United States
Nineteenth Amendment (1920)	Gave women the right to vote in all elections

**Workers' Rights Protected** The Clayton Antitrust Act also ushered in a new era for workers by protecting labor unions from being attacked as trusts. Now, workers could organize more freely. Samuel Gompers of the American Federation of Labor (AFL) praised the new law as the "Magna Carta" of labor.

On the heels of these protections came the Workingman's Compensation Act (1916), which gave wages to temporarily disabled civil service employees. That same year, Wilson pushed for the Adamson Act to prevent a nationwide railroad strike, which would have stopped the movement of coal and food, leaving millions of Americans cold and hungry. Railroad union leaders insisted on the eight-hour day, but railroad managers would not accept it. Wilson called many company leaders to the White House, pleading with them to change their minds and avert a strike. When those efforts failed, he worked with Congress to pass the Adamson Act, which limited railroad employees' workdays to eight hours.

However, Wilson did not always support organized labor, as a tragic incident known as the Ludlow Massacre showed. In the fall of 1913, coal miners in Ludlow, Colorado, demanded safer conditions, higher pay, and the right to form a union. When the coal company refused, they walked off the job. Evicted from company housing, the miners and their families set up in a tent city near

the mines. The strike continued through the winter. Then, on April 20, 1914, the Colorado National Guard opened fire on the tent city and set fire to the tents, killing some 26 men, women, and children. In the end, Wilson sent federal troops to restore order and break up the strike. The miners' attempt to form a union had failed.

- ✓ **Checkpoint** What policies did Wilson pursue in support of his New Freedom program?

## Progressivism Leaves a Lasting Legacy

The political reforms of the Progressives had a lasting effect on the American political system. The initiative, referendum, and recall and the Nineteenth Amendment expanded voters' influence. Progressive reforms also paved the way for future trends. Starting in this period, the federal government grew to offer more protection to Americans' private lives while at the same time, gaining more control over peoples' lives.

The American economy today showcases the strength of the Progressives' legacy. Antitrust laws, the Federal Reserve Board, and the other federal agencies watch closely over the economy. The controls that Roosevelt and Wilson put in place continue to provide consumer protections. In later years, the government built on those actions to extend regulation over other aspects of business.

The Progressive years also greatly expanded the government's role in managing natural resources. Especially in the West, federal action on dams, national parks, and resource use remain major areas of debate. Those debates and decisions affect people in other regions as well. For example, while farmers in California, Arizona, or New Mexico worry about getting enough water to grow crops, the rest of the nation awaits the delivery of the food they grow.

It is true that many of the problems identified by the Progressives still plague us today. There are still dishonest sellers, unfair employment practices, and problems in schools, cities, the environment, and public health. However, the Progressive reformers passed on the idea that government can take action to help people fix those problems.

- ✓ **Checkpoint** What was the long-term impact of the Progressive Era on American life?

### SECTION

# 5

## Assessment

### Progress Monitoring Online

For: Self-test with vocabulary practice  
Web Code: nea-0409

### Comprehension

- 1. Terms and People** For each item below, write a sentence explaining its significance.
  - Woodrow Wilson
  - New Freedom
  - Sixteenth Amendment
  - Federal Reserve Act
  - Clayton Antitrust Act

### 2. NoteTaking Reading Skill:

**Identify Details** Use your flowchart to answer the Section Focus Question: What steps did Wilson take to increase the government's role in the economy?

### Writing About History

#### 3. Quick Write: Use Vivid Language

Choose an event discussed in this section. In one or two paragraphs, retell a portion of the event. Be sure to use vivid language and include details. Do additional research if needed.

### Critical Thinking

- 4. Compare and Contrast** How were the goals and actions of Wilson's New Freedom similar to Roosevelt's New Nationalism? How were they different?
- 5. Draw Conclusions** Describe how each of the following met Progressive goals: the Sixteenth Amendment, the Clayton Antitrust Act, the F.C.
- 6. Demonstrate Reasoned Judgment** In which area do you think government reforms had the greatest impact? Why?

which will permit them to retain their own sense of dignity, to treat their children aright, and to take their part in the life of the community as good citizens.

Exactly as each of us in his private life must stand up for his own rights and yet must respect the rights of others and acknowledge in practical fashion that he is indeed his brother's keeper, so all of us taken collectively, the people as a whole, must feel our obligation to work by governmental action, and in all other ways possible, to make the conditions better for those who are unfairly pressed down in the fierce competition of modern industrial life.

I ask justice for those who in actual life meet with most injustice—and I ask this not only for their sakes but for our own sakes, for the sake of the children and the children's children who are to come after us.

The children of all of us will pay in the future if we do not do justice in the present.

This country will not be a good place for any of us to

live in if we do not strive with zeal and efficiency to make it a reasonably good place for all of us to live in.

Nor can our object be obtained save through the genuine control of the people themselves. The people must rule or gradually they will lose all power of being good citizens. The people must control their own destinies or the power of such control will atrophy.

Our cause is the cause of the plain people. It is the cause of social and industrial justice to be achieved by the plain people through the resolute and conscientious use of all the machinery, public and private, State and National, governmental and individual, which is at their command.

This is a great fight in which we are engaged, for it is a fight for human rights, and we who are making it are really making it for every good citizen of this Republic, no matter to what party he may belong.

### Questions

1. By Roosevelt's standards, what constitutes a moral rich man?
2. Why does Roosevelt invoke Abraham Lincoln in this speech?
3. How does Roosevelt define social justice?

## 20-10 The Progressive Party Platform of 1912

There was nothing ordinary about the Progressive Party's presidential convention, held in Chicago in August 1912. The delegates sang "Onward Christian Soldiers" from the convention floor, Jane Addams seconded the nomination of the candidate, and Theodore Roosevelt delivered an acceptance speech titled "A Confession of Faith." The party platform was no less remarkable, as it blended Roosevelt's view of the future with a deeply ingrained religious passion.

Source: Kirk H. Porter and Donald Bruce Johnson, comps., *National Party Platforms, 1840-1964* (Urbana: University of Illinois Press, 1966), 175-178.

The conscience of the people, in a time of grave national problems, has called into being a new party, born of the nation's sense of justice. We of the Progressive party here dedicate ourselves to the fulfillment of the duty laid upon us by our fathers to maintain the government of the people, by the people and for the people whose foundations they laid.

We hold with Thomas Jefferson and Abraham Lincoln that the people are the masters of their Constitution, to fulfill its purposes and to safeguard it from those who, by perversion of its intent, would convert it into an instrument of injustice. In accordance with the needs of each generation the people must use their sovereign powers to

establish and maintain equal opportunity and industrial justice, to secure which this Government was founded and without which no republic can endure.

This country belongs to the people who inhabit it. Its resources, its business, its institutions and its laws should be utilized, maintained or altered in whatever manner will best promote the general interest.

It is time to set the public welfare in the first place.

### THE OLD PARTIES

Political parties exist to secure responsible government and to execute the will of the people.

From these great tasks both of the old parties have turned aside. Instead of instruments to promote the general welfare, they have become the tools of corrupt interests which use them impartially to serve their selfish purposes. Behind the ostensible government sits enthroned an invisible government owing no allegiance and acknowledging no responsibility to the people.

To destroy this invisible government, to dissolve the unholy alliance between corrupt business and corrupt politics is the first task of the statesmanship of the day.

The deliberate betrayal of its trust by the Republican party, the fatal incapacity of the Democratic party to deal with the new issues of the new time, have compelled the people to forge a new instrument of government through which to give effect to their will in laws and institutions.

Unhampered by tradition, uncorrupted by power, undismayed by the magnitude of the task, the new party offers itself as the instrument of the people to sweep away old abuses, to build a new and nobler commonwealth.

#### A COVENANT WITH THE PEOPLE

This declaration is our covenant with the people; and we hereby bind the party and its candidates in State and Nation to the pledges made herein.

#### THE RULE OF THE PEOPLE

The National Progressive party, committed to the principles of government by a self-controlled democracy expressing its will through representatives of the people, pledges itself to secure such alterations in the fundamental law of the several States and the United States as shall insure the representative character of the government.

In particular, the party declares for direct primaries for the nomination of State and National officers, for nationwide preferential primaries for candidates for the presidency; for the direct election of United States Senators by the people; and we urge on the States the policy of the short ballot, with responsibility to the people secured by the initiative, referendum and recall.

#### AMENDMENT OF CONSTITUTION

The Progressive party, believing that a free people should have the power from time to time to amend their fundamental law so as to adapt it progressively to the changing needs of the people, pledges itself to provide a more easy and expeditious method of amending the Federal Constitution.

#### NATION AND STATE

Up to the limit of the Constitution, and later by amendment of the Constitution, if found necessary, we advocate bringing under effective national jurisdiction those problems which have expanded beyond reach of the individual States.

It is as grotesque as it is intolerable that the several States should by unequal laws in matter of common concern become competing commercial agencies, barter the lives of their children, the health of their women and the safety and well being of their working people for the benefit of their financial interests.

The extreme insistence on States' rights by the Democratic party in the Baltimore platform demonstrates anew its inability to understand the world into which it has survived or to administer the affairs of a union of States which have in all essential respects become one people.

#### EQUAL SUFFRAGE

The Progressive party, believing that no people can justly claim to be a true democracy which denies political rights on account of sex, pledges itself to the task of securing equal suffrage to men and women alike.

#### CORRUPT PRACTICES

We pledge our party to legislation that will compel strict limitation of all campaign contributions and expenditures, and detailed publicity of both before as well as after primaries and elections.

#### PUBLICITY AND PUBLIC SERVICE

We pledge our party to legislation compelling the registration of lobbyists; publicity of committee hearings except on foreign affairs, and recording of all votes in committee; and forbidding federal appointees from holding office in State or National political organizations, or taking part as officers or delegates in political conventions for the nomination of elective State or National officials.

#### THE COURTS

The Progressive party demands such restriction of the power of the courts as shall leave to the people the ultimate authority to determine fundamental questions of social welfare and public policy. To secure this end, it pledges itself to provide:

1. That when an Act, passed under the police power of the State, is held unconstitutional under the State Constitution, by the courts, the people, after an ample interval for deliberation, shall have an opportunity to vote on the question whether they desire the Act to become law, notwithstanding such decision.

2. That every decision of the highest appellate court of a State declaring an Act of the Legislature unconstitutional on the ground of its violation of the Federal Constitution shall be subject to the same review by the Supreme Court of the United States as is now accorded to decisions sustaining such legislation.

## ADMINISTRATION OF JUSTICE

The Progressive party, in order to secure to the people a better administration of justice and by that means to bring about a more general respect for the law and the courts, pledges itself to work unceasingly for the reform of legal procedures and judicial methods.

We believe that the issuance of injunctions in cases arising out of labor disputes should be prohibited when such injunctions would not apply when no labor disputes existed.

We also believe that a person cited for contempt in labor disputes, except when such contempt was committed in the actual presence of the court or so near thereto as to interfere with the proper administration of justice, should have a right to trial by jury.

## SOCIAL AND INDUSTRIAL JUSTICE

The supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledge ourselves to work unceasingly in State and Nation for:

Effective legislation looking to the prevention of industrial accidents, occupational diseases, overwork, involuntary unemployment, and other injurious effects incident to modern industry;

The fixing of minimum safety and health standards for the various occupations, and the exercise of the public authority of State and Nation, including the Federal Commerce Commission over interstate commerce, and the taxing power, to maintain such standards;

The prohibition of child labor;

Minimum wage standards for working women, to provide a "living wage" in all industrial occupations;

The general prohibition of night work for women and the establishment of an eight hour day for women and young persons;

One day's rest in seven for all wage workers;

The eight hour day in continuous twenty-four-hour industries;

The abolition of the convict contract labor system; substituting a system of prison production for governmental consumption only; and the application of prisoners' earnings to the support of their dependent families;

Publicity as to wages, hours and conditions of labor; full reports upon industrial accidents and diseases, and the opening to public inspection of all tallies, weights, measures and check systems on labor products;

Standards of compensation for death by industrial accident and injury and trade disease which will transfer the burden of lost earnings from the families of working people to the industry, and thus to the community;

The protection of home life against the hazards of sickness, irregular employment and old age through the

adoption of a system of social insurance adapted to American use;

The development of the creative labor power of America by lifting the last load of illiteracy from American youth and establishing continuation schools for industrial education under public control and encouraging agricultural education and demonstration in rural schools;

The establishment of industrial research laboratories to put the methods and discoveries of science at the service of American producers;

We favor the organization of the workers, men and women, as a means of protecting their interests and of promoting their progress. . . .

## BUSINESS

We believe that true popular government, justice and prosperity go hand in hand, and, so believing, it is our purpose to secure that large measure of general prosperity which is the fruit of legitimate and honest business, fostered by equal justice and by sound progressive laws.

We demand that the test of true prosperity shall be the benefits conferred thereby on all the citizens, not confined to individuals or classes, and that the test of corporate efficiency shall be the ability better to serve the public; that those who profit by control of business affairs shall justify that profit and that control by sharing with the public the fruits thereof.

We therefore demand a strong National regulation of inter-State corporations. The corporation is an essential part of modern business. The concentration of modern business, in some degree, is both inevitable and necessary for national and international business efficiency. But the existing concentration of vast wealth under a corporate system, unguarded and uncontrolled by the Nation, has placed in the hands of a few men enormous, secret, irresponsible power over the daily life of the citizen—a power insufferable in a free Government and certain of abuse.

This power has been abused, in monopoly of National resources, in stock watering, in unfair competition and unfair privileges, and finally in sinister influences on the public agencies of State and Nation. We do not fear commercial power, but we insist that it shall be exercised openly, under publicity, supervision and regulation of the most efficient sort, which will preserve its good while eradicating and preventing its ill.

To that end we urge the establishment of a strong Federal administrative commission of high standing, which shall maintain permanent active supervision over industrial corporations engaged in inter-State commerce, or such of them as are of public importance, doing for them what the Government now does for the National banks, and what is now done for the railroads by the Inter-State Commerce Commission.

Such a commission must enforce the complete publicity of those corporation transactions which are of public interest; must attack unfair competition, false capitalization and special privilege, and by continuous trained watchfulness guard and keep open equally all the highways of American commerce.

Thus the business man will have certain knowledge of the law, and will be able to conduct his business easily in conformity therewith; the investor will find security for his capital; dividends will be rendered more certain, and the savings of the people will be drawn naturally and safely into the channels of trade.

Under such a system of constructive regulation, legitimate business, freed from confusion, uncertainty and fruitless litigation, will develop normally in response to the energy and enterprise of the American business man.

We favor strengthening the Sherman Law by prohibiting agreement to divide territory or limit output; refusing to sell to customers who buy from business rivals; to sell below cost in certain areas while maintaining higher prices in other places; using the power of transportation to aid or injure special business concerns; and other unfair trade practices.

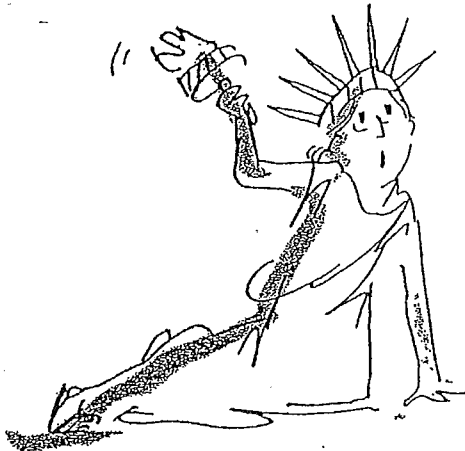
### Questions

1. Why would a political party insist on making a "covenant" with voters? What does this "covenant" suggest about the way progressives viewed themselves and politics?
2. How does this platform propose to change the courts?
- ~~3. What does the section on social and industrial justice indicate about the United States in 1912?~~
3. How do these changes mentioned here, and in the reading "People's Populist Party Platform 1892", compare to the Triangle chart you made in class? What has happened since 1892?



## 10. FEAR OVERWHELMS THE BILL OF RIGHTS

Attorney Clarence Darrow, *People v. Hottel*, 1920



What do you think would happen if you read the Bill of Rights outdoors before a large audience? Would you get blank looks? Signs of interest? Applause?

Almost certainly you would not be kidnapped by the police. That's what happened in 1923 to a famous writer, Upton Sinclair. He began a speech before a large group of striking workers in San Pedro Harbor, California by reading aloud the Bill of Rights. Before he could finish the First Amendment – guaranteeing the right to freedom of speech and assembly – police surrounded him, removing him from the speaker's platform.

As Sinclair later wrote in a letter to the Los Angeles chief of police, the police officers told him that "this Constitution stuff does not go at the Harbor."<sup>13</sup> He was driven from police station to police station in Los Angeles for many hours, without

actually being charged with anything. The Los Angeles police apparently hoped to hold him indefinitely without anyone knowing of his whereabouts.

However, someone tipped off Sinclair's lawyer and he was brought into court after being held in secret for twenty-two hours. He was charged with "discussing, arguing, orating and debating certain thoughts and theories...calculated to cause hatred and contempt of the government of the United States of America, and...detrimental and in opposition to the orderly conduct of affairs of business, affecting the rights of private property and personal liberty...."

In the mind of the local authorities, "personal liberty" and the "rights of private property" went hand in hand. Both appeared threatened when the Bill of Rights was read by someone who sympathized with striking

© A British visitor to the United States in the 1920s wrote: "America is the land of liberty – liberty to keep prisoners – what did he mean? How true is this today?"

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workers.

We have learned that the civil liberties guaranteed by the Bill of Rights counted for little when the basic civil and human rights of large parts of the population were denied. We have also seen that after the Civil War, there was an opportunity for the country to change direction. If the Fourteenth Amendment to the Constitution had been interpreted differently by the courts, there may have been a different climate in the country by the following century.

But instead, "Jim Crow segregation" replaced slavery, as the federal government retreated from the promise of Reconstruction. And at the same time, more and more people, both immigrants and citizens, experienced the kind of government tyranny that the Founders had tried to prevent. During a time of fear, not unlike the climate surrounding today's "war on terrorism," people were targeted solely because of their ideas and political beliefs.

One hundred years ago, "anarchists" were believed responsible for many violent acts, including the planting of dozens of bombs in public places. Anarchists, who were



Europe, maintained that in a just world there would be no government, but people would govern themselves, hold property in common and work for the common good.

When an American-born anarchist assassinated President William McKinley in 1901, Congress passed laws to keep anarchists out of the country and to deport those who were here already – even if they were totally law-abiding and did not advocate violence for political ends. Under these laws, naturalized citizens (those who were not born here) could be deprived of citizenship if it could be shown they were, or had once been, anarchists.

Anarchists were not the only people to be treated as dangerous subversives. Any "political radical" who questioned the American

economic system, or helped organize trade unions so workers could demand better pay and conditions, was at risk. Called "communists" or "Reds" because of the red flags they carried, they faced mob violence and government raids. Public fears associated with the first "Red Scare" intensified when, in 1917, there was a successful revolution in Russia, which became the Soviet Union.

This "Bolshevik" or communist revolution occurred shortly after the United States entered the First World War. The war was not popular with the American people, and there were large anti-war demonstrations around the country. The government claimed that communists were stirring up anti-war sentiment.

In June 1917, Congress passed an Espionage Act. It

provided for a \$10,000 fine and up to twenty years in prison for disloyal utterances attempts to obstruct military recruitment. The next year, Congress passed a Sedition Act. It applied the same penalties to "uttering, printing, writing, or publishing" language that was seen as disloyal and which was intended "to cause contempt" towards the "government of the United States, or the Constitution, or the flag." Over 2,000 persons were prosecuted under these acts.

