

NEW DEAL

Howard Zinn: Self-help in Hard Times

Exercise 14:

- **What was the Bonus Army? What were the demands of the Bonus Army?**
- **What was President Hoover's response to those demands?**
- **How might Hoover have handled the situation differently?**

The anger of the **veteran of the First World War**, now without work, his family hungry, led to the **march of the Bonus Army to Washington** in the spring and summer of **1932**. War veterans, holding government **bonus certificates** that were due years in the future, **demanding that Congress pay off on them now**, when the money was desperately needed.

More than twenty thousand came to Washington.

President Hoover **ordered the army to evict them**. Four troops of cavalry, four companies of infantry, a machine gun squadron, and six tanks assembled near the White House. The troops **used tear gas to clear veterans out of the old buildings, and set the buildings on fire.**

When it was all over, **two veterans had been shot to death, an eleven-week-old baby had died, an eight-year-old boy was partially blinded by gas, two police had fractured skulls, and a thousand veterans were injured by gas.**

The hard, hard times, the inaction of the government in helping, the action of the government in dispersing war veterans – all had their effect on the **election of November 1932**. Democratic party candidate **Franklin D. Roosevelt** defeated **Herbert Hoover** **overwhelmingly**, took office in the spring of 1933, and began a program of reform legislation which became famous as the **"New Deal."**

Exercise 15:

What evidence can you give to support the argument that the New Deal legislation was intended "to reorganize capitalism in such a way as to overcome the crisis and stabilize the system; also, to head off the alarming growth of spontaneous rebellion..." Include the following in your answer: NRA, Wagner Act, Minimum Wage Act of 1938, Social Security Act.

The Roosevelt reforms went far beyond previous legislation.

By giving help to people in need, they would meet two pressing needs:

1. to reorganize capitalism in such a way as to overcome the crisis and stabilize the system;
2. also, to head off the alarming growth of spontaneous rebellion in the early years of the Roosevelt administration – organization of tenants and the unemployed, movements of self-help, general strikes in several cities.

That first objective – to stabilize the system for its own protection - was most obvious in the major law of Roosevelt's first months in office, the National Recovery Act (NRA). It was designed to take control of the economy through a series of codes agreed on by management, labor, and the government, fixing prices and wages, limiting competition.

From the first, the NRA was dominated by big businesses and served their interests. But where organized labor was strong, the NRA made some concessions to working people.

The TVA (Tennessee Valley Authority) was an unusual entrance of government into business – a government-owned network of dams and hydroelectric plants to control floods and produce electric power in the Tennessee Valley. It gave jobs to the unemployed, helped the consumer with lower electric rates, and in some respect deserved the accusation that it was "socialistic."

21. What led to the creation of the CIO (Congress of Industrial Organisations)?

That rebellion was real when Roosevelt took office. Desperate people were not waiting for the government to help them; they were helping themselves, acting directly.

In summer of 1934, a strike of teamsters in Minneapolis was supported by other working people, and so on nothing was moving in the city except milk, ice, and coal trucks given exemptions by the strikers. After a month, the employers gave in to the teamsters' demands.

By September 18 (in 1934), 421,000 textile workers were on strike throughout the country.

In 1934 and 1935 hundreds of thousands of workers, left out of the tightly controlled, exclusive unions of the American Federation of Labor, began organizing in the new mass production industries – auto, rubber, packinghouse.

The AFL could not ignore them; it set up a Committee for Industrial Organization to organize these workers outside of craft lines, by industry, all workers in a plant belonging to one union.

This committee, headed by John Lewis, then broke away and became the CIO – the Congress of Industrial Organizations.

22. What were the tactical advantages of the sit-down strike over a walkout?

It was **rank-and-file strikes** and insurgencies that pushed the union leadership, AFL and CIO, into action.

A **new kind of tactic** began among rubber workers in Akron, Ohio, in the early thirties – **the sit-down strike**.

The **workers stayed in the plant instead of walking out**, and this had clear **advantages**:

- they were directly **blocking the use of strikebreakers**;
- they did not have to act through union officials but were **in direct control of the situation themselves**;
- they did not have to walk outside in **the cold and rain, but had shelter**;
- they were not isolated, as in their work, or on the picket line; they were **thousands under one roof, free to talk to one another**, to form a community of struggle.

The **idea spread through 1936**. **In 1936** there were **forty-eight sit-down strikes**. **In 1937** there were **477**.

In December of 1936 after a strike at the General Motors plants there was **a settlement**, a six-month contract, leaving many questions unsettled but **recognizing that from now on, the company would have to deal not with individuals but with a union**.

15. Wagner Act – National Labor Relations Board

It was to stabilize the system in the face of labor unrest that the Wagner Act of 1935, setting up the National Labor Relations Board, had been passed. The wave of strikes in 1936, 1937, and 1938 made the need even more pressing.

Republic Steel was organized, and so was Ford Motor Company, and the other huge plants in steel, auto, rubber, meatpacking, the electrical industry.

From the trade unions' point of view, the new law was an aid to union organizing. From the government's point of view it was an aid to the stability of commerce.

Unions were not wanted by employers, but they were more controllable – more stabilizing for the system than the wildcat strikes, the factory occupations by the rank and file.

Thus, two sophisticated ways of controlling direct labor action developed in the mid-thirties.

- First, the National Labor Relations Board would give unions legal status, listen to them, settling certain of their grievances. The NLRB would set limits in economic conflict as voting did in political conflict.
- And second, the workers' organization itself, the union, even a militant and aggressive union like the CIO, would channel the workers' insurrectionary energy into contracts, negotiations, union meetings, and try to minimize strikes, in order to build large, influential, even respectable organizations.

24) Did World War II function to weaken labor's strength in the same way World War I did?

Union membership rose enormously in the forties, during the Second World War (the CIO and AFL had over six million members each by 1945), but its power was less than before –

The Supreme Court declared sit-downs to be illegal, and state governments were passing laws to hamper strikes, picketing, boycotts.

The coming of World War II weakened the old labor militancy of the thirties because the war economy created millions of new jobs at higher wages.

The New Deal had succeeded only in reducing unemployment from thirteen million to nine million. It was the war that put almost everyone to work, and the war did something else: patriotism, the push for unity of all classes against enemies overseas, made it harder to mobilize anger against the corporations.

During the war, the CIO and AFL pledged to call no strikes.

Still, the grievances of workers were such – wartime "controls" meant their wages were being controlled better than prices – that they felt impelled to engage in many wildcat strikes: there were more strikes in 1944 than in any previous year in American history.

The New Deal helped enough people to create an atmosphere of progress and improvement, to restore some faith in