State legislatures and local towns also passed laws barring "seditious expression." There were tens of thousands of prosecutions for distributing literature on the streets, for holding public meetings and for displaying a red flag. So extreme was the fear of dissent and what were called "foreign ideas" that teachers were screened for "loyalty" and several states banned foreign languages in schools.

The attack on dissenting ideas did not end with the end of the war in 1918. In 1919, there was an economic slump and widespread unemployment among returning war veterans.

The result was nearly 4,000

or strikes involving four million workers, feeding fears

that society was coming apart, as it had in Russia.

These fears were fanned by the media, especially after bombs went off in eight cities in June 1919. One exploded in the Massachusetts legislature. In September 1919, when the Boston police went on strike for higher pay, the press became nearly hysterical. It depicted the events as "a Bolshevik nightmare" with the city under the control of subversives. In the words of the September 12<sup>th</sup> *New York Times*, the strike provided "a long look at the fires of anarchy and crime that smolder asleep under civilization."

To inflame fears further, white mobs attacked African Americans in twenty-two cities across the country between April and October 1919. State and local authorities claimed to be powerless in the face of these race riots, which left seventy-eight people dead. But they were prepared to arrest those African Americans who defended themselves.

The government seemed less concerned with the actual violence directed against African Americans and trade unionists, than with the imagined nightmare of a violent attack against established

order. As organizations like the Ku Klux Klan mobilized to "save" American values from dangerous immigrants and radicals, the U.S. Justice Department, under Attorney General A. Mitchell Palmer, ordered raids on homes, meeting places, pool halls and other public places in thirty-three American cities.

The "Palmer raids" of January 1920 resulted in as many as 10,000 arrests of suspected "radicals." Most were made without warrants or probable cause of wrongdoing. Nearly a thousand immigrants were deported without any kind of a fair hearing. Many people agreed with the Massachusetts Secretary of State who said if he could, he would take those who were arrested "out in the yard every morning and shoot them, and the next day would have a trial to see whether they were guilty."<sup>14</sup>

The attack on the rights of



some led to the loss of rights for all. Everyone had to think the same way – or else. As one British journalist put it, “America is the land of liberty – liberty to keep in step.”<sup>15</sup>

Against this background, it is easy to see how Upton Sinclair could get arrested for reading the Bill of Rights. But the news was not all bad. The Palmer Raids led to the creation of an organization to challenge violations of rights, and ensure that “liberty” could have its day in court. In 1920, the American Civil Liberties Union (ACLU) was formed by private individuals to be an enforcement mechanism for the Bill of Rights.

In the same year, after more than seventy years of organized struggle, women finally won the vote with the ratification of the Nineteenth Amendment. Their importance in the labor force during the First World War had made it politically impossible to continue to deny them suffrage.

The U.S. Supreme Court was not yet prepared to uphold the First Amendment in the cases it heard involving dissenting ideas. But in this period the court at last took steps to define when speech and ideas *should* be protected, not just from interference by the federal

AUGUST 24, 1927.

TWO CENTS

## PARIS MOBS LOOT SHOPS, BATTLE POLICE, LONDON RADICALS IN NIGHT RIOTING AS SACCO DEMONSTRATIONS GO ON ABROAD

government, but also from state and local repression.

During the 1920s, the Sacco and Vanzetti case offered a unique opportunity for public education. In May 1920, Nicola Sacco and Bartholomeo Vanzetti, who were Italian immigrant anarchists, were arrested and charged with the robbery and murder of a factory paymaster and guard in Braintree, Massachusetts.

The enormous world-wide publicity given their case focused international attention on America's fear of foreigners and radical ideas, and on possible violations of their due process rights. On the day of their execution, August 23, 1927, *The New York Times* devoted five full pages to the event, and newspapers in several countries gave it front-page headlines. Their deaths in a Massachusetts electric chair sparked huge and angry demonstrations in London, Paris, Geneva and other cities in Europe, South America, Africa and Australia, and the streets of Boston were

besieged. Writers and musicians made sure that Sacco and Vanzetti would not be forgotten.

In 1925, the Scopes “monkey trial” in Tennessee got many people thinking for the first time about the importance of the First Amendment and the free exchange of ideas. Nearly a thousand people crammed into a Tennessee courtroom to witness this test of a law passed by the Tennessee legislature, which made it unlawful to teach in public schools “any theory that denies the story of divine creation of man as taught in the Bible.” Attorney Clarence Darrow defended the young biology teacher, John Scopes, who taught evolution in the classroom, while William Jennings Bryan, a renowned orator and politician, spoke in defense of the new law.

Scopes lost, and it would be decades before the U.S. Supreme Court would rule in cases involving religion and the public schools. But the Bill of Rights was stirring into life.

Name: \_\_\_\_\_

Date: \_\_\_\_\_

US HISTORY

# The Twenties

From *A Walk Through the 20<sup>th</sup> Century* with Bill Moyers

1. What is Bill Moyers trying to accomplish with this history of the 20s?

2. _____ May Care	3. Old _____
Romantic version of the 20s risk-taking Popular memory of the 20s Rainbows	Doctor 50 miles away (and expensive) High infant mortality Hard Work

Moyers on his father and about history: "like most people he puts aside the painful memories to cherish the happy ones"

4. List some of the "simple pleasures"

5. What gave the 20s their excitement?

6. Explain: "Victorianism was dead"  
(seeing more of the "new woman")

7. Contested definitions of flapper

8. Stats on prohibition:

9. Significance of prohibition

10. Why wasn't federal enforcement successful?

11. Work for most Americans was . . . .

12. The movies were NOT focused on

13. Rather they focused on

14. What did the movies do to America?

15. But the highest respect went to (not an athlete) . . . because

Name: \_\_\_\_\_

Date: \_\_\_\_\_

US HISTORY

16. Major effects of the Great War

17. Who said "Machinery is the new Messiah?"

18. What if a customer wanted a Ford that wasn't black?

19. Phone stats (and how did one dial her phone?)

20. The other new way to send a human voice across the miles?

21. Extravagance: "Everybody had 1, 2, 3, 4, 5 . . . " diamonds!

22. Man in blue coat made how much in a week?

23. Bull market peaks:

24. Explain: "low margin rules"

25. How do memory and fact diverge with regard to the economic situation in the 20s?

26. Man in grey shirt (with the hair) makes how much an hour? (which buys . . . ?)

27. Woman in red blouse makes how much in a week?

28. Economists say the depression was caused by . . . .

29. But \_\_\_\_\_ of the nation lives in poverty. (They weren't doing much "consumer spending")

30. The 20s were NOT a prosperous time for:

31. Funny: even the "poor" remember the 20s fondly . . . how is this possible?  
(Bring this to bear on the puzzle Moyers presents at the beginning of the show.)

32. The role of hope and the installment plan on the phenomenon in question 31:

33. The presidents as optimists?

Name: \_\_\_\_\_

Date: \_\_\_\_\_

US HISTORY

34. Harding: didn't want to be the best president. What did he want?

35. "Silent Cal" Coolidge who said, "a man who builds a factory builds a temple," believed prosperity was created by whom?

36. Hoover's reputation upon taking office:

37. What was wrong with Smith, Hoover's opponent in the 1928 election?

38. Hoover's presidency engulfed by ...

39. The 20s arose out of

40. Union movement in 20s

41. Why is the Sacco and Vanzetti case so controversial?

42. What did liberals enjoy about the Scopes monkey trial according to the grey shirt (hair) man?

43. The dualism of the new woman

44. Race relations

45. KKK's power in Indiana

46. lynching

Worth noting: "The 20s had not two but countless faces, some of them ugly and hateful." (But some that we thank for being so good, so honest, and so dear—like any age, no?)

\*In this reading, pay  
attention to how  
Carrie Buck is characterized  
what words, terms, etc are used  
to describe her  
and her "offense"

BUCK v. BELL, 274 U.S. 200 (1927)

Mr. Justice HOLMES delivered the opinion of the Court.

This is a writ of error to review a judgment of the Supreme Court of Appeals of the State of Virginia, affirming a judgment of the Circuit Court of Amherst County, by which the defendant in error, the superintendent of the State Colony for Epileptics and Feeble Minded, was ordered to perform the operation of salpingectomy upon Carrie Buck, the plaintiff in error, for the purpose of making her sterile. 143 Va. 310, 130 S. E. 516. The case comes here upon the contention that the statute authorizing the judgment is void under the Fourteenth Amendment as denying to the plaintiff in error due process of law and the equal protection of the laws.

Carrie Buck is a feeble-minded white woman who was committed to the State Colony above mentioned in due form. She is the daughter of a feeble-minded mother in the same institution, and the mother of an illegitimate feeble-minded child. She was eighteen years old at the time of the trial of her case in the Circuit Court in the latter part of 1924. An Act of Virginia approved March 20, 1924 recites that the health of the patient and the welfare of society may be promoted in certain cases by the sterilization of mental defectives, under careful safeguard, etc.; that the sterilization may be effected in males by vasectomy and in females by salpingectomy, without serious pain or substantial danger to life; that the Commonwealth is supporting in various institutions many defective persons who if now discharged would become a menace but if incapable of procreating might be discharged with safety and become self-supporting with benefit to themselves and to society; and that experience has shown that heredity plays an important part in the transmission of insanity, imbecility, etc. The statute then enacts that whenever the superintendent of certain institutions including the above named State Colony shall be of opinion that it is for the best interest of the patients and of society that an inmate under his care should be sexually sterilized, he may have the operation performed upon any patient afflicted with hereditary forms of insanity, imbecility, etc., on complying with the very careful provisions by which the act protects the patients from possible abuse.

The superintendent first presents a petition to the special board of directors of his hospital or colony, stating the facts and the grounds for his opinion, verified by affidavit. Notice of the petition and of the time and place of the hearing in the institution is to be served upon the inmate, and also upon his guardian, and if there is no guardian the superintendent is to apply to the Circuit Court of the County to appoint one. If the inmate is a minor notice also is to be given to his parents, if any, with a copy of the petition. The board is to see to it that the inmate may attend the hearings if desired by him or his guardian. The evidence is all to be reduced to writing, and after the board has made its order for or against the operation, the superintendent, or the inmate, or his guardian, may appeal to the Circuit Court of the County. The Circuit Court may consider the record of the board and the evidence before it and such other admissible evidence as may be offered, and may affirm, revise, or reverse the order of the board and enter such order as it deems just. Finally any party may apply to the Supreme Court of Appeals, which, if it grants the appeal, is to hear the case upon the record of the trial [274 U.S. 200, 207] in the Circuit Court and may



enter such order as it thinks the Circuit Court should have entered. There can be no doubt that so far as procedure is concerned the rights of the patient are most carefully considered, and as every step in this case was taken in scrupulous compliance with the statute and after months of observation, there is no doubt that in that respect the plaintiff in error has had due process at law.

The attack is not upon the procedure but upon the substantive law. It seems to be contended that in no circumstances could such an order be justified. It certainly is contended that the order cannot be justified upon the existing grounds. The judgment finds the facts that have been recited and that Carrie Buck 'is the probable potential parent of socially inadequate offspring, likewise afflicted, that she may be sexually sterilized without detriment to her general health and that her welfare and that of society will be promoted by her sterilization,' and thereupon makes the order. ... We have seen more than once that the public welfare may call upon the best citizens for their lives. It would be strange if it could not call upon those who already sap the strength of the State for these lesser sacrifices, often not felt to be such by those concerned, in order to prevent our being swamped with incompetence. It is better for all the world, if instead of waiting to execute degenerate offspring for crime, or to let them starve for their imbecility, society can prevent those who are manifestly unfit from continuing their kind. ... Three generations of imbeciles are enough...

Judgment affirmed.

Mr. Justice BUTLER dissents.

Questions:

1. Who is Buck and what will happen to her as a result of this decision?
2. What is the reasoning in this argument by Justice Holmes?
3. What amendment is the issue in this case?
4. Do you agree with the judgment? Why or why not?
5. Is this a progressive decision? Why or why not?

Benson/Talier

A. -

Read + complete  
the task after on  
the blank page.

~~Read + complete~~!

## 27 REPUBLICAN RESURGENCE AND DECLINE

In the aftermath of World War I and the collapse of Woodrow Wilson's health and his presidency, the Republican party regained control of the White House and the Congress. President Warren G. Harding promised the nation a "return to normalcy." This meant abandoning the efforts of Wilson and Theodore Roosevelt to promote political reform and economic regulation. Instead, the Republicans would revive the pro-business orientation that had served the party so well during the Gilded Age. Harding's successors, Calvin Coolidge and Herbert Hoover, shared this philosophy. Coolidge, who assumed office in 1923 upon the death of Harding, proclaimed that the "business of America is business."

To foster the growth of business, the Republicans emphasized reduced government spending, lower taxes, and higher tariffs. Secretary of the Treasury Andrew Mellon, a wealthy Pittsburgh banker and industrialist, slashed personal income and estate tax rates and sharply reduced federal government spending. Coolidge once remarked that if the federal government disappeared, few would notice and even fewer would regret it. At the same time, Secretary of Commerce Herbert Hoover worked closely with business leaders to create benefits for workers so as to reduce the appeal of trade unions. He also established new government initiatives to help mediate disputes between labor and management and thereby avert strikes and boycotts.

The Democrats, meanwhile, fragmented along sectional lines that reflected the cultural civil wars of the decade. The rural faction, rooted in the South and West, sustained a commitment to cultural populism. This meant support for Prohibition, fundamentalism, the Klan, and government support for farmers. The urban faction of the party, centered in the growing cities of the East and Midwest, depended for its support on immigrant groups that were largely Catholic or Jewish. They tended to oppose Prohibition and recoil from the Protestant orthodoxy of their rural counterparts.

The split within the Democratic party turned into a chasm at the 1924 na-

tional convention in New York. Efforts to unify the divided party proved fruitless. Urban delegates dismissed the "rubes and hicks" from "the sticks" while populist spokesmen charged that metropolitan Democrats were "rooted in corruption, directed by greed and dominated by selfishness." A northern effort to pass a resolution condemning the Ku Klux Klan aroused bitter opposition from the southern delegates, and failed by one vote.

Progressives in both parties felt alienated by the conservative spirit of the times. In the 1924 election they rallied their support behind the third-party candidacy of Robert La Follette of Wisconsin, who headed a revived Progressive party. La Follette and the Progressives adopted a pro-labor and pro-farm platform that echoed the Populists: it called for federal ownership of railroads and utilities, higher taxes on the wealthy, the end of child labor, and conservation of natural resources. La Follette received the endorsement of the Socialist party and the American Federation of Labor, and he drew nearly 5 million votes, mostly from disaffected Democrats. Nevertheless, he still finished a distant third behind Coolidge and Davis.

Four years later Herbert Hoover rode the wave of economic prosperity into the White House. In his acceptance speech he predicted the "final triumph over poverty," and in his inaugural address he declared that he "had no fears for the future of our country. It is bright with hope." Hoover embodied the principles of rugged individualism and equal opportunity embedded in the American experience. Although a staunch supporter of corporate interests and ardent defender of Prohibition, he was a more progressive thinker than either Harding or Coolidge. Hoover believed that capitalism had advanced beyond the initial stage of cut-throat competition and was entering a period of rational cooperation in marketing, wage policies, and product standardization. He also argued that it was in the best interests of corporate America for businesses to engage in voluntary acts of welfare capitalism, extending benefits to workers in order to eliminate the need for trade unions and to blunt the appeal of socialism.

Hoover was by far the best qualified and most able of all the Republican presidents during the twenties, but he assumed office in 1929, the year in which the Great Bull Market collapsed and the nation began to spiral downward into the worst economic depression in its history. To be sure, Hoover did not cause the Great Depression, but he failed to recognize ominous warning signals.

The Great Depression deepened quickly after October 1929 and spread across the country. In 1930 alone almost 1,300 banks closed their doors. During 1931 another 2,300 collapsed. Unemployment rose from 3 percent in 1929 to 25 percent in 1933, meaning that almost 13 million people found themselves jobless.

Statistics hardly convey the human costs of the depression. Prolonged unemployment led people to lose their homes and farms. By the thousands, the displaced and dispossessed began to roam the streets and byways, looking for work,

begging for money, and sleeping on benches or the ground. Suicides increased by 30 percent between 1929 and 1932, and marriage and birth rates plummeted.

Those already living on the margin of society were especially hard hit: African Americans, Mexican-Americans, and recent immigrants. Yet for all of the depression's devastating effects, most Americans refused to succumb to fatalism. They persevered, displaying a gritty tenacity that was both inspiring and ennobling. They refused to let hard times break their spirits or corrupt their dignity. As Ma Joad declares in John Steinbeck's *The Grapes of Wrath* (1936). "They

For "Republican Resurgence and Decline", below create a visual representation that depicts the split of the democratic party and the rise of the republican party. Be sure to include details, such as how this change took place.

---

# Great Depression?

## What Caused the

	What was this?	LINK: How did this cause the Great Depression?	Was this an action of the individual....	Or an action of government/gov't regulation)?
Document A Speculation & Buying on Margin				
Document B Stock Market Crash				
Document C Bank Failure				
Document D Hawley-Smoot Tariff & Trade	What impact did the Hawley-Smoot Tariff have on trade? Why?			
Document E Overproduction in Agriculture				
Document F Inequitable Income Distribution				

Name: \_\_\_\_\_

U.S History  
The Great Depression

## **"Brother, Can You Spare a Dime,"**

**Lyrics by Yip Harburg, music by Jay Gorney (1931)**

*As you listen to the song being played, take notes on the melody & where in the song the lyrics seem light-hearted, but the music says otherwise.*

They used to tell me I was building a dream, and so I followed the mob,  
When there was earth to plow, or guns to bear, I was always there right on the  
job.

They used to tell me I was building a dream, with peace and glory ahead,  
Why should I be standing in line, just waiting for bread?

Once I built a railroad, I made it run, made it race against time.  
Once I built a railroad; now it's done. Brother, can you spare a dime?  
Once I built a tower, up to the sun, brick, and rivet, and lime;  
Once I built a tower, now it's done. Brother, can you spare a dime?

Once in khaki suits, gee we looked swell,  
Full of that Yankee Doodly Dum,  
Half a million boots went slogging through Hell,  
And I was the kid with the drum!

Say, don't you remember, they called me Al; it was Al all the time.  
Why don't you remember, I'm your pal? Buddy, can you spare a dime?

Once in khaki suits, gee we looked swell,  
Full of that Yankee Doodly Dum,  
Half a million boots went slogging through Hell,  
And I was the kid with the drum!

Say, don't you remember, they called me Al; it was Al all the time.  
Say, don't you remember, I'm your pal? Buddy, can you spare a dime?

## "On the Good Ship Lollypop"

Writer: WHITING, RICHARD A. CLARE, SIDNEY

Sung by Shirley Temple

I've thrown away my toys, even my drum and train.  
I wanna make some noise with real live aeroplanes.  
Some day I'm going to fly, I'll be a pilot too.  
And when I do, how would you like to be my crew?

On The Good Ship Lollipop.  
It's a sweet trip to a candy shop  
Where bon-bons play  
On the sunny beach of Peppermint Bay.

Lemonade stands everywhere  
Crackerjack bands fill the air  
And there you are  
Happy landing on a chocolate bar.

See the sugar bowl do the tootsie roll  
With the big bad devil's food cake.  
If you eat too much ooh-ooh  
You'll awake with a tummy ache.

On The Good Ship Lollipop  
It's a night trip into bed you hop  
And dream away  
On The Good Ship Lollipop

Name:

Date:

### When Should Government Step in?

*Read each scenario and write down whether you think the government should step in and what they should do for each scenario.*

#### Scenario

Should Government Get Involved? What should they do?

1. You work for Ford Motor Company, live in Detroit and have a wife and 5 children. Your wages and the wages of everyone in your department have just been reduced by 25%.
2. 6 months later the Ford Company fires 1,000 workers - including you.
3. It's been another 6 months and you still cannot find a job.
4. The bank takes away your house because you cannot pay your mortgage payments. You move with your family to a lot where hundreds of families just like yourself have taken up residence by building shacks made up of scrap metal and wood. All families living in this shantytown are living in conditions with no plumbing, no heat, no electricity, even no windows - the houses are only 1 rooms.
5. Its 6 months later. You still have no job, no one will hire your wife either. Your children have grown out of all of their clothes, which are worn down to threads.
6. Your family is going hungry. You have no money to by food.
7. Everyone in your shantytown is starving. Even your brother and his family in Pittsburgh lost there house and are going hungry.
8. You hear on the news that 25% of the workforce is unemployed.

1.

2.

3.

4.

5.

6.

7.

8.



## Herbert Hoover on direct aid

*"The importance of the Preservation of Self-Help and the Responsibility of Individual Generosity as Opposed to Deteriorating Effects of Governmental Appropriations"*

February 3<sup>rd</sup>, 1931

This is on an issue as to whether people shall go hungry or cold in the United States. It is solely a question of the best method by which hunger and cold shall be prevented. It is a question as to whether the American people on one hand will maintain the spirit of charity and mutual self help through voluntary giving and the responsibility of local government as distinguished on the other hand from appropriations out of the Federal Treasury for such purposes. My own conviction is strongly that if we break down this sense of responsibility of individual generosity to individual and mutual self help in the country in times of national difficulty and if we start appropriations of this character we have not only impaired something infinitely valuable in the life of the American people but have struck at the roots of self-government. Once this happened it is not the cost of a few score millions but we are faced with the abyss of reliance in future upon Government charity in some form or other. The money involved is indeed the least of the costs to American ideals and American institutions.

*What does Hoover believe about direct aid? Do you think he convinces the American people? What do you think about direct aid?*

1532

## 1932 election: F.D.R.'s view of Government

**ROOSEVELT'S VIEW OF GOVERNMENT**  
 In a campaign address on October 13, 1932, Franklin Roosevelt explained how he viewed the duties and responsibilities of the federal government. Below is an excerpt from the speech.

The first principle I would lay down is that the primary duty rests on the community, through local government and private agencies, to take care of the relief of unemployment. But we then come to a situation where there are so many people out of work that local funds are insufficient.

It seems clear to me that the organized society known as the State comes into the picture at this point. In other words, the obligation of government is extended to the next higher unit.

It took the present Republican administration in Washington almost three years to recognize this principle. I have recounted to you in other speeches, and it is a matter of general information, that for at least two years after the crash, the only efforts made by the national administration to cope with the distress of unemployment were to deny its existence.

I have constantly reiterated my conviction that the expenditures of cities, states, and the federal government must be reduced in the interest of the nation as a whole. I believe that there are many ways in which such reduction of expenditures can take place, but I am utterly unwilling that economy should be practised at the expense of starving people.

We must economize in other ways, but it shall never be said that the American people have refused to provide the necessities of life for those who, through no fault of their own, are unable to feed, clothe, and house themselves. The first obligation of government is the protection of the welfare and well-being, indeed the very existence, of its citizens.

Name \_\_\_\_\_  
Date \_\_\_\_\_

US32  
B/H/T

## F.D.R.'S Inaugural Address (1933)

... radiated confidence as he pledged a New Deal for the American people. Roosevelt won the presidency in a landslide (472 electoral votes to 59) and the Democrats gained control of both houses of Congress. But in the four long months between the election and inauguration—soon remedied when the Twentieth Amendment moved the inauguration from 4 March to 20 January—the Great Depression worsened. Unemployment increased, more businesses failed, and there were numerous “runs” on banks, as panicked depositors withdrew life savings which forced some banks to close their doors. On inauguration day 80 percent of America’s banks were closed (either by declared state holiday or by failure) and the country was near economic ruin. Roosevelt’s inaugural address, excerpted below, exuded a sense of vigor and action at a time when Americans suffered a crisis of confidence.

### QUESTIONS TO CONSIDER *Answer After reading.*

1. In what ways does Franklin Roosevelt seek to build the American people’s confidence?
2. What does Roosevelt believe are the significant problems facing the nation?
3. How does he propose to solve them?
4. For what purposes does Roosevelt refer to the crisis as similar to war?
5. What is the significance of this speech?

**I** am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

Hand in hand with this we must frankly recognize the overbalance of population in our industrial centers and, by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land. The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities. It can be helped by preventing realistically the tragedy of the growing loss through foreclosure of our small homes and our farms. It can be helped by insistence that the Federal, State, and local governments act forthwith on the demand that their cost be drastically reduced. It can be helped by the unifying of relief activities which today are often scattered, uneconomical, and unequal. It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character. There are many ways in which it can be helped, but it can never be helped by merely talking about it. We must act and act quickly.

Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order; there must be a strict supervision of all banking and credits and investments, so that there will be an end to speculation with other people's money; and there must be provision for an adequate but sound currency.

These are the lines of attack. I shall presently urge upon a new Congress, in special session, detailed measures for their fulfillment, and I shall seek the immediate assistance of the several States.

I am prepared under my constitutional duty to recommend the measures that a stricken Nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crises—broad Executive

power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

For the trust reposed in me I will return the courage and the devotion that befit the time. I can do no less.

We face the arduous days that lie before us in the warm courage of national unity; with the clear satisfaction that comes and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action. They have asked for discipline and direction.

They have chosen me the present instrument of their wishes. In the spirit of the gift I take it.

In the blessing of God, May He

## FDR's Three R's: Relief, Recovery, Reform

### Goals:

#### Relief:

- To immediately relieve the panicking & stress of the Great Depression
- To assist distressed people through direct monetary payments and/or loans
- Mostly temporary
- Created jobs to curb unemployment (ex. CCC)

#### Recovery:

- To aid farmers, business owners, and workers-especially in industries troubled most in the 1920s (ex. Construction)
- To get the economy moving again & lift the country out of depression
- To not only improve present economic conditions in the country by providing work, but also through production of public works that make a lasting impact on America (ex. Parks, schools, roads, dams, etc.)
- Solve overproduction and under-consumption

#### Reform:

- To eliminate abuse in the economy
- To prevent future depressions
- To protect ALL Americans-investors, consumers, etc. in the future
- To fix structural problems with the economy that caused the Great Depression

Initials	Real name:	Year	Description	Relief, Recovery or Reform?	Individualism or Collectivism?
TVA					
CCC					
AAA			Paid farmers NOT to plant their land, reduces overproduction, kills off livestock, increases prices—works by 1934.	Relief and Recovery	C—creates involuntary bonds between people
SSA					
REA					
FDIC					
SEC					
WPA					
NLRB					
FWP					

HW: Fill out this chart using your textbook. (694-707)

# The 20<sup>th</sup> Century: The 30s

## Video Guide

Name: \_\_\_\_\_  
US 32

### Hoover's Response

1. The republican presidents Harding, Coolidge and Hoover took what approach to the economy?
2. What were Hoover's 2 big mistakes in responding to the Great Depression?
3. Many Americans were troubled that Hoover was willing to sign appropriations that provided feed to starving livestock but that he was unwilling to provide direct relief to starving people. Explain his thinking.
4. Some 1932 stats:
  - \_\_\_\_\_ of the nation's people unemployed
  - \_\_\_\_\_ of home mortgages in default (with about 1000 foreclosures per day)
  - \_\_\_\_\_ banks closing per year
  - over \_\_\_\_\_ rural schools didn't open for the 1931-2 school year. (means ~25,000 students w/o classes)
5. The Bonus Army consisted of \_\_\_\_\_ who wanted an early payment of their war bonus (like a one-time retirement check). Why did they eventually leave Washington D.C.?

### The New Deal

6. What was the impact of Roosevelt's battle with Polio on his political approach/philosophy?
7. Famous words from Roosevelt's famous inaugural address in 1933: "The only thing we have to \_\_\_\_\_ is \_\_\_\_\_ itself."
8. What did Roosevelt ask from Congress to deal with the crisis?
9. What problem did Roosevelt set out to fix first?
10. List three famous national structures that were constructed during the New Deal?

11. What were the goals of the TVA (Tennessee Valley Authority)?

12. What was the main criticism of the TVA?

13. What was the goal of the CCC (Civilian Conservation Corps)?

14. What did the Federal Arts Program and the WPA artistic divisions accomplish? Do you think this was a good use of government money?

15. What did the 21<sup>st</sup> Amendment do?

16. According to historian Howard Zinn, the New Deal \_\_\_\_\_ but didn't end the suffering of the Great Depression; it did prevent open rebellion.

17. Provide evidence that this was a time of tremendous social unrest, a time when the people were taking matters into their own hands.

18. Organized labor had a hard / good time in the early 30s. Explain.

19. List factors led to organized labor's comeback in the middle and late 30s?

20. The New Deal created a "Safety Net," what reforms to the working person's life were part of this?



21. Why did some members of the "capitalist class" like the New Deal?

22. \_\_\_\_\_ said, "Every man a king," and he especially meant himself! What did this phrase mean?

23. What can we conclude from the fact that Americans treated outlaws like Bonnie and Clyde with such reverence?

Black America during the Depression

24. The 1936 Olympics were held in \_\_\_\_\_, Germany where black track star Jessie Owens undermined Hitler's dream of proving the superiority of the "Aryan" race by winning and winning and winning!

25. In many ways, the Depression hit black America hardest: African Americans made up \_\_\_\_\_ percent of the relief rolls during the Depression and were usually the \_\_\_\_\_ to be hired and the \_\_\_\_\_ to be fired.

26. In 1933 the Federal Government failed (again) to make \_\_\_\_\_ a federal crime.

27. The \_\_\_\_\_ boys were falsely accused, convicted and sentenced to death for the rape of 2 white girls. (They were not ultimately executed, but found innocent on appeal.)

28. How, according to the video, did successes in sports and music help African Americans advance their claim to equal citizenship?

29. Why did Marion Anderson have to sing at the Lincoln Memorial?

30. What was Eleanor Roosevelt's contribution to the tradition of liberalism in the US?

31. As a result of the persistence of unequal treatment they received, many African Americans were drawn to the \_\_\_\_\_ party in the 30s.



## A Bracero Compares Expectations versus Reality of Life in the United States

José Francisco Delgado Soto traveled extensively around the United States as a bracero. He worked in Michigan, California, Washington, and Texas picking apples, cherries, corn, eggplants, lettuce, pears, pumpkins, and sugar beets. He describes what Mexicans hoped to find in the United States and contrasts that with the often difficult labor and loneliness of bracero life. This interview was translated from the original Spanish.

**Interviewer:** What was said, what was the atmosphere like there on the train?

**Mr. Delgado:** Well happy, you know? Because we were going to where there was another way of being, different from that of ours, which was dollars. In this way the people were pleased, you know? But I remember that they barely paid us, I mean, we earned very little. They set the hour like at \$0.50 cents and well that was very little. And even though, supposedly they were going to take into account how much we advanced, you know? in the fields. But as I said, the pay was too little, taking an account by hour, \$0.50 cents was too little...

**Interviewer:** Before leaving to go there, how did you imagine the United States?

**Mr. Delgado:** Well I always liked the way things are there, you know? Like, by talking with people. Because I had a friend here where I worked in the (*teneria*) skins factory, here in my town...he was from [the United States] and he came for fear of the war you know?, here to the town. He knew English well, because I think he studied there and all of that. Then I became interested in English, I would ask him, just like that, how certain things were said, you know?

**Interviewer:** ...Did he speak of nice things?, Did he say it was pretty over there?, or what would he say?

**Mr. Delgado:** Well almost nothing, about those things I never really asked him, how things were over there. I was more interested in the English [language]... The English language was interesting to me and still today [I know] a few things...I remember the first word that I learned how to say in English, it was to say thank you. (Laughs.)

[Later in the interview, describing work in Michigan]

**Interviewer:** About what time did you finish? Do you remember more or less about how many hours were your workdays?

**Mr. Delgado:** Well, I think about eight to ten hours.

**Interviewer:** And finishing in the evenings, what did everyone do?

**Mr. Delgado:** Well, that was it, nothing more, make something for dinner and rest, it was, all that one did, you know? And then get oneself ready for the next day.

**Interviewer:** And again the same thing. And what days did you rest?

**Mr. Delgado:** On Sundays, wherever you were, you don't work, you know? ...We went out, I remember there, in that place, we went out to where there was nearby lake, and in Michigan there are many lakes. Is the city, I mean, it is the Lakes State. We would go to a lake or take a walk around, to have a cold drink around there were they sold them, to a market, well that was what we did on Sundays...

**Interviewer:** And in those places that you mentioned, and also in the restaurants or in the bars or the stores where you bought your grocery, Did you have any problems of being rejected or of racism that they would not allow you to go in?



**Mr. Delgado:** No, not on that one, well, in other occasions I did, but not in that one.

**Interviewer:** There in Michigan you didn't have to go through that?

**Mr. Delgado:** No, no. There, they never deny us anything. You could see the people, later they would look at us, you know? Because, we were dressed differently and all of that. I remember one time that I was wearing a hat, the kind that they used to use here in the town and would wear it over there and they would look at us because of that.

**Interviewer:** In general, how did they treat you, the *braceros*, when you where there? The people, I say, let's say, the people from there right? The Americans, the people that lived in the towns, what kind of treatment did they give you how did they see you?

**Mr. Delgado:** Well, during that time because we didn't mix in at all, we would only go out to buy something, I remember. The only thing was once they did not... We wanted a refreshment and maybe they thought we wanted beer and they said: "No." That no, they could not sell us beer because we did not look, did not look of age for them to sell it to us.

[Later in the interview]

**Mr. Delgado:** From Michigan they transferred us to [Central Valley of California] ... That also took us six days to arrive from one place to another, because it was also on train, you know?

**Interviewer:** ...What crop were you working there?

**Mr. Delgado:** There in the, in the valley, lets say there where we were afterwards, we worked with lettuce...the cutting of lettuce. We arrived I think when they were about to start that work, the cutting of lettuce.

**Interviewer:** Listen, and there, there certainly were many more *braceros*.

**Mr. Delgado:** No, there were a lot of people, because it is more of a border, almost all Mexicans, they were more Mexicans there, you know?

**Interviewer:** *Braceros*, which were also contracted?

**Mr. Delgado:** There were contracted and wire workers, is what they were called... Do you know why they call them wire workers? ...[Because] they crossed the [fence], which is why they called them wire workers. When I first heard someone say: "The wire workers should be here soon", I thought that they were workers of...

**Interviewer:** Of lighting.

**Mr. Delgado:** Yes, (laughter) of lighting. And those were well the ones who had the company, because there, they were companies, they were no longer ranchers, they were companies. We were with a company that was named Friedman, which was the name then, The Friedman.

Source: Violeta Domínguez, "José Francisco Delgado Soto," in *Bracero History Archive*, Item #126, <http://braceroarchive.org/items/show/126> (accessed January 26, 2010), translated by Tony Paulino.

Answer:

1. Why did *Braceros* choose to come to the U.S?
2. What challenges *Braceros* face in the U.S?

Verdict of history about the New Deal has not been all favorable. Some critics of the New Deal charge that it expanded the authority of the federal government by taking away powers of state governments. They point out that the New Deal programs greatly increased the national debt. Critics also argue that the Roosevelt administration helped labor unions to become much too powerful.

John T. Flynn was one of these critics who believed that Roosevelt's New Deal policies were disastrous for the nation. Flynn was particularly worried about the growth of the government bureaucracy and its increasing power. In this selection from his book *The Roosevelt Myth*, written in 1948, Flynn also bitterly attacked Roosevelt himself as well as his policies.

Many good people in America still cherish the false idea that Roosevelt performed some amazing achievement for this country. They believe he took our economic system when it was completely broken down and restored it to vitality. They think he took over our political system when it was weakest and restored it to its full strength. He put himself on the side of the underprivileged masses. He transferred power from the great corporation executives to the simple working people of America. He controlled the adventurers of Wall Street, and gave security to the humble men and women of the country.

But not one of these claims is true. He did not restore our economic system to vitality. He changed it. The system he so stupidly moved us into is more like the bureaucracy of Germany before World War I than our own traditional order.

Before his regime we lived in a system which depended for its expansion upon private investment in private enterprise. Today [1948] we live in a system which depends for its expansion and vitality upon the government. This is a prewar European importation. And it was imported at the moment when it had fallen apart in Europe. In this system the government takes by taxes or by borrowings the savings of all the citizens and invests them in non-wealth-producing undertakings in order to create work.

Behold the picture of the American economy today. In America today every fourth person depends for a livelihood upon employment either directly by the government or indirectly in some industry supported by government funds. There is a public debt of \$250 billion, compared to a pre-Roosevelt debt of \$19 billion, and a government budget of \$40 billion instead

of \$4 billion before Roosevelt. Inflation has doubled prices and reduced the lower-paid employed workers to a state of poverty as bad as that of the unemployed in the depression. More

people are on various kinds of government relief than when we had 11 million unemployed. Bureaucrats are in every field of life. And the President is calling for more power, more price-fixing, more regulation, and more billions. Does this look like the traditional American scene?

No, Roosevelt did not restore our economic system. He did not construct a new one. He substituted an old one which lives upon permanent crises and an armament economy. And he did not by a process of orderly design and building, but by a series of mistakes. He moved one step at a time, in flight from one problem to another. Now we have a state-supported economic system that will continue a little at a time to destroy the private system until it disappears altogether.

Roosevelt did not restore our political system to its full strength. One may like the shape into which he battered it, but it cannot be called a repair job. He changed our political system with two weapons—blank-check congressional appropriations and blank-check congressional legislation. In 1933 Congress gave up much of its power when it put billions into his hands. It gave him a blanket appropriation to be spent at his own will. And it passed general laws leaving it to him, through great government bureaus that he set up, to fill in the details of legislation.

These two mistakes gave Roosevelt a power which he used ruthlessly. He used it to break down the power of Congress and concentrate it in the hands of the executive. The result of these two betrayals—the smashing of our economic system and the twisting of our political system—can only be the planned economic state. This, in the form of either communism or fascism, dominates the entire continent of Europe today. The capitalist system cannot live under these conditions. Free representative government cannot survive a planned economy. Such an economy can be managed only by a dictatorial government. The only result of our present system—unless we reverse the drift—will be the gradual disappearance of the system of free enterprise under a free representative government.

There are people who honestly defend this change. They at least are honest. They believe in a planned economy. They believe in a highly centralized government operated by a powerful executive. They do not say Roosevelt saved our

system. They say he has given us a new one. That is logical. But no one can praise Roosevelt for doing this and then insist that he restored our traditional political and economic systems to their former vitality.

Roosevelt's star was sinking sadly in 1938 when he had 11 million unemployed and when Hitler made his first war moves in Europe. The cities were filling with jobless workers. Taxes were rising. The debt was soaring. The war rescued him and he seized upon it like a drowning man. By leading his country into the fringes of the war at first and then deep into its center all over the world he was able to do the only things that could save him—spend billions to spread the hot flames of war hysteria and put every man and woman into the war mills. Under the pressure of patriotism, he could silence criticism and work up the illusion of the war leader.

On the moral side, I have barely touched that subject. It will all still be told. But go back through the years, read the speeches and platforms and judgments Roosevelt made, and consider them in the light of what he did. Look up the promises of thrift in public office, of balanced budget and lower taxes, of honesty in government, and of security for all. Read the speeches he made promising never, never again to send our sons to fight in foreign wars. He broke every promise. He betrayed all who trusted him.

The figure of Roosevelt exhibited before the eyes of our people is false. There was no such being as that noble, selfless, hard-headed, wise, and farseeing combination of philosopher, philanthropist, and warrior. It has been created out of pure propaganda. A small collection of dangerous people in this country are using it to advance their own evil purposes.

### READING REVIEW

1. (a) Name two myths about Roosevelt. (b) What evidence did Flynn offer to support his conclusion that these were untrue?
2. Describe the changes Roosevelt made in our economic and political systems.
3. According to Flynn, what was the result of a "planned economy"?
4. Why do you think Roosevelt provoked such strong feelings?
5. What do you think of Flynn's criticism of President Roosevelt?

Answer

## 2 The New Deal In History

Decades now, Americans have been thinking, arguing, and writing about the New Deal. During the 1930's—the years of the New Deal—people's feelings were especially strong. Some Americans of those years thought that the New Deal was a radical threat to the American way of life. Others believed that the New Deal programs were moderate reforms necessary to help the nation recover from the depression.

Like other Americans, historians, too, have held strong opinions about the New Deal. In 1945 historian Henry Steele Commager reviewed the record of the New Deal and summed it up in a magazine article. In the following selection,

based on that article, Commager explained his reasons for forming a favorable conclusion about Roosevelt and the New Deal.

Now that the bitter quarrels over New Deal policies have been drowned out by the war [World War II], it is possible to evaluate those policies in some historical perspective. Those policies have been decisively voted for four times by large popular majorities. They have been turned into reality so fully that controversy about them is almost irrelevant. It would be possible to fix, with some degree of accuracy, the place occupied by Roosevelt in American history.

We can see now that the "Roosevelt revolution" was no revolution. Rather it was the high point of 50 years of historical development. Roosevelt himself, though clearly a leader, was an instrument of the people's will rather than a creator of, or a dictator to, that will. Indeed, the issue of the expansion of government control for democratic purposes began in the 1890's. A longer perspective will see the 50 years from the 1890's to the present as a historical unit. The roots of the New Deal go deep down into our past. It is not understandable except in terms of that past.

What was really only a new deal of the old cards looked, to startled and troubled Americans at the time, like a revolution for two reasons. It was carried through with breathless rapidity. And, in spirit at least, it contrasted sharply with what came immediately before it. But if the comparison had been made, not with the Coolidge-Hoover era, but with the Wilson, the Theodore Roosevelt, even the Bryan era, the contrasts would have been less striking than the similarities.

Actually, the precedents for the major part of the New Deal legislation were to be found in these earlier periods. Regulation of rail-

roads and of business dated back to the Interstate Commerce Act of 1887 and the Sherman Antitrust Act of 1890. The farm relief program of the 1920's and of Wilson anticipated much that

Power regulation began with the Water Power Act of 1920. Supervision over securities exchanges began with laws of the Harding and Coolidge administrations. Regulation of money is as old as the Union. The fight which Bryan and Wilson waged against the "money power" and Wall Street was more bitter than anything that came during the New Deal. Labor legislation had its beginnings in such states as Massachusetts and New York over 50 years ago. Much of the program of social security was worked out in Wisconsin and other states early in the 1900's.

There is nothing remarkable about this. Nor does it lessen in any way the significance of President Roosevelt's achievements and contributions. It is to the credit of Roosevelt that he worked within the framework of American history and tradition.

What, then, are the major achievements, the lasting contributions of the first three Roosevelt administrations? First, perhaps, comes the restoration of self-confidence, the reassertion of faith in democracy. Those who lived through the electric spring of 1933 will remember the change from depression and discouragement to excitement and hope. Those able to compare the last decade with previous decades will agree that interest in public affairs has rarely been as widespread, as alert, or as responsive.

All this may seem indefinite. If we look to more definite things, what does the record show? Of primary importance has been the physical rebuilding of the country. It became clear, during the 1920's and 1930's, that the natural resources of the country—its soil, forests, water power—were being destroyed at a dangerous rate. The development of the Dust Bowl, and the migration of farmers to the Promised Land of California, the tragic floods on the Mississippi and the Ohio, dramatized to the American people the urgency of this problem.

Roosevelt tackled it with energy and boldness. The Civilian Conservation Corps enlisted

almost 3 million young men. They planted 17 million acres in new forests, built over 6 million small dams to stop soil erosion, and fought forest fires and plant and animal diseases. To check erosion, the government organized a cooperative program which obtained the help of over one fourth of the farmers of the country. More important than all this was the TVA, a gigantic laboratory for regional rebuilding.

Equally important has been the New Deal achievement in human rehabilitation. Roosevelt came into office at a time when unemployment had reached perhaps 14 million, and when private solutions had failed. It was perhaps inevitable that he should sponsor a broad program of government relief. More than relief was the acceptance of the principle that the government was responsible for the

That this principle was bitterly opposed now seems hard to believe. Its establishment must stand as one of the main achievements of the New Deal. Beginning with emergency legislation for relief, the Roosevelt program in the end included the whole field of social security—unemployment assistance, old-age pensions, aid to women and children, and public health. It involved programs of rural rehabilitation, the establishment of maximum hours and minimum wages, the prohibition of child labor, and reform in housing.

In the political field the achievements of the New Deal were equally notable. First we must note the steady trend toward the strengthening of government and the expansion of government activities—whether for good or bad only the future can tell. As yet no better method of dealing with the problems of a modern economy and society has shown itself. It can be said that though government today has, quantitatively, far greater responsibilities than the generation before, qualitatively, no greater power. For our constitutional system remains as it always was. All power still resides in the people, and their representatives in Congress. They can at any moment take from their government any power.

We seem to have overcome our traditional distrust of the government and realized that a strong state could be used to benefit and advance the nation. That is by no means a New Deal achievement. But it is a development which has gained much from the experience of

the American people during the Roosevelt administrations.

It has meant, of course, a marked federal centralization. Along with this has come a great increase in the power of the President. The charge that Roosevelt has been a dictator can be dismissed, along with charges that Jefferson, Jackson, Lincoln, Theodore Roosevelt, and Wilson were dictators. American politics simply doesn't run to dictators. But Roosevelt has been a "strong" executive—as every great democratic President has been a strong executive. There is little doubt that Roosevelt accepted this situation cheerfully.

The New Deal, as far as can be foreseen, is here to stay. There seems no chance of a reversal of any of the major developments in politics in the last twelve years. This was recognized by the Republicans in 1940 and again in 1944. Both platforms endorsed all the essentials of the New Deal.

And what, finally, of Roosevelt himself? It may seem too early to fix his position in our history. Yet that position is reasonably clear. He takes his place in the great tradition of American liberalism, along with Jefferson, Jackson, Lincoln, Theodore Roosevelt, and Wilson. Coming to office at a time when the very foundations of the republic seemed threatened, he restored confidence and proved that democracy could act as effectively in crisis as could totalitarian governments.

A liberal, he put government clearly at the service of the people. A conservative, he pushed through reforms designed to strengthen the natural and human resources

of the nation, restore agriculture and business to their former prosperity, and save capitalism. He saw that problems of government were primarily political, not economic. He saw that politics should control the economy, not the other way around.

The only sure way of continuing liberty, Roosevelt said, "is a government strong enough to protect the interests of the people, and a people strong enough and well enough informed to maintain its sovereign control over its government." The Roosevelt administration proved once more that it was possible for such a government to exist and such a people to flourish, and restored to the United States its position as "the hope of the human race."

## READING REVIEW

1. According to Commager, what were the three major accomplishments of the New Deal?
2. Cite two pieces of evidence which Commager used to support his conclusion that the New Deal "is here to stay."
3. Why did Commager reach a favorable conclusion about President Roosevelt and his New Deal policies?

## Did the New Deal Work?

By MATTHEW BANDYK

Posted: April 11, 2008

While today's economic slowdown pales in comparison to the Great Depression, when it comes to political action, the ghost of the 1930s may still be haunting Washington, D.C. President Franklin Roosevelt explained the need for the New Deal this way in his 1932 address to the Democratic National Convention: "While [Republicans] prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings."

That's not so different from the sentiment behind modern-day calls for action, like Rep. Barney Frank's plan to bail out homeowners. When the market takes a wrong turn, it's the job of government to grab the wheel—by boosting spending or cutting taxes—and steer the economy back on the right path.

But if there's anything more unpredictable than the direction of the market, it's the effects of government tinkering with economic policy. And even today, economists and historians still vigorously debate not only whether or not the New Deal helped take the country out of the Depression but if it actually made things worse.

### **A split**

Just how divided are experts? In 1995, economist Robert Whaples of Wake Forest University published a survey of academic economists that asked them if they agreed with the statement, "Taken as a whole, government policies of the New Deal served to lengthen and deepen the Great Depression." Fifty-one percent disagreed, and 49 percent agreed. Whaples today says that the New Deal remains a thorny issue for economists because it's so difficult to measure the effects it had on the country. "You need a credible model of the economy, and not everyone is going to agree on what that model should be," he says.

Yet most economists, including defenders of the New Deal, do agree that Roosevelt's policies were far from perfect. The National Industrial Recovery Act of 1933, in particular, gets a lot of blame. It created the National Recovery Administration, a federal bureaucracy that limited competition in various industries by setting prices and wages above market levels. The ensuing upward pressure on the price of goods and unemployment may have turned a bad situation worse. While it benefited some producers, the NRA's policies meant basic goods were more expensive for consumers and jobs harder to come by for people who were already in dire straits.

But the law was struck down by the Supreme Court in 1935, so some argue it did not last long enough to create severe damage. "The NIRA might not have been a good idea," says Eric Rauchway, historian at the University of California-Davis, "but it was not exerting enough of a drag to prevent a rapid rate of recovery. If you look at the economic performance of the 1930s, you see a rapid upward trend."

### **Fears of confiscation**

Just how rapid that trend was, though, depends on whom you ask. Except for a downturn in 1938 (historians still debate its origin), the economy and unemployment did improve after the onset of the New Deal. The country's real gross domestic product fell from \$865 billion in 1929 to \$635 billion in 1933 but rebounded to \$1 trillion by 1940.

The only hiccup was a decline from \$911 billion in 1937 to \$879 billion in 1938. But the percentage of jobless Americans remained in the double digits until the onset of World War II. In 1930, unemployment was at 8.7 percent, and it climbed to 24 percent in 1932 before declining to



15 percent by 1940. Jim Powell, author of *FDR's Folly: How Roosevelt and His New Deal Prolonged the Great Depression*, asks, "There was expansion, but how come you still had average unemployment of 17 percent from 1933 to 1940?"

One explanation is that in addition to the harm done by the restrictions imposed by the NRA, the "soak the rich" rhetoric coming from the Roosevelt administration had a chilling effect on economic growth by making people fear for their property rights. Who knows, maybe Uncle Sam would just start wholesale confiscation of the fortunes of America's wealthy or the nationalization of industries—Americans were already observing that going on across the pond with the rise of communism in Russia and fascism in Europe. This uncertainty, along with a jump in the top federal income tax rate from 25 percent in 1927 to 79 percent in 1936, may have deterred investment.

Whaples also points to the 1938 election, in which Democrats lost 72 seats in the House. While the Democrats retained majorities, these losses made it harder to pass their agenda and thus reduced the specter of "soak the rich" policies. "Investment almost immediately went up very strongly after that election, now that people weren't as worried about the New Dealers and threats to their property," Whaples says.

### **Relief projects**

Among other important New Deal measures were the relief projects, which came in the form of the Homeowners Loan Corp., which tried to reduce foreclosures by lowering mortgages (sound familiar?), and massive public-works projects intended to stimulate the economy by putting people to work. "Recovery was just one piece of the New Deal," Rauchway says. "Relief was another piece, and by all accounts it worked pretty well. It kept people from starving." He also notes that a decline in the relief programs was correlated with the downturn in 1938.

But Powell argues that these relief policies actually put a greater burden on the backs of the poorest in society, the opposite of what they intended. The income tax was not nearly as important then as it was today, so excise taxes on goods predominantly purchased by middle- and lower-class people were the main funding sources for these programs. "If you're just taking [money] from other middle- and low-income people, it's kind of a wash," Powell says. The federal government collected \$11.2 billion in revenue from excise taxes on goods like beer, wine, cigarettes, and soft drinks, while the most important work agency, the Works Progress Administration, spent \$6.2 billion throughout the New Deal.

### **A new social contract**

What complicates the debate, however, is that the attempt to alleviate the Great Depression isn't even the whole story of the New Deal. Gavin Wright, an economic historian at Stanford University, says "people make a mistake by interpreting the New Deal policies as a response to the Great Depression."

Under Wright's interpretation, the Great Depression merely catapulted the Democrats to power and allowed them to enact the policies they wanted anyway. He argues that the New Deal comes across much better if viewed in the light of the culmination of the efforts of the progressive movement. "The basics of the New Deal really set the terms of the social contract—reduction in inequality, status of labor unions, heavy investment in human capital and higher education."

Some elements of that legacy are not very controversial today. Rauchway points out that "very few people disapprove of most of the New Deal reforms," which include Social Security, the Securities and Exchange Commission, the Federal Deposit Insurance Corp., and Fannie Mae. Ultimately, then, the ongoing debate over the New Deal may be less about its empirical effects in

the 1930s and more about conflicting philosophies of the role of government.

Rauchway sees the idea of the New Deal as one to be praised. "[The idea was that] government should experiment very carefully around the margins with economic regulation, and you discard the things that don't work and keep the things that do."

Others see the failures of the NIRA and the massive expenditures required for public-works projects as signs that government should try not to tinker around the margins. "All those things did was transfer funds from one group of decision makers—consumers—to another—federal officials," Powell argues. Expect to see these disagreements resurface in debates about the response to today's economic troubles.

**Source:** <http://www.usnews.com/money/business-economy/articles/2008/04/11/did-the-new-deal-work.html>

#### Fresh Debate About FDR's New Deal

by Jim Powell

It has been 70 years since Franklin Delano Roosevelt launched his New Deal in an effort to banish the Great Depression of the 1930s -- perhaps the most important economic event in American history. The New Deal was controversial then, and it's still controversial, because it failed to resolve the most important problem of the era: chronic unemployment that averaged 17 percent.

*Newsweek* columnist Robert Samuelson acknowledged that if World War II hadn't come along, America might have stumbled through many more years of double-digit unemployment. Samuelson; however, is among those who give FDR high marks for handling the political crisis of the 1930s, the worst political crisis this country has faced since the Civil War.

But the political crisis was caused by the double-digit unemployment, and in my new book, *FDR's Folly, How Roosevelt and His New Deal Prolonged the Great Depression* (Crown Forum, 2003), I report mounting evidence developed by dozens of economists, at Princeton, Brown, Columbia, Stanford, the University of Chicago, University of Virginia, University of California (Berkeley) and other universities, that double-digit unemployment was prolonged by FDR's own New Deal policies.

How can that be? Consider just a few of FDR's policies. The New Deal tripled federal taxes between 1933 and 1940 -- excise taxes, personal income taxes, inheritance taxes, corporate income taxes, dividend taxes, excess profits taxes all went up, and FDR introduced an undistributed profits tax. A number of New Deal laws, including some 700 industrial cartel codes, made it more expensive for employers to hire people, and this discouraged hiring.

Frequent changes in the tax laws plus FDR's anti-business rhetoric ("economic royalists") discouraged people from making investments essential for growth and jobs. New Deal securities laws made it harder for employers to raise capital. FDR issued antitrust lawsuits against some 150 employers and companies, making it harder for them to focus on business. FDR signed a law ordering the break-up of America's strongest banks, with the lowest failure rates. New Deal farm policies destroyed food -- 10 million acres of crops and 6 million farm animals -- thereby wiping out farm jobs and forcing food prices above market levels for 100 million American consumers. *FDR's Folly* spells out much more in startling, sometimes hilarious detail.

Robert Bartley, who edited the *Wall Street Journal* for three decades and is now a commentator, called for a fresh debate about the New Deal. Newspaper publisher Conrad Black, author of *Franklin Delano Roosevelt, Champion of Freedom*, responded by claiming that if "workfare" recipients

were included among the "employed," then New Deal unemployment rates were lower than the U.S. Department of Labor has reported for decades. Those tempted to agree with Black might listen to jazz great Louis Armstrong's 1940 tune "The WPA" -- referring to FDR's biggest "workfare" program, the Works Progress Administration. Among the memorable lines: "Sleep while you work, rest while you play, lean on your shovel to pass the time away, at the WPA."

There's a fascinating split between economists and political historians about the New Deal. The idea that FDR cured double-digit unemployment, wrote author and commentator Thomas Sowell in a recent column, "was never pervasive among economists, and even J.M. Keynes -- a liberal icon -- criticized some of FDR's policies as hindering recovery from the depression."

Meanwhile, pro-FDR political historians such as James MacGregor Burns, Arthur M. Schlesinger, Jr., Frank Freidel, William Leuchtenburg, and Kenneth S. Davis, have focused on the personalities, elections, speeches, "Fireside Chats" and other aspects of the New Deal's political story, disregarding evidence about the economic consequences of New Deal policies. This continues to be the case with younger political historians like Alan Brinkley, author of *The End of Reform: New Deal Liberalism in Retrospect and Prospect*, who called the New Deal "a bright moment." Disregarding the economic consequences, too, are children's book authors like Joy Hakim, whose recent bestseller *Freedom: A History of US* includes a glowing account of New Deal heroics.

Aside from *FDR's Folly*, the only major work mentioning evidence about the economic consequences of the New Deal is by Stanford University political historian David M. Kennedy: his 1999 book *Freedom from Fear*, winner of a Pulitzer Prize. "Whatever it was," he wrote, the New Deal "was not a recovery program." The New Deal might be gone, but the debate goes on.

Source: [http://www.cato.org/pub\\_display.php?pub\\_id=3327](http://www.cato.org/pub_display.php?pub_id=3327)

The Hundred Days and Beyond: What did the New Deal Accomplish? by Anthony Badger  
The Hundred Days were an accident. Roosevelt took advantage of the need to reopen the banks to ask Congress to stay in session to pass recovery and reform legislation. Much of that legislation was improvised. The haste dictated by the economic crisis profoundly shaped the New Deal response in the Hundred Days.

Despite the four months between election and inauguration, Roosevelt had few worked-out legislative or recovery plans. He certainly had no plans to deal with the rapidly escalating banking crisis. When he took office and shut the banks, he had to turn to held-over officials in the Treasury and Federal Reserve to dust off legislative proposals that they had devised in the Hoover years. The key was not more credit (the banks had had plenty of that) but recapitalization through the Reconstruction Finance Corporation buying preferred stock in the banks. It was still a tremendous gamble when the President went on the air on Sunday March 12 to explain the crisis and make a "man to man appeal" for confidence when the banks reopened the next day. The gamble paid off when people deposited more than they took out. There was no Plan B if that appeal failed.

The response to FDR's inaugural and from congressional leaders to his banking proposals encouraged him to ask Congress to stay in session. Eventually Congress passed an unprecedented sixteen pieces of major legislation. In the Hundred Days, the New Deal established a farm program that told farmers what they could and could not plant (the Agricultural Adjustment Administration), created an industrial recovery programme that set minimum prices and wages (the National Recovery Administration), launched the biggest public works program in the nation's history (Public Works Administration), set up national relief program (Federal Emergency

Relief Administration), refinanced farm and home mortgages, regulated the stock market and banking, guaranteed bank deposits, and established the Tennessee Valley Authority.

There was no great federal blueprint that FDR wanted to impose on the country. He really only had definite plans for farm policy, the Tennessee Valley and the Civilian Conservation Corps. Only when existing appropriations for relief were exhausted did he devise a temporary relief administration. Forty days into the Hundred Days there was no indication that there was to be an industrial recovery program – congressional action forced Roosevelt's hand over that and over public works spending.

There was much talk of the emergency as the equivalent of war and a justification for emergency presidential powers as in a time of war. Wartime agencies from 1917-18 served as model for agencies like the NRA. Many officials who had served in government then returned to Washington in 1933. But, in fact the emergency in 1933 led to constraints rather than opportunities for federal power. The government had to act quickly but there simply was not any established "state capacity" for the government to do so. The federal government, observed one historian, "had almost no institutional structure to which Europeans would accord the term 'the State'." It had neither the information nor the personnel to implement the policies launched in 1933. As a result, bankers themselves had to decide which banks were sound enough to reopen, farmers had to operate the crop control programme, businessmen dominated the formulation and the implementation of the NRA industrial codes, existing state agencies had to administer the relief programme, and the army had to organize the Civilian Conservation Corps.

Similarly, Roosevelt and others had a fatal attraction for one-off quick-fix solutions that would kick-start the economy into recovery without the permanent expansion of the bureaucracy and constant state intervention. Congressional "share the work" schemes, farm proposals for cost of production legislation, retrenchment, public works spending, and above all demands for currency inflation were all in this "start-up" mode. Roosevelt never lost the hope that tinkering with the currency – including the gold-buying experiment – would raise price levels, particularly of farm products and in itself bring recovery.

This concern for the domestic price-level fitted in with his main advisers' conviction that the depression was national in origin and would be solved by nationalist measures. These concerns finally knocked out of the reckoning an internationalist option at the London conference at the start of July. For men like FDR's budget director, Lewis Douglas, balancing the budget was one part of an international rescue package that involved exchange rate stabilization and the removal of trade barriers. Roosevelt believed that currency stabilization would tie his hands as he sought domestic recovery, so he scuppered the London conference.

Why did FDR get support for the banking bail-out and for the dramatic legislation of the Hundred Days? It was not just his communication skills both personally to congressional leaders and journalists and nationally to the radio audience. He was popular, he had been elected by a large majority, and he had survived an assassination attempt. Above all, it was the scale of the depression that made congressional leaders of both parties respond to their constituents' demands to support FDR. Unemployment was at least twenty-five percent, agriculture was devastated, and homeowners and farmers lost their homes and land in the thousands every month. None of the stabilizers that protect Americans nowadays were in place – almost no unemployment relief since private, local and state unemployment welfare funds were exhausted; no guarantee of bank deposits; no unemployment or old age insurance. FDR's opportunity lay in the magnitude of the economic downturn which led political leaders to ignore (temporarily) cherished ideological convictions against government intervention.

## **The Difficulties of Micro-Economic Intervention**

The National Recovery Administration did not bring recovery. In part, its failure reflected the contradictions of the New Dealers' analysis of economic failure. In some industries they wanted to check excessive competition which relentlessly fuelled the deflationary spiral: cutting wages and prices in a vain effort to undercut competitors. But their analysis of other industrial sectors was that large firms practiced the economics of scarcity, keeping prices artificially high. The codes of fair practice, drafted largely by trade associations which held a monopoly of information about their industries, did little to protect consumers, increase wages, or increase purchasing power. To small businessmen the codes seemed to protect their larger rivals. For industries in which a few firms already controlled most of the market, there was little incentive to concede to labor, consumers or potential new entrants. There were more than 500 codes which merely increased resentment of bureaucracy and efforts at code enforcement. Concentration, as originally envisaged on codes in a few central industries would have been better. But fundamentally, there was little in the NRA that would create new jobs. It probably checked the deflationary spiral but, if the hope was that public works spending would engineer expansion, then PWA spending could not work well enough. Probably the biggest mistake was not to include government loans to business in the NRA which might have financed expansion. When the industrial recovery legislation was knocked down in 1935 it had few friends: the only attempts to sustain it were in coal mining.

The Agricultural Adjustment Administration was more politically and institutionally successful. Production control and price-support loans on stored commodities remained part of US farm programmes until 1996. Agriculture was the one area where there was 'state capacity' in 1933. The government had county by county production records; agricultural economists had devised a production control plan that was voluntary but provided incentives to offset the 'free rider' principle; and the Extension Service provided a network of agents in each rural county could sign up millions of individual farmers to participate. The farm program operated remarkably smoothly and quickly. Critics have claimed that drought, rather than government programmes, cut production, and that the AAA exacerbated rural poverty. Whatever its faults, the income it provided to farmers enabled them to survive on the land in the 1930s until non-farm opportunities arose after 1940. It eliminated many of the risks in farming and provided new sources of credit.

However, organized farm groups achieved political power in 1933 because their cooperation was essential to a voluntary farm program. This strengthening of farm interest groups meant that those groups would stand in the way in the future of plans to reorder American agriculture on a more efficient basis and in the way of solving the problems of rural poverty. New Dealers came to recognize that expanding urban consumer purchasing power, rather than supporting farm prices, was the solution to the farm problem. But by then farm pressure groups were too entrenched. Government support for agriculture became more and more generous (and less justifiable) as the number of people in farming declined.

## **The Longer-Term New Deal**

The longer-term New Deal reforms produced social cohesion in the United States and a faith in the federal government that would last until the 1960s.

Financial regulation of both banks and stock market in 1933 and 1934 heralded a lengthy period of financial stability, contained stock market speculation, and largely ended the spectres of bank failure.

From 1933 to 1938 the New Deal instituted reforms that would re-finance the mortgages of homeowners and farmers. They enabled debt-ridden property owners to take out longer-term mortgages and paved the way for a significant expansion of homeownership in the US, although the construction industry did not really start to revive until the late 1930s. The new mortgage arrangements helped the United States eventually to have the highest percentage of homeownership in the world. Farm foreclosures virtually stopped after 1933.

The failure to secure dramatic economic recovery meant that the government had to stay in the business of relief. The Federal Emergency Relief Administration funded state relief programs until 1935. In poor states the federal government put up almost 90% of relief money. Harry Hopkins always wanted to replace the dole with jobs. The Civil Works Administration put people to work temporarily in the winter of 1933-34. In 1935 the Works Progress Administration provided jobs for the unemployed – at its peak forty percent of the nation's jobless. Many WPA jobs were unskilled construction jobs, particularly on roads. They struggled to attain the legitimacy and wage rates of jobs in the private sector. But the WPA provided jobs for artists, middle-class professionals, teachers and students. The range of construction projects from housing projects to high schools to a football stadium at the University of Arkansas created a permanent New Deal landscape at the local level. The WPA showed that government job programmes can be creative and efficient. For all the limitations and conservative stereotyping, WPA jobs were the first indication for many Americans that the federal government took its responsibility for their welfare in an economic downturn seriously.

The Wagner Act of 1935 was perhaps the most remarkable piece of legislation of the whole New Deal. It is difficult to imagine another year in which such a pro-union piece of legislation could have been passed. Anti-union tactics had been largely unrestrained in the United States. The courts, local, and state governments had usually sided with employers. This alignment reflected the fact that in most communities in the United States, the middle class identified with the employer rather than with local strikers. American workers had been encouraged in union organization in the early New Deal, and had launched in 1934 an unprecedented, albeit mostly unsuccessful, wave of strikes. The Wagner Act, by outlawing a host of employer anti-union activities and providing for government-supervised worker elections for union recognition, provided vital protection for union organizers as they organized mass production workers for the first time in 1936 and 1937. Unions provided the radical cutting edge of New Deal politics in the late 1930s. The decade was perhaps the only decade in the twentieth century in which middle-class Americans identified with industrial workers as fellow consumers. From the 1940s onwards middle-class Americans tended to view organized labour as hostile to their interests.

The final cement in a positive relationship between ordinary Americans and their government was the 1935 Social Security Act. Like the Wagner Act, the Social Security Act did not herald a 'second New Deal'; rather it was the culmination of expert reform development and congressional study over a two-year period. The United States had been an "outlier," a "welfare laggard" in the western industrialized world before 1935. For all the limitations of the Social Security Act – regressive taxes, variations in state provision, lack of coverage of some of the neediest Americans, and the lack of health care – it nevertheless represented a quantum leap in social provision. The contributory taxes also ensured that its legacy was permanent. As Roosevelt rightly observed, no future Congress was going to take away benefits that their constituents believed they had paid for.

It was these measures above all that created a half-way political revolution in the United States and bound lower-income voters to the Democratic Party until at least the 1980s and made it the national majority party until the 1990s. But it was only a half-way revolution. FDR never created the unequivocally progressive party that he hoped for. In particular, the southern Democrats,

who had so enthusiastically supported the emergency New Deal, survived Roosevelt's attempt to reconstruct the party in the South. They were skeptical about the non-emergency, urban, labor-oriented direction of the New Deal which threatened traditional patterns of racial and economic dependency in the South. They would combine after 1938 with conservative Republicans in a bi-partisan coalition that would block efforts to extend the New Deal for the next quarter of a century. This constituted a powerful anti-statist coalition that stymied FDR's 1937-38 hopes of a Third New Deal which would have guaranteed social minima to all Americans through social housing, extended coverage of Social Security, health insurance, a full-scale rural poverty programme, and a commitment to full employment. That agenda remains unfulfilled.

### **Infrastructure**

The public works programmes (both the large-scale projects of the PWA and the smaller labor-intensive programs of the WPA) have tended to be treated as short-term palliatives aimed at temporary job creation. But the most recent study of New Deal public works spending concluded that it was an extraordinarily successful method of state-sponsored economic development.

The New Deal rebuilt the infrastructure of the United States when revenue-starved state governments could not do so. It rebuilt the road system (though FDR's dream of an interstate highway system would not be realized until 1956). It rescued American schools and universities. Long before federal aid to education, the New Deal built schools, paid teachers salaries, invested in capital projects in the universities, and paid students to stay on at school and college. Multi-purpose dams created cheap electrical power and managed water resource development.

Nowhere was this impact greater than in the Sunbelt. A new generation of younger southern politicians like Albert Gore and Lyndon Johnson could see what the Tennessee Valley Authority had done for a river valley – it could be model for modernizing the poorest region in the country. Like their western counterparts, they could see that abundant electrical power and readily available water could provide the key for industrial development and the diversification of agriculture. The federal government funded capital infrastructure projects in Sunbelt cities that had been funded a generation before in older northern cities by private capital. What southern and western politicians also believed was that their regional entrepreneurs need access to capital, access that an eastern-dominated financial system denied them. The Reconstruction Finance Corporation, under Texas banker Jesse Jones, provided that capital. It is difficult to conceive of the remarkable growth of the South and the West in World War II and after without that New Deal-funded infrastructure investment.

### **Conclusion**

The New Deal was a "laboratory for economic learning" in the 1930s. Given the state of government economic knowledge in the 1930s it is not surprising that government employees struggled to engineer recovery through micro-economic intervention. Economic historians and right-wing commentators blame the New Deal for prolonging the Depression by deterring private investment through excessive regulation and raising prices at the expense of jobs. While it is true that Roosevelt had not secured recovery by the time of the dramatic recession in 1937-38, it is also true that the spending afterwards did create new jobs. Government employment in the 1930s also compensated significantly for the failure to create new jobs in the private sector. Above all, it is difficult to see that a free market solution could have been imposed without massive social and anti-democratic unrest. For all the bitterness of opposition to Roosevelt and heightened class tensions in the US in the 1930s, the New Deal developed, especially through its welfare and jobs

programs, enough social cohesion to allow its democratic institutions to survive a catastrophic economic downturn intact and to fight a world war successfully. **Anthony Badger** is Paul Mellon Professor of American History at Cambridge University and Master of Clare College. He is the author of a number of books, most recently *FDR: The First Hundred Days* (Hill and Wang, 2000).

Source: [http://www.gilderlehrman.org/historynow/03\\_2009/historian3.php](http://www.gilderlehrman.org/historynow/03_2009/historian3.php)

### The New Deal, Then and Now

by Alan Brinkley

No president had ever before intervened in the economy as extensively or aggressively as Franklin Roosevelt did in the 1930s, and the sheer magnitude of his activism and his legislative achievements awed not only many Americans, but much of the world.

And yet this impressive array of achievements – achievements that have had a profound and lasting impact on the government's capacity to support and protect its citizens – did not, in the end, do very much to end the Great Depression. At no time in the first eight years of the New Deal did unemployment drop below fifteen percent. At no time did economic activity reach levels comparable to those a decade earlier, and none of the periods of recovery during the peacetime New Deal lasted very long. So what went wrong? Why did this bold, active, and creative moment in our history prove such a failure at its first and most important task? Part of the explanation was a result of actions the New Deal took, but a larger part of the explanation was a result of things the New Deal did not do.

Some of the New Deal's most important initiatives were, in fact, active obstacles to recovery. The National Recovery Administration, created in 1933 to help stabilize the volatile economy, was enormously popular for a time, mostly because the NRA created the illusion of bold and forceful action. The NRA sought to organize industries through "codes" that would allow corporations to cooperate with one another in keeping production low and prices up. The code authorities were almost impossible to administer, and the NRA was in many ways highly ineffective. But the NRA was even worse when it worked as it was supposed to do, because its goal was exactly the opposite of what the economy needed. Instead of expanding economic activity, the NRA worked to constrict it – artificially raising prices just as purchasing power was falling. It was a deflationary force in an economy already suffering severe deflation. The Federal Reserve Board – operating under classical economic assumptions – saw the economic wreckage around them and responded by raising interest rates so as to protect the solvency of the Federal Reserve Bank itself. No one today would even consider high interest rates in a deflationary economy, but the 1930s Fed had not absorbed the new economic ideas that were gradually receiving attention. Milton Friedman wrote (with Anna Schwartz) an essay on the Depression in the 1960s that they entitled "The Great Contraction." They placed much of the blame for this contraction on the flawed monetary policies of the Fed.

But the more important failure of the New Deal was what it did not do. The only way to break the economic deadlock that had paralyzed the American economy in the 1930s was to shock it back to life by enormously expanding economic activity – quickly and decisively. Instead, the New Deal wavered and quibbled – spending large sums of money with one hand while reducing spending with the other. One of the first acts Congress passed for Roosevelt in 1933 was the Economy Act, which slashed government spending in areas that helped reduce economic activity. It cut the salaries (and in some cases the jobs) of government employees, and it dramatically reduced payments to World War I veterans, taking \$500 million from the economy in a single stroke. The Social Security System, so valuable over the long term, was in the short term also a drag on the economy. It began collecting taxes in 1936 but paid out no benefits until the 1940s. In 1937, deluded by a weak economic recovery, Roosevelt (urged on by his Treasury Secretary) set



out to balance the budget through severe spending cuts. The result was a sudden and dramatic economic downturn – a recession within a Depression that produced some of the highest levels of unemployment and lowest levels of production of the decade.

In the aftermath of the 1937-1938 depression, Roosevelt launched a new \$5 billion spending plan to try to shock the economy back to life. This infusion of funds did help undo some of the damage that the 1937 budget cuts helped to create, but it only helped the economy recover to the weak and fragile condition of a year earlier. Nevertheless, the idea of spending as an antidote to recession – an idea that had never found much favor in the past even among the most progressive figures in the New Deal – now began slowly to find legitimacy. American economists were now eagerly reading Keynes and imagining more robust uses of fiscal and monetary powers to stimulate growth. It is possible, although by no means certain, that even without a war, the New Deal would have embarked on a spending program large enough to push the economy to somewhere close to full employment. But in the end, the Great Depression – an unprecedented crisis that had stubbornly resisted the efforts of two presidential administrations over twelve years to restore prosperity – came to an end because of the massive and inevitable spending required by the greatest and most terrible war in human history.

Economic orthodoxy – which rested on the assumption of scarcity and gave high priority to balanced budgets and fiscal prudence – was a powerful force in the 1930s despite its failures, just as the rollicking and now staggering orthodoxy of free and unregulated markets is today. The great achievements of the New Deal helped pave the way to an understanding of how to address severe deflation, but it never itself came to a point where it could use the tools at its disposal aggressively and effectively enough or quickly enough. As the Obama administration tackles a new financial catastrophe, it makes sense to look at the history of the New Deal – as the President reportedly is doing. There is much to learn from it – not just from its achievements, but also from its failures.

Source: [http://www.gilderlehrman.org/historynow/03\\_2009/historian5.php](http://www.gilderlehrman.org/historynow/03_2009/historian5.php)

4

# The Effects of the New Deal

## MAIN IDEA

The Depression and the New Deal had many long-term effects on U.S. government and society.

## WHY IT MATTERS NOW

Politicians still debate how large a role government should play in American life.

## TERMS & NAMES

Securities and Exchange Commission

liberal  
conservative

## ONE AMERICAN'S STORY

Until 1935, Ward James worked as a writer for a New York publisher. Then he lost his job. Eventually, he got a writing job with the WPA. Still, James continued to worry about what would happen next.

### A VOICE FROM THE PAST

Everyone was emotionally affected. We developed a fear of the future which was very difficult to overcome. Even though I eventually went into some fairly good jobs, there was still this constant dread: everything would be cut out from under you and you wouldn't know what to do.

Ward James, quoted in *Hard Times*



The fear and despair described by Ward James was felt by many unemployed people during the Depression.

As this section explains, both the Depression and the New Deal had lasting effects on Americans and their government.

## Taking Notes

Use your chart to take notes about the effects of the New Deal.

GREAT DEPRESSION		
Hoover's Responses	FDR's Responses	Citizens' Responses
Effectiveness	Effectiveness	Effectiveness

## Lasting Effects of the Depression

Americans like Ward James who lived through the Depression often saw themselves as the survivors of a terrible battle. For the rest of their lives, many feared losing their money and property again. One elderly government worker bought land whenever she could afford it so that if the Depression returned, she would "have something to live off."

Virginia Durr, who had worked for the federal government under FDR, said that the Depression affected people in two ways. "The great majority reacted by thinking money is the most important thing in the world. . . . And there was a small number of people who felt the whole system was lousy. You have to change it."

The New Deal did not end the Depression. Even with all the new programs, the government still wasn't spending enough money to jump-start a stalled economy. Then, in the 1940s, World War II changed the situation. To fight in that war, the government had to purchase guns,

tanks, ships, airplanes, and other military equipment. The defense industry hired many people, who then had more money to spend. The U.S. economy started growing again.

Although the New Deal didn't end the Depression, it forever changed the U.S. government. As Supreme Court justice John Clarke told FDR, "You have put a new face upon the social and political life of our country."

**"We developed a fear of the future."**

Ward James

### ReadingHistory

**A. Recognizing Effects** How did FDR increase the president's power?

## A Larger Role for Government

President Roosevelt increased the president's power. Under FDR, the White House became the center of government. More than other early-20th-century presidents, Roosevelt proposed bills and programs for Congress to consider instead of waiting for Congress to act.

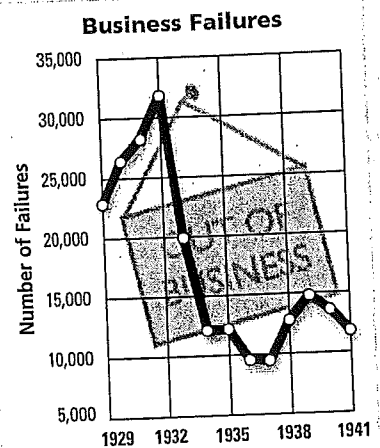
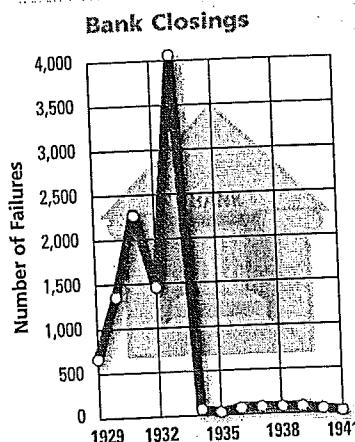
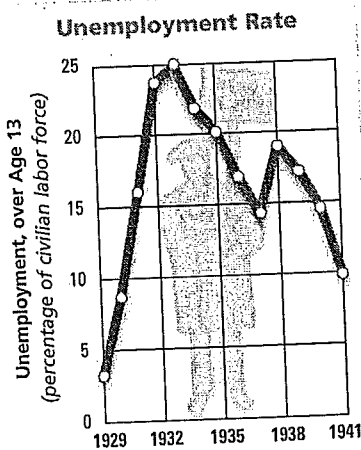
Other nations also saw the rise of strong leaders. But at the same time, those nations saw a loss of freedom. For example, during the Depression, Germany elected Adolf Hitler, who became a dictator. The United States did have some leaders who abused power—such as Huey Long—but they never became president. FDR's leadership and his concern for the poor helped Americans keep their faith in democracy.

As well as increasing the president's power, Roosevelt also expanded the federal government. Because of the New Deal, the federal government became directly responsible for people's well-being in a way it had not

### CONNECTIONS TO MATH

## Effects of the New Deal, 1929–1941

Although Franklin Roosevelt's New Deal programs did not end the Depression, they did make some economic conditions better. Use these graphs to determine how the New Deal—begun in 1933—affected the unemployment rate, the number of bank closings, and the number of business failures.



Sources: Historical Statistics of the United States

### SKILLBUILDER Interpreting Graphs

- Judging from these graphs, did the Depression's negative effects on business improve after FDR took office in 1933? Explain.
- In which area was there the biggest change for the better?

The Great Depression and New Deal



The Works Progress Administration (WPA) created many jobs. One of the WPA's most enduring legacies is the art that it commissioned. Much WPA art was used to decorate public places, such as post offices and government buildings. This mural by William Gropper shows the building of a dam.

**What attitude did Gropper want to convey about laborers?**

been before. It now made relief payments, served school lunches, and ran a program providing pensions. People came to see the federal government, not their state or local governments, as the protector of their welfare.

The federal government went into debt to provide this aid. FDR used deficit spending both to fund the New Deal and to pay for the war. Since then, deficit spending has often been part of the federal budget.

## New Deal Programs Today

Several of FDR's New Deal programs continue to help Americans today. Some of the more important programs that still exist offer the following benefits and protections.

1. **A National Pension System.** The Social Security system pays out old-age pensions (and has been expanded to include aid to other groups). It is funded through taxes on employers and employees.
2. **Oversight of Labor Practices.** Created by the Wagner Act, the National Labor Relations Board (NLRB) oversees labor unions. It also investigates disputes between management and labor.
3. **Agricultural Price Supports.** This program pays farmers to raise crops for domestic use rather than export. To receive payments, farmers must agree to limit the space they devote to certain crops.
4. **Protection for Savings.** After the bank holiday of 1933, the Federal Deposit Insurance Corporation (FDIC) was created. The FDIC insures bank deposits up to \$100,000. It replaces the deposits of individuals if banks close.
5. **Regulation of the Stock Market.** A federal agency called the **Securities and Exchange Commission** watches the stock market. It makes sure companies follow fair practices for trading stocks.

### ReadingHistory

**B. Analyzing Causes** Why do you think FDR wanted to create an agency to oversee the stock market?

# During New Deal. at how FDR's ams have shaped s society

AND REBECCA KAPLAN

**\$22.54**

Amount of the first  
monthly Social Security  
check, issued to Ida  
May Fuller in 1940

**3** BILLION

Number of trees  
planted by the  
CCC from  
1933 to '42

**375**

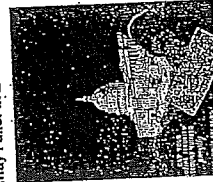
Miles of levees  
the WPA had built  
or refurbished by  
1937

**LABOR**

**THE NEW DEAL**  
The 1935 Wagner Act  
gave workers the right  
to form unions and bat-  
tain collectively. It also  
created the National  
Labor Relations Board  
(NLRB) to oversee  
union-certification  
votes and investigate  
unfair labor practices.

**TODAY**

The NLRB remains  
a functioning body,  
but the percentage  
of unionized laborers  
in the workforce has  
declined from a high of  
27% in 1953 to 12%  
last year.

**SOCIAL SECURITY**

**THE NEW DEAL**  
The Social Security Act  
of 1935 created the  
nation's first pension  
system for the elderly,  
funded by a payroll tax  
levied on employees  
and employers.

**TODAY**

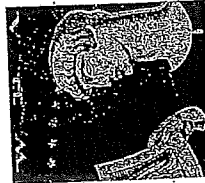
With baby boomers ap-  
proaching retirement,  
the Social Security  
trust fund is running  
low. Obama's chal-  
lenge: to maintain an  
overburdened system  
without privatizing it.

**AGRICULTURE**

**THE NEW DEAL**  
To reduce surpluses  
that kept crop prices  
low, the Agricultural  
Adjustment Administra-  
tion (AAA) was created  
in 1933 to pay farmers  
to keep some fields fall-  
ow. After the Supreme  
Court declared much of  
the law behind the AAA  
unconstitutional, Con-  
gress found new ways  
to continue subsidies.

**TODAY**

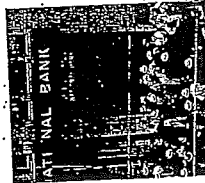
U.S. farmers receive  
some \$5 billion a year  
in subsidies that Barack  
Obama has called  
"wasteful spending."

**THE ARTS**

**THE NEW DEAL**  
The Works Progress  
Administration (WPA)  
was home to a variety  
of programs that aided  
unemployed artists  
and writers, including  
Jackson Pollock and  
Richard Wright.

**TODAY**

The National Endow-  
ment for the Arts  
was created in 1965.  
Controversies over  
"obscene" work in the  
1980s and '90s led to  
reduced funding.

**BANKING**

**THE NEW DEAL**  
The 1933 Glass-  
Steagall Act  
established the Fed-  
eral Deposit Insurance  
Corporation (FDIC) to  
insure bank deposits  
and regulate some  
operating practices.

**TODAY**

In October 2008,  
Congress authorized  
the Treasury De-  
partment to spend  
\$700 billion to shore  
up struggling banks.

**FDIC Deposit  
Insurance  
Coverage**

\$2,500  
\$5,000  
\$10,000  
\$100,000

1934 2007

Source: FDIC.gov

**'What a  
record they  
carved/  
After coming/  
half starved/  
to work on  
the F.W.P.'**

—FROM A POEM  
BY J.H. NORRIS  
ABOUT THE FEDERAL  
WRITERS' PROJECT,  
WHICH GAVE WORK  
TO WRITERS OF ALL  
KINDS

**'People don't  
eat in the long  
run—they eat  
every day.'**

—HARRY HOPKINS,  
F.D.R.'S WELFARE  
CHIEF, IN RESPONSE  
TO CLAIMS HE WAS  
NEGLECTING LONG-  
TERM RECOVERY

**WELFARE**

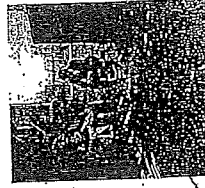
**THE NEW DEAL**  
Whereas private chari-  
ties previously took the  
lead in caring for the  
poor, the New Deal laid  
the foundation for the  
modern welfare state  
by establishing Aid to  
Dependent Children in  
1935, the first federal  
program offering cash  
payments to the poor.

**TODAY**

The Welfare Reform Act  
of 1996 transformed  
the system by imposing  
a five-year limit on assis-  
tance and requiring re-  
cipients to be engaged  
in a search for work.

**60** MILLION

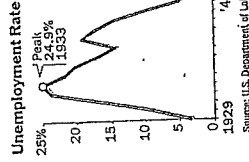
Articles of clothing  
and bedding  
that female WPA  
workers prepared  
for those in need in  
two years

**HOUSING**

**THE NEW DEAL**  
The Depression was  
marked by unsound  
mortgages and nation-  
wide foreclosures. The  
Federal Housing Admin-  
istration was created  
in 1934 to insure mort-  
gages and help people  
keep their homes.

**TODAY**

The past decade saw  
the growth of risky  
mortgage practices that  
contributed to the finan-  
cial meltdown. Obama  
announced in February  
that he would help fami-  
lies lower their monthly  
payments and refinance  
their mortgages.

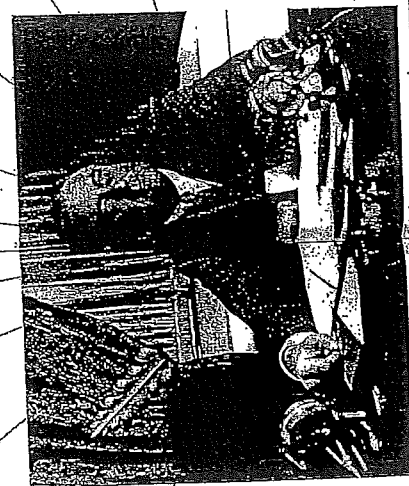
**EMPLOYMENT**

**THE NEW DEAL**  
Agencies like the  
WPA, formed in  
1935, were  
established to create  
work for jobless  
Americans, whose  
numbers peaked at  
12.8 million  
in 1933.

**TODAY**

May's unemployment  
rate of 9.4% was the  
highest in 26 years.  
Federal stimulus  
funds are intended  
to help create jobs  
but initially only  
slowed job losses.

Spreading the word  
F.D.R. outlined the  
New Deal in a *fireside  
chat* on May 7,  
1933. Those talks  
later inspired the  
weekly presidential  
radio address



## Mobilizing American for WWII

*In preparation for class you will be assigned one of the following topics:*

**Mobilizing Troop:** How did the United States mobilize (draft, attract, train, deploy) the military (both men & women) during WWII?

**Read:** pages 768-770 in your textbook. Start at "Americans Joins the War Effort/Stop at a Production Miracle".

**Mobilizing Industry & the Economy:** How did industry change and develop during the war to aid the war effort?

**Read:** 770-772 in your textbook. Start at "A Production Miracle/Stop at Mobilization of Scientists".

**Mobilization of Science, Technology and Weapons:** What new weapons were created and what technological, as well as scientific advances were made as a result of the war effort?

**Read:** Handout - the Enlistment of Science.

**Mobilization of Women:** How were women mobilized for the war effort?

**Read:** Handout - Women

**Mobilization of the Federal Government and the Economy:** What role did the Federal Government take in regulating the economy to support the war effort? (think agencies and programs).

**Read:** 773-774 in your textbook. Start at "Federal Government Takes Control".

### Homework

1. Read your assigned portion.
2. Answer the question(s) that relate to your topic. Answers should be at least 4 sentences in length. Add any additional information you feel is important to understand your topic.
3. Create a sign (regular 8.5 x 11) piece of paper, that has the name of your topic (clear and large enough to see well) and includes visual representations that explain/demonstrate your topic. **Ultimately, your visual representation should highlight how WWII is an example of collectivism.**

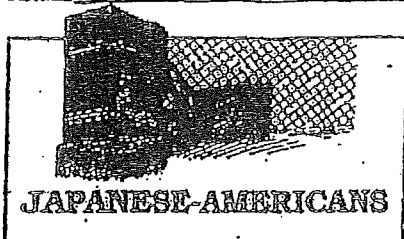
Name: \_\_\_\_\_

## MOBILIZING AMERICA FOR WORLD WAR II

Topic	Basic Information (the how, why & what happened)	How does _____ demonstrate a continued shift towards collectivism?
Mobilizing Troops		
Mobilizing Industry & the Economy		

Topic	Basic Information (the how, why & what happened)	How does _____ demonstrate a continued shift towards collectivism?
Mobilization of Science, Technology & Weapons		
Mobilization of Women		
Mobilization of the Federal Government and the Economy		





# Overview Essay

## The Internment of Japanese-Americans During World War II

"I only ask that I be given a chance to fight to preserve the principles that I have been brought up on and which I will not sacrifice at any cost. Please give me a chance to serve in your armed forces." So wrote Henry Ebihara to Secretary of War Henry Stimson as the United States entered World War II. Eight thousand Japanese-Americans did eventually serve—with distinction—in the United States armed forces during World War II, despite the fact that over 110,000 were forced by the American government to relocate to remote and dismal internment camps. The Japanese-Americans living on the West Coast were declared a "security threat" by the government, and many Americans supported the federal government's decision to isolate those who seemed to pose such a threat. Fear, racism, and a desire for revenge after the bombing of Pearl Harbor—all fostered public support for a government policy that violated the civil rights of other American citizens.

The census of 1940 recorded 126,947 people of Japanese ancestry living in the United States, nearly two-thirds of them native-born Americans. Those first-generation Japanese who had emigrated from Japan or Hawaii were known as Issei. Their children were known as Nisei. The majority of these Japanese-Americans lived together in small communities on the West Coast. Here they operated small businesses and vegetable farms, pursuing their dreams just as other Americans did. However, unlike Americans of European ancestry, during World War II Japanese-Americans were to endure unjust treatment at the hands of their government.

### War Hysteria

The attack on Pearl Harbor pitched the government into a quandary. Because the West Coast was believed vulnerable to Japanese attack, military experts worried that Japanese-Americans there might cooperate with the enemy. The public, meanwhile, clamored for the government to take action against the "enemy race" in its midst.

Soon after the attack on Pearl Harbor, the Federal Bureau of Investigation (FBI) identified

about 2,100 Japanese-Americans as "dangerous enemy aliens" and arrested them. This did little to calm the fears of residents on the West Coast. Many people considered a Japanese invasion imminent and believed that no one of Japanese heritage could be trusted. On February 19, 1942, President Franklin Roosevelt signed Executive Order No. 9066 authorizing the Secretary of War "to prescribe military areas in such places and of such extent as he or the appropriate Military Commander may determine, from which any or all persons may be excluded."

General John DeWitt, the military commander responsible for executing the order, designated entire regions of California as "military areas" and asked Japanese residents to relocate voluntarily. Complying with the request, about eight thousand Japanese-Americans abandoned their homes and moved to other parts of the country.

On March 18 Roosevelt created the War Relocation Authority (WRA) to oversee the orderly evacuation of Japanese-Americans from the designated regions. DeWitt ordered Japanese residents on the West Coast to report to Wartime Civilian Control Centers.

## **Vocabulary**

**executive order** A regulation or order issued by the President to enforce a treaty or law; it does not require congressional approval but has the force of law.

**curfew** A regulation requiring a certain group to be off the streets and in their homes at a certain time.

## **Reviewing the Case**

After the Japanese bombing of Pearl Harbor in December 1941, the United States entered the war against the Axis powers—Germany, Italy, and Japan. The attack on Hawaii had made many American leaders and ordinary citizens increasingly fearful about security on the West Coast of the United States. In response to those fears, President Franklin D. Roosevelt issued Executive Order #9066 in February 1942.

The order authorized the creation of military areas in which military authorities had the power to remove or exclude whomever they wished. The first area included the entire West Coast to about 40 miles inland. Based on the executive order, military officials first imposed a curfew on “all persons of Japanese ancestry,” including those born in the United States and those who had become citizens. Later, the military commander ordered all persons of Japanese ancestry to leave their homes and report to assembly centers. From there they were sent to relocation camps farther inland, away from the coast.

The government claimed the curfew and the relocations were necessary to prevent sabotage, spying, or giving help to a possible Japanese invasion force. Disobeying the military orders was made a crime by act of Congress. Several lawsuits were brought to challenge this violation of the civil rights of citizens.

Fred (Toyosaburo) Korematsu was arrested for staying in San Leandro, California, instead of going to a relocation center. Born in California, Korematsu was a defense-plant

worker in his 20's. He had tried to join the Army but could not pass the physical. Rather than going to a center, he posed as Chinese. After being caught and arrested, he was convicted in federal district court of violating the military's “Civilian Exclusion Order.” Conviction carried a maximum fine of \$5,000 or up to one year in prison, or both.

Korematsu appealed the decision, unsuccessfully, to the Ninth Circuit Court of Appeals for California on the grounds that his rights under the Fourth, Fifth, Eighth, and Thirteenth Amendments had been violated. He was sent to a relocation camp in Utah. Korematsu then appealed to the U.S. Supreme Court.

The issue before the Court: Are Executive Order #9066 and the act of Congress enforcing it constitutional uses of the war powers of the President and Congress?

The Supreme Court ruled by a vote of 6–3 to uphold the decision of the lower courts against Korematsu. The Court ruled according to the precedent set a year earlier in *Hirabayashi v. United States*. Kiyoshi Hirabayashi had been convicted of violating the curfew law, which applied only to Japanese Americans. On appeal, the Court had ruled that Hirabayashi's rights had not been violated unconstitutionally because the curfew was within the limits of the war powers. In the interests of national security, the Court said, military authorities could do what they thought was necessary in sensitive areas; Congress had the right to give this power.

The Court's reasoning in both cases can be summed up in the words of Justice Hugo Black's opinion in *Korematsu*:

It should be noted, to begin with, that all legal restrictions which curtail the civil rights of a single racial group are immediately suspect. That is not to say that all such restrictions are unconstitutional. It is to say that courts must subject them to the most rigid scrutiny. . . . Compulsory exclusion of large groups of citizens from their

The New York Times  
nytimes.com

April 26, 1988

## Final Payments for Japanese Internees

**LEAD:** Congress is about to pass a bill offering token payments and apologies to Japanese-Americans interned during World War II. But President Reagan is said to be uncertain about signing it. Not to do so would interrupt justice for all. This legislation responds to the needs of the victims, and to the nation's need to make amends.

Congress is about to pass a bill offering token payments and apologies to Japanese-Americans interned during World War II. But President Reagan is said to be uncertain about signing it. Not to do so would interrupt justice for all. This legislation responds to the needs of the victims, and to the nation's need to make amends.

The internment was a panicked response to the Japanese attack on Pearl Harbor in December 1941. President Franklin Roosevelt accepted the idea that Japanese-Americans might constitute a security risk on the West Coast, where many of them lived.

Ultimately about 120,000 - most of them U.S. citizens - were rounded up and sent to relocation camps where many lived under guard for the duration of the war. About half of those interned are still alive. Some recall having to abandon homes, possessions and businesses on a few hours' notice. After the war, some were able to recover their property. In 1948, Congress approved paying \$37 million to settle 26,000 claims.

But to date, nothing formal has been done to address the sense of grievance that has understandably weighed on many internees through the years. The legislation about to emerge from Congress does just that. It offers a \$20,000 payment to each actual victim of internment, along with a formal apology on behalf of the nation.

Opposition centers on cost: \$1.3 billion in the Senate version, to be paid out over five years. Some opponents say that an apology alone ought to be sufficient, and that adding cash somehow demeans it. But the apology ought to involve more than words on paper. Given the damage inflicted, \$20,000 amounts to minimal compensation for pain and suffering. In any case, recipients of the offer may accept or reject it as they choose.

This long-overdue law constitutes an act of decency that would honor the President who signs it.

### Reparation and Redress:

**1948-** Congress passed the American Japanese Claims Act- allowing Japanese to apply for compensation. However, the IRS had destroyed most of the 1939-1942 tax records and out of the 26,568 people who filed claims totaling \$148 million only \$37 was paid out.

**1976-** President Gerald Ford proclaimed the evacuation was "wrong."

**1988-** President Ronald Reagan signed the Civil Liberties Act that provided redress of \$20,000 for each surviving detainee (total \$1.2 billion).

**1992-** President George H.W. Bush issued a formal apology and signed the Civil Liberties Act Amendment appropriating an additional \$400 million to ensure all remaining internees receive \$20,000 redress payments.

### Collectivism Post New Deal

Post New-Deal, has the US extended far too much toward collectivism?

Or are these extensions necessary?

Would they have happened without the New Deal?

### **Japanese Internment Camps**

Korematsu vs US

**Cold War: How are the actions against people justified? Are they convincing justifications?**

McCarthyism

House Un-American Activities Committee

Alger Hiss

Rosenberg Trials

### Duck and Cover

As you watch the video, write down thoughts about the Cold War era. (i.e. fears, justifications, impact).

How might this video and the implications of this video sway public opinion toward supporting anti-communist methods by the government?

8. We demand that there be returned to the people; to whom of right they belong, those powers needed for the preservation of human rights and the discharge of our re-

primary 3. Truman and Acheson  
candidate for public office who would establish a police  
state in the United States of America.

### Questions

1. What do the Democrats call for in the civil rights plank of their national platform? What demands of the civil rights movement of the 1950s and 1960s are not part of the 1948 Democratic platform?
2. In what respects does the Progressive party platform go beyond the Democratic and Republican platforms in dealing with civil rights?
3. What did the States' Rights Democratic party platform mean by "social equality"? Why did it term the Democratic and Republican platforms as favoring "totalitarian centralized, bureaucratic government and the police state"?

## START

### 27-9 Communists in the U.S. Government (1950)

Joseph R. McCarthy

Joseph R. McCarthy (1908-1957), a freshman Republican senator from Wisconsin, joined the anti-communist crusade during February 1950, in a speech delivered in Wheeling, West Virginia. He read the version of that speech excerpted here into the *Congressional Record* on February 20, 1950. The secretary of state whom he excoriated and caricatured was Dean Acheson; the individual whom Acheson had refused to disown was Alger Hiss. Hiss, accused as early as 1948 of having been a Communist spy while in government, had been convicted of perjury the previous month. (On the "Great Fear" of the 1940s and 1950s, see text pp. 883-887, including "American Voices: Mark Goodson.")

Source: *Congressional Record*, 81st Congress, 2nd Session, vol. 96, part 2, 1954-1957.

Five years after a world war has been won, men's hearts should anticipate a long peace, and men's minds should be free from the heavy weight that comes with war. But this is not such a period—for this is not a period of peace. This is a time of the "cold war." This is a time when all the world is split into two vast, increasingly hostile armed camps—a time of a great armaments race.

Today we can almost physically hear the mutterings and rumblings of an invigorated god of war. You can see it, feel it, and hear it all the way from the hills of Indochina, from the shores of Formosa, right over into the very heart of Europe itself;...

[W]e are now engaged in a show-down fight—no usual war between nations for land areas or other material gains, but a war between two diametrically opposed ideologies.

The great difference between our western Christian world and the atheistic Communist world is not political ladies and gentlemen, it is moral. . . .

The real, basic difference, however, lies in the religious of immoralism—invented by Marx, preached feverishly by Lenin, and carried to unimaginable extremes by Stalin. This religion of immoralism, if the Red half of the world wins—and well it may—this religion of immoralism

Sloppy sentimentality.

While Lincoln was a relatively young man, Karl Marx boasted that the specter is not only haunting the world completely subjugate it.

Today we are engaged in a final, a communistic atheism and Christianity of communism have selected the ladies and gentlemen, the chips are down. . . .

Ladies and gentlemen, can the tonight who is so blind as to say that Can there be anyone who fails to realize that world has said, "The time is now the time for the show-down between the Communist world and the Communist atheist Unless we face this fact, we shall must be paid by those who wait too long Six years ago, at the time of the map out the peace—Dumbarton Oaks the Soviet orbit 180,000,000 people. L totalitarian side there were in the v roughly 1,625,000,000 people. Today there are 800,000,000 people under the of Soviet Russia—an increase of on our side, the figure has shrunk to around other words, in less than 6 years the from 9 to 1 in our favor to 8 to 5 again: the swiftness of the tempo of Communist American defeats in the cold war. As our historical figures once said, "When is destroyed, it will not be because of our but rather because of enemies from The truth of this statement is becoming clear as we see this country each day losing

At war's end we were physically threatened on earth and, at least potentially, the morally and morally. Ours could have being a beacon in the desert of destruction proof that civilization was not yet read Unfortunately, we have failed miserably to the opportunity.

The reason why we find ourselves in

more deeply wound and damage mankind than any conceivable economic or political system.

Karl Marx dismissed God as a hoax, and Lenin and Stalin have added in clear-cut, unmistakable language their resolve that no nation, no people who believe in a God, can exist side by side with their communistic state.

Karl Marx, for example, expelled people from his Communist Party for mentioning such things as justice, humanity, or morality. He called this soulful ravings and sloppy sentimentality.

While Lincoln was a relatively young man in his late thirties, Karl Marx boasted that the Communist specter was haunting Europe. Since that time, hundreds of millions of people and vast areas of the world have fallen under Communist domination. Today, less than 100 years after Lincoln's death, Stalin brags that this Communist specter is not only haunting the world, but is about to completely subjugate it.

Today we are engaged in a final, all-out battle between communistic atheism and Christianity. The modern champions of communism have selected this as the time. And, ladies and gentlemen, the chips are down—they are truly down. . . .

Ladies and gentlemen, can there be anyone here tonight who is so blind as to say that the war is not on? Can there be anyone who fails to realize that the Communist world has said, "The time is now"—and that this is the time for the show-down between the democratic Christian world and the Communist atheistic world?

Unless we face this fact, we shall pay the price that must be paid by those who wait too long.

Six years ago, at the time of the first conference to map out the peace—Dumbarton Oaks—there was within the Soviet orbit 180,000,000 people. Lined up on the anti-totalitarian side there were in the world at that time roughly 1,625,000,000 people. Today only 6 years later, there are 800,000,000 people under the absolute domination of Soviet Russia—an increase of over 400 percent. On our side, the figure has shrunk to around 500,000,000. In other words, in less than 6 years the odds have changed from 9 to 1 in our favor to 8 to 5 against us. This indicates the swiftness of the tempo of Communist victories and American defeats in the cold war. As one of our outstanding historical figures once said, "When a great democracy is destroyed, it will not be because of enemies from without, but rather because of enemies from within."

The truth of this statement is becoming terrifyingly clear as we see this country each day losing on every front.

At war's end we were physically the strongest nation on earth and, at least potentially, the most powerful intellectually and morally. Ours could have been the honor of being a beacon in the desert of destruction, a shining living proof that civilization was not yet ready to destroy itself. Unfortunately, we have failed miserably and tragically to arise to the opportunity.

The reason why we find ourselves in a position of im-

potency is not because our only powerful potential enemy has sent men to invade our shores, but rather because of the traitorous actions of those who have been treated so well by this Nation. It has not been the less fortunate or members of minority groups who have been selling this Nation out, but rather those who have had all the benefits that the wealthiest nation on earth has had to offer—the finest homes, the finest college education, and the finest jobs in Government we can give.

This is glaringly true in the State Department. There the bright young men who are born with silver spoons in their mouths are the ones who have been worst. . . .

When Chiang Kai-shek [Jiang Jieshi] was fighting our war, the State Department had in China a young man named John S. Service. His task, obviously, was not to work for the communization of China. Strangely, however, he sent official reports back to the State Department urging that we torpedo our ally Chiang Kai-shek and stating, in effect, that communism was the best hope of China.

Later, this man—John Service—was picked up by the Federal Bureau of Investigation for turning over to the Communists secret State Department information. Strangely, however, he was never prosecuted. However, Joseph Grew, the Under Secretary of State, who insisted on his prosecution, was forced to resign. Two days after Grew's successor, Dean Acheson, took over as Under Secretary of State, this man—John Service—who had been picked up by the FBI and who had previously urged that communism was the best hope of China, was not only reinstated in the State Department but promoted. And finally, under Acheson, placed in charge of all placements and promotions.

Today, ladies and gentlemen, this man Service is on his way to represent the State Department and Acheson in Calcutta—by far and away the most important listening post in the Far East. . . .

This, ladies and gentlemen, gives you somewhat of a picture of the type of individuals who have been helping to shape our foreign policy. In my opinion the State Department, which is one of the most important government departments, is thoroughly infested with Communists.

I have in my hand 57 cases of individuals who would appear to be either card carrying members or certainly loyal to the Communist Party, but who nevertheless are still helping to shape our foreign policy.

One thing to remember in discussing the Communists in our Government is that we are not dealing with spies who get 30 pieces of silver to steal the blueprints of a new weapon. We are dealing with a far more sinister type of activity because it permits the enemy to guide and shape our policy. . . .

It is the result of an emotional hang-over and a temporary moral lapse which follows every war. It is the apathy to evil which people who have been subjected to the tremendous evils of war feel. As the people of the world see mass murder, the destruction of defenseless and innocent

people, and all of the crime and lack of morals which go with war, they become numb and apathetic. It has always been thus after war.

However, the morals of our people have not been destroyed. They still exist. This cloak of numbness and apathy has only needed a spark to rekindle them. Happily, this spark has finally been supplied.

As you know, very recently the Secretary of State proclaimed his loyalty to a man guilty of what has always been considered as the most abominable of all crimes—of being a traitor to the people who gave him a position of great trust. The Secretary of State in attempting to justify his continued devotion to the man who sold out the Christian world to the atheistic world, referred to Christ's Ser-

mon on the Mount as a justification and reason therefor, and the reaction of the American people to this would have made the heart of Abraham Lincoln happy.

When this pompous diplomat in striped pants, with a phony British accent, proclaimed to the American people that Christ on the Mount endorsed communism, high treason, and betrayal of a sacred trust, the blasphemy was so great that it awakened the dormant indignation of the American people.

He has lighted the spark which is resulting in a moral uprising and will end only when the whole sorry mess of twisted, warped thinkers are swept from the national scene so that we may have a new birth of national honesty and decency in Government.

#### Questions

1. How does McCarthy characterize the opposing sides in the Cold War?
2. How does he explain the successes of the Communists in the Cold War?
3. Who are the villains in his account?

#### Questions for Further Thought

1. How would you explain President Truman's winning the election in 1948 yet failing to win passage of important components of his program ("Fair Deal" liberalism)?
2. How would you compare and contrast the Red Scare following World War I with the Great Fear of the 1940s and 1950s?
3. What events and developments, at home and abroad, likely contributed to the meteoric rise of Senator McCarthy?

#### "Modern Republicanism"

Dwight Eisenhower became the first Republican president to serve two full terms since Ulysses S. Grant. His "Modern Republicanism" largely accepted, but did not enthusiastically embrace, the government that Presidents Roosevelt and Truman had led. The Democrats were the majority party in Congress during all but the first two years of Eisenhower's presidency. Reducing inflation and budget deficits took precedence over stimulating economic growth during the Eisenhower years, but Social Security coverage was broadened, and the minimum wage was raised (neither necessitating increased federal spending). Economic interest groups were encouraged to act in the public interest, with government serving as public referee (see text pp. 887-889). (On a major initiative of the Eisenhower administration, the National Interstate and Defense Highway Act of 1956, see text pp. 889, 909-910, and Document 28-4.)

Civil rights emerged as a national issue during the 1950s, one on which President Eisenhower did not provide leadership. The unanimous decision of the Supreme Court in *Brown v. Board of Education of Topeka* (1954) declared racial segregation in public schools to be unconstitutional, but it was not until the following year that the Supreme Court provided guidelines for implementing the decision, and it was not for several

MICHAEL HARRINGTON

*From The Other America*

1962

Tom Hayden, the leader of Students for a Democratic Society (SDS), claimed that the socialist and writer Michael Harrington (1928–1989) was almost the only person over 30 trusted by his generation. Like SDS members and other 1960s New Leftists, Harrington challenged the rhetoric of New Deal liberals. In 1958 John Kenneth Galbraith's *The Affluent Society* had expressed the tenets of this liberalist prosperity. Responding to Galbraith, the economist Leon Keyserling noted that a quarter of American families had annual incomes of less than \$4,000. The *Commentary* editor Anatole Shub asked Harrington to write on poverty, and Harrington developed his articles into *The Other America*.

Confronting America's blind faith in its continued economic growth, the book examines the failure of New Deal legislation and compares poverty in the 1960s and the 1930s. It describes "the strangest poor in the history of mankind"—25 percent of America's population. This statistic, Harrington says, should prompt outrage. Although the poverty gap was widening, he insists that the dream of abolishing poverty is within reach. He defines poverty absolutely, in terms of what America *could* be, noting that his standard of comparison is "not how much worse things used to be," but "how much better they could be if only we were stirred."

The book was read by millions. President Kennedy's economic adviser gave him a copy and in November 1963 Kennedy launched his "war on poverty." Announcing the Economic Opportunity Act of 1964, President Johnson echoed Harrington's belief: "for the first time in our history, it is possible to conquer poverty." Harrington was appointed to work with the Office of Economic Opportunity. But increased government spending barely covered the Vietnam war. The "war on poverty" was funded at less than one percent of the federal budget. Harrington went on to found the Democratic Socialist Organizing Committee, serving as chair from 1973 until he died in 1989. At one point he shared the post with the social critic Barbara Ehrenreich, who lived in the "other America" while researching her book *Nickel and Dimed* (2001). Harrington was an influence on Ehrenreich, but she insisted in a recent interview: "I wanted to do something very different, something that didn't include the notion of 'the other.' I was never comfortable with Harrington's idea that the poor are 'different.'"

This book is a description of the world in which these people live; it is about the other America. Here are the unskilled workers, the migrant farm workers, the aged, the minorities, and all the others who live in the economic under-

world of American life. In all this, there will be statistics, and that offers the opportunity for disagreement among honest and sincere men. I would ask the reader to respond critically to every assertion, but not to allow statistical quibbling to obscure the huge, enormous, and intolerable fact of poverty in America. For, when all is said and done, that fact is unmistakable, whatever its exact dimensions, and the truly human reaction can only be outrage. As W. H. Auden wrote:

Hunger allows no choice  
To the citizen or the police;  
We must love one another or die.

The millions who are poor in the United States tend to become increasingly invisible. Here is a great mass of people, yet it takes an effort of the intellect and will even to see them . . .

That the poor are invisible is one of the most important things about them. They are not simply neglected and forgotten as in the old rhetoric of reform; what is much worse, they are not seen.

One might take a remark from George Eliot's *Felix Holt* as a basic statement of what this book is about:

there is no private life which has not been determined by a wider public life, from the time when the primeval milkmaid had to wander with the wanderings of her clan, because the cow she milked was one of a herd which had made the pasture bare. Even in the conservatory existence where the fair Camellia is sighed for by the noble young Pineapple, neither of them needing to care about the frost or rain outside, there is a nether apparatus of hot-water pipes liable to cool down on a strike of the gardeners or a scarcity of coal.

And the lives we are about to look back upon do not belong to those conservative species; they are rooted in the common earth, having to endure all the ordinary chances of past and present weather.

Forty to 50,000,000 people are becoming increasingly invisible. That is a shocking fact. But there is a second basic irony of poverty that is equally important: if one is to make the mistake of being born poor, he should choose a time when the majority of the people are miserable too.

J. K. Galbraith develops this idea in *The Affluent Society*, and in doing so defines the "newness" of the kind of poverty in contemporary America. The old poverty, Galbraith notes, was general. It was the condition of life of an entire society, or at least of that huge majority who were without special skills or the luck of birth. When the entire economy advanced, a good many of these people gained higher standards of living. Unlike the poor today, the majority poor of a generation ago were an immediate (if cynical) concern of political leaders.



The old slums of the immigrants had the votes; they provided the basis for labor organizations; their very numbers could be a powerful force in political conflict. At the same time the new technology required higher skills, more education, and stimulated an upward movement for millions.

Perhaps the most dramatic case of the power of the majority poor took place in the 1930's. The Congress of Industrial Organizations literally organized millions in a matter of years. A labor movement that had been declining and confined to a thin stratum of the highly skilled suddenly embraced masses of men and women in basic industry. At the same time this acted as a pressure upon the Government, and the New Deal codified some of the social gains in laws like the Wagner Act. The result was not a basic transformation of the American system, but it did transform the lives of an entire section of the population.

In the thirties one of the reasons for these advances was that misery was general. There was no need then to write books about unemployment and poverty. That was the decisive social experience of the entire society, and the apple sellers even invaded Wall Street. There was political sympathy from middle-class reformers; there were an élan and spirit that grew out of a deep crisis.

Some of those who advanced in the thirties did so because they had unique and individual personal talents. But for the great mass, it was a question of being at the right point in the economy at the right time in history, and utilizing that position for common struggle. Some of those who failed did so because they did not have the will to take advantage of new opportunities. But for the most part the poor who were left behind had been at the wrong place in the economy at the wrong moment in history.

These were the people in the unorganizable jobs, in the South, in the minority groups, in the fly-by-night factories that were low on capital and high on labor. When some of them did break into the economic mainstream—when, for instance, the CIO opened up the way for some Negroes to find good industrial jobs—they proved to be as resourceful as anyone else. As a group, the other Americans who stayed behind were not originally composed primarily of individual failures. Rather, they were victims of an impersonal process that selected some for progress and discriminated against others.

Out of the thirties came the welfare state. Its creation had been stimulated by mass impoverishment and misery, yet it helped the poor least of all. Laws like unemployment compensation, the Wagner Act, the various farm programs, all these were designed for the middle third in the cities, for the organized workers, and for the upper third in the country, for the big market farmers. If a man works in an extremely low-paying job, he may not even be covered by social security or other welfare programs. If he receives unemployment compensation, the payment is scaled down according to his low earnings.

One of the major laws that was designed to cover everyone, rich and poor,

was social security. But even here the other Americans suffered discrimination. Over the years social security payments have not even provided a subsistence level of life. The middle-third have been able to supplement the Federal pension through private plans negotiated by unions, through joining medical insurance schemes like Blue Cross, and so on. The poor have not been able to do so. They lead a bitter life, and then have to pay for that fact in old age.

Indeed, the paradox that the welfare state benefits those least who need help most is but a single instance of a persistent irony in the other America. Even when the money finally trickles down, even when a school is built in a poor neighborhood, for instance, the poor are still deprived. Their entire environment, their life, their values, do not prepare them to take advantage of the new opportunity. The parents are anxious for the children to go to work; the pupils are pent up, waiting for the moment when their education has complied with the law.

Today's poor, in short, missed the political and social gains of the thirties. They are, as Galbraith rightly points out, the first minority poor in history; the first poor not to be seen, the first poor whom the politicians could leave alone . . .

Even more explosive is the possibility that people who participated in the gains of the thirties and the forties will be pulled back down into poverty. Today the mass-production industries where unionization made such a difference are contracting. Jobs are being destroyed. In the process, workers who had achieved a certain level of wages, who had won working conditions in the shop, are suddenly confronted with impoverishment. This is particularly true for anyone over forty years of age and for members of minority groups. Once their job is abolished, their chances of ever getting similar work are very slim.

It is too early to say whether or not this phenomenon is temporary, or whether it represents a massive retrogression that will swell the numbers of the poor. To a large extent, the answer to this question will be determined by the political response of the United States in the sixties. If serious and massive action is not undertaken, it may be necessary for statisticians to add some old-fashioned, pre-welfare-state poverty to the misery of the other America.

Poverty in the 1960's is invisible and it is new, and both these factors make it more tenacious. It is more isolated and politically powerless than ever before. It is laced with ironies, not the least of which is that many of the poor view progress upside-down, as a menace and a threat to their lives. And if the nation does not measure up to the challenge of automation, poverty in the 1960's might be on the increase.

### Johnson's War on Poverty

"If we can raise the annual earnings of 10 million among the poor by only \$1,000 we will have added \$14 billion a year to our national output. In addition we can make important reductions in public-assistance payments, which now cost us \$4 billion a year, and in the large costs of fighting crime and delinquency, disease and hunger.

This is only part of the story. Our history has proved that each time we broaden the base of abundance, giving more people the chance to produce and consume, we create new industry, higher production, increased earnings, and better income for all. Giving new opportunity to those who have little will enrich the lives of all the rest.

Because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty, I submit, for the consideration of the Congress and the country, the Economic Opportunity Act of 1964. The act does not merely expand old programs or improve what is already being done. It charts a new course. It strikes at the causes, not just the consequences of poverty. It can be a milestone in our 180-year search for a better life for our people.

This act provides five basic opportunities: It will give almost half a million underprivileged young Americans the opportunity to develop skills, continue education, and find useful work; it will give every American community the opportunity to develop a comprehensive plan to fight its own poverty--and help them to carry out their plans; it will give dedicated Americans the opportunity to enlist as volunteers in the war against poverty; it will give many workers and farmers the opportunity to break through particular barriers which bar their escape from poverty; it will give the entire nation the opportunity for a concerted attack on poverty through the establishment, under my direction, of the Office of Economic Opportunity, a national headquarters for the war against poverty.

This is how we propose to create these opportunities:

First, we will give high priority to helping young Americans who lack skills, who have not completed their education, or who cannot complete it because they are too poor. The years of high school and college age are the most critical stage of a young person's life. If they are not helped then, many will be condemned to a life of poverty which they, in turn, will pass on to their children.

I therefore recommend the creation of a Job Corps, a work-training program, and a work-study program. A new national Job Corps will build toward an enlistment of 100,000 young men. They will be drawn from those whose background, health, and education make them least fit for useful work. Those who volunteer will enter more than 100 camps and centers around the country. Half of these young men will work, in the first year, on special conservation projects to give them education, useful work experience, and to enrich the natural resources of the country. Half of these young men will receive, in the first year, a blend of training, basic education, and work experience in job-training centers.

These are not simply camps for the underprivileged. They are new educational institutions, comparable in innovation to the land-grant colleges. Those who enter them will emerge better qualified to play a productive role in American society.

A new national work-training program operated by the Department of Labor will provide work and training for 200,000 American men and women between the ages of sixteen and twenty-one. This will be developed through state and local governments and nonprofit agencies. Hundreds of thousands of young Americans badly need the

experience, the income, and the sense of purpose which useful full or part-time work can bring. For them such work may mean the difference between finishing school or dropping out. Vital community activities from hospitals and playgrounds to libraries and settlement houses are suffering because there are not enough people to staff them. We are simply bringing these needs together.

A new national work-study program operated by the Department of Health, Education, and Welfare will provide federal funds for part-time jobs for 140,000 young Americans who do not go to college because they cannot afford it. There is no more senseless waste than the waste of the brainpower and skill of those who are kept from college by economic circumstance. Under this program they will, in a great American tradition, be able to work their way through school. They and the country will be richer for it."

How does Johnson seek to improve America? Be specific

What will he do during his presidency?

How will this help him achieve his goals? How does it fight poverty?

## What Was Really Great About The Great Society

By Joseph A. Califano Jr.

If there is a prize for the political scam of the 20th century, it should go to the conservatives for propagating as conventional wisdom that the Great Society programs of the 1960s were a misguided and failed social experiment that wasted taxpayers' money.

Nothing could be further from the truth. In fact, from 1963 when Lyndon Johnson took office until 1970 as the impact of his Great Society programs were felt, the portion of Americans living below the poverty line dropped from 22.2 percent to 12.6 percent, the most dramatic decline over such a brief period in this century. Since then, the poverty rate has hovered at about the 13 percent level and sits at 13.3 percent today, still a disgraceful level in the context of the greatest economic boom in our history. But if the Great Society had not achieved that dramatic reduction in poverty, and the nation had not maintained it, 24 million more Americans would today be living below the poverty level.

This reduction in poverty did not just happen. It was the result of a focused, tenacious effort to revolutionize the role of the federal government with a series of interventions that enriched the lives of millions of Americans. In those tumultuous Great Society years, the President submitted, and Congress enacted, more than 100 major proposals in each of the 89th and 90th Congresses. In that era of do-it-now optimism, government was neither a bad man to be tarred and feathered nor a bag man to collect campaign contributions, but an instrument to help the most vulnerable in our society.

What has the verdict been? Did the programs we put into place in the 1960s vindicate our belief in the responsibility and capacity of the national government to achieve such ambitious goals or do they stand as proof of the government's inability to effect dramatic change that helps our people?

### A Fair Start

The Great Society saw government as providing a hand up, not a handout. The cornerstone was a thriving economy (which the 1964 tax cut sparked); in such circumstances, most Americans would be able to enjoy the material blessings of society. Others would need the kind of help most of us got from our parents—health care, education and training, and housing, as well as a nondiscriminatory shot at employment to share in our nation's wealth.

Education and health were central to opening up the promise of American life to all. With the 1965 Elementary and Secondary Education Act, the Great Society for the first time committed the federal government to helping local school districts. Its higher education legislation, with scholarships, grants, and work-study programs, opened college to any American with the necessary brains and ambition, however thin daddy's wallet or empty mommy's purse. Bilingual education, which today serves one million individuals, was designed to teach Hispanic youngsters subjects like math and history in their own language for a couple of years while they learned English, so they would not fall behind. Special education legislation has helped millions of children with learning disabilities...

The impact of the Great Society's health programs has been stunning. In 1963, most elderly Americans had no health insurance. Few retirement plans provided any such coverage. The poor had little access to medical treatment until they were in critical condition. Only wealthier Americans could get the finest care, and only by traveling to a few big cities like Boston or New York.

Is revolution too strong a word? Since 1965, 79 million Americans have signed up for Medicare. In 1966, 19 million were enrolled; in 1998, 39 million. Since 1966, Medicaid has served more than 200 million needy Americans. In 1967, it served 10 million poor citizens; in 1997, 39 million. The 1968 Heart, Cancer and Stroke legislation has provided funds to create centers of medical excellence in just about every major city from Seattle to Houston, Miami to Cleveland, New Orleans to St. Louis. To staff

these centers, the 1965 Health Professions Educational Assistance Act provided resources to double the number of doctors graduating from medical schools, from 8,000 to 16,000. That Act also increased the pool of specialists and researchers, nurses, and paramedics. Community health centers, also part of the Great Society health care agenda, today serve almost eight million Americans annually. The Great Society's commitment to fund basic medical research lifted the National Institutes of Health to unprecedented financial heights, seeding a harvest of medical miracles.

Closely related to these health programs were efforts to reduce malnutrition and hunger. Today, the Great Society's food stamp program helps feed more than 20 million men, women, and children in more than 8 million households. Since it was launched in 1967, the school breakfast program has provided a daily breakfast to nearly 100 million schoolchildren.

Taken together, these programs have played a pivotal role in recasting America's demographic profile. In 1964, life expectancy was 66.6 years for men and 73.1 years for women (69.7 years overall). In a single generation, by 1997, life expectancy jumped 10 percent: for men, to 73.6 years; for women, to 79.2 years (76.5 years overall). The jump was highest among the less advantaged, suggesting that better nutrition and access to health care have played an even larger role than medical miracles. Infant mortality stood at 26 deaths for each 1,000 live births when LBJ took office; today it stands at only 7.3 deaths per 1,000 live births, a reduction of almost 75 percent.

Great Society contributions to racial equality were not only civic and political. In 1960, black life expectancy was 63.6 years, not even long enough to benefit from the Social Security taxes that black citizens paid during their working lives. By 1997, black life expectancy was 71.2 years, thanks almost entirely to Medicaid, community health centers, job training, food stamps, and other Great Society programs. In 1960, the infant mortality rate for blacks was 44.3 for each 1,000 live births; in 1997, that rate had plummeted by two-thirds, to 14.7. In 1960, only 20 percent of blacks completed high school and only 3 percent finished college; in 1997, 75 percent completed high school and more than 13 percent earned college degrees.

What is Johnson's "Great Society" vision?

How did he seek to achieve this vision? Be specific!!

Education?

Health Insurance?

Racial Equality?

Poverty?

What is the author's argument about the impact of Johnson's programs

# What Rights Should an Accused Person Have?

Police officers try to obtain confessions from suspects. Yet, the Fifth Amendment protects people from self-incrimination—stating facts that will result in their being accused of a crime. The Sixth Amendment gives them the right to an attorney. How do those guaranteed rights come into play when a person is being questioned by police?

## Miranda v. Arizona (1966)

The Facts	The Issue	The Decision
<ul style="list-style-type: none"> <li>Ernesto Miranda, under questioning by police, confessed that he had kidnapped and assaulted a woman.</li> <li>Miranda was convicted in state court of the crimes in part because of the confession.</li> </ul>	Miranda claimed the confession should not be used because police had not warned him of his right to avoid self-incrimination or to have a lawyer present.	A 5:4 majority ruled that the conviction should be thrown out because police had violated Miranda's rights when it obtained the confession.

The majority based its reasoning on “the necessity for procedures which assure” the protection of Fifth Amendment rights. It spelled out those procedures:

“Prior to any questioning, the person must be warned that he has a right to remain silent, that any statement he does make may be used as evidence against him, and that he has a right to the presence of an attorney.”

That statement is familiar to many Americans from hearing it on television crime dramas. The majority also ruled that people who request a lawyer must be provided with one, even if they are too poor to pay for one themselves.

The decision has had a profound effect on the criminal justice system. Police officers must inform suspects of their rights. Only then can statements made by the suspect be used in a trial.

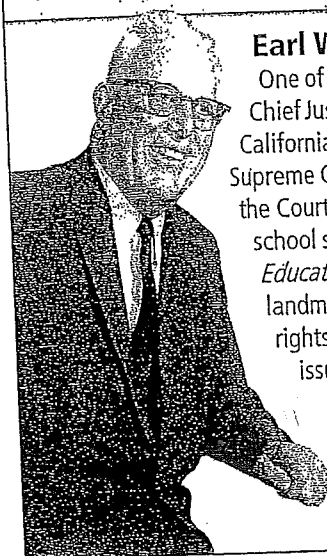
## The Supreme Court and Reform

During the 1960s, the Supreme Court demonstrated a willingness to take the lead on controversial social, religious, and political issues. Led by Chief Justice Earl Warren, the Supreme Court at this time—often called the Warren Court—became the most liberal in American history. Its decisions supported civil rights, civil liberties, voting rights, and personal privacy.

**Congressional Districts and Voters' Rights** In several decisions the Supreme Court ruled in favor of the “one man, one vote” principle. The problem was one of apportionment of seats in state legislatures. During the twentieth century, large numbers of voters moved from rural to urban areas, but many state governments had not changed, or reapportioned, electoral districts to reflect the new conditions. This led to an electoral imbalance. In many states, rural areas had more power and urban areas had less power than their populations actually mandated.

In *Baker v. Carr* (1962), the Supreme Court ruled in favor of reapportionment on the basis of “one man

### HISTORY MAKERS



#### Earl Warren (1891–1974)

One of the country's most influential Chief Justices, Earl Warren was governor of California before being named to head the Supreme Court. As Chief Justice, he guided the Court to a unanimous ruling outlawing school segregation in *Brown v. Board of Education*. The Warren Court issued many landmark rulings in the areas of civil rights, criminal justice, First Amendment issues, and legislative districting.

These decisions led many Americans to call for Warren's removal, though he remained on the Court until retiring in 1969.

one vote." Electoral districts, it said, had to reflect the numbers of people in those districts. In *Reynolds v. Sims* (1964), the Court reaffirmed its decision, adding that any arrangement other than "one man, one vote" violated the equal protection clause of the Fourteenth Amendment.

**Rights of the Accused** The Warren Court also showed a heightened concern for the constitutional rights of accused lawbreakers. In four landmark cases, the Court broadened the individual rights of accused criminals and narrowed those of federal, state, and local government officials. In *Mapp v. Ohio* (1961), the Court ruled that evidence obtained illegally violated the Fourth Amendment and had to be excluded from federal and state trials. In *Gideon v. Wainwright* (1963), the Court decided that all accused criminals had the right to a lawyer whether or not they could pay for one. In *Escobedo v. Illinois* (1964), the Warren Court expanded on *Gideon v. Wainwright* by adding that every accused lawbreaker had to be offered access to a lawyer before questioning, and all evidence obtained from a suspect who had not been informed of his or her right to a lawyer could not be used in court. Finally, in *Miranda v. Arizona* (1966), the Court ruled that an accused criminal had to be informed of his or her Fifth and Sixth Amendment rights before being questioned.

Critics of these decisions argued that the Warren Court had tipped the balance of justice in favor of the rights of accused criminals. Today, many conservative justices remain convinced that the Warren Court had overstepped its jurisdiction. The majority of the members of the Warren Court, however, have countered that the rights of individuals had to be protected, especially when freedom hung in the balance.

**Separation of Church and State** The Warren Court addressed the separation of church and state in the case of *Engle v. Vitale* (1962). The case involved whether or not a public school could require students to recite a state-sanctioned prayer. The Court ruled that school prayer was a violation of the First Amendment and an attempt by a governmental body to promote religion. The decision ignited, and continues to ignite, controversy. For more than 40 years, various religious groups have railed against the decision.

✓ **Checkpoint** What major court ruling allowed a person accused of a crime to have a lawyer?

## SECTION

# 3 Assessment

### Progress Monitoring Online

For: Self-test with vocabulary practice  
Web Code: nea-1505

#### Comprehension

- 1. Terms and People** Explain the relationship of the following terms to social reform.
  - War on Poverty
  - Great Society
  - Medicare
  - Medicaid
- 2. NoteTaking Reading Skill: Identify Details** Use your chart to answer the Section Focus Question: How did Johnson's Great Society programs change life for most Americans?

#### Writing About History

- 3. Quick Write: Chart Arguments and Counterarguments** Identify one point of view regarding the use of government funds to support massive social programs. Then, make a chart with two columns. In the first column, list two arguments in favor of that point of view. In the second column, list two arguments against that point of view.

#### Critical Thinking

- 4. Make Comparisons** Were there differences in the goals of the New Frontier and the Great Society? Explain.
- 5. Recognize Cause and Effect** How do you think the Immigration and Nationality Act of 1965 changed political activity in the nation?
- 6. Identify Point of View** Why did some Americans feel that Supreme Court decisions during the 1960s only considered the rights of the poor?

Answer 121-ON SPQ

Answer on SPQ

Supreme Court Cases of the Warren Court

As groups present, be sure to fill in the important facts of the cases. As a presenting group, make sure the class can fill out this sheet as you present.

**Miranda vs Arizona**

Date

Amendment(s)

Case/narrative

Verdict

Future Implications:

**Gideon vs Wainwright**

Date

Amendment(s)

Case/narrative

Verdict

Future Implications:

**Mapp vs. Ohio**

Date

Amendment(s)

Case/narrative

Verdict

Future Implications:



**The Ideas and Goals of Liberalism** In the late 1970s, liberals tended to believe that the federal government should play a significant role in improving the lives of all Americans. They valued social programs that helped the poor, employed, elderly, and others. They also sponsored laws that protected the rights of minorities and women, especially in the post-World War II period. They supported greater government regulation of industry. In the foreign policy realm, liberals tended to favor cooperating with international organizations like the United Nations.

**The Ideas and Goals of Conservatism** In contrast, one group of conservatives felt that a large central government endangered economic growth and individual choice. They sought to reduce taxes and limit government regulation of industry in order to promote economic growth. As conservative economist Milton Friedman and his wife Rose Friedman wrote in their book *Free to Choose*, "The story of the United States is the story of an economic miracle. . . . What produced this miracle? Clearly not central direction by government."

A second group of conservatives, neoconservatives or traditionalists, warned about the dangers posed to society by abandoning traditional values in favor of the new freedoms exemplified by the counterculture and advertised by the mass media. This concern with the perceived degeneration of modern youth dovetailed with many conservatives' religious beliefs.

Anticommunism formed the third leg of modern conservatism. Some extreme anticommunist groups, like the John Birch Society, saw communism at work in nearly every aspect of American life from popular television shows to the rulings of the Supreme Court. Most anticommunists, however, focused largely on the dangers posed to the United States by the Soviet Union. They favored a powerful national defense system to actively fight communism abroad.

**Vocabulary Builder**  
degeneration—(dee jehn er AY shuhn) *n.* declining in quality

**Checkpoint** How was conservatism different from liberalism in the early 1980s?

## The Conservative Movement Gains Strength

During the 1940s and 1950s, the lines separating Republicans and Democrats had blurred. The two parties had developed a bipartisan foreign policy aimed at containing communism. Both favored a relatively significant role for the government in domestic affairs. However, during the 1960s and 1970s, many Republicans became increasingly critical of the liberal policies of the Democrats. They advanced a new conservative agenda. The differences between the two major parties grew more pronounced. The **New Right**, as the resurgent conservative movement was called, grew rapidly and was a coalition of several different groups with varying ideas and goals.

Points: Liberal and Conservative		Quick Study	
Issue	Liberal Viewpoint	Conservative Viewpoint	
Role of government in the economy	Favored more government involvement to lessen extreme economic inequalities through <ul style="list-style-type: none"> <li>• social programs (often leading to higher taxes)</li> <li>• government regulation of industry</li> </ul>	Favored limited government involvement in order to stimulate economic growth by <ul style="list-style-type: none"> <li>• reducing taxes</li> <li>• decreasing regulation of industry</li> </ul>	
Foreign policy	Favored international diplomacy to combat communism in other countries	Favored relying on our own national defense and actively fighting against communism in other countries	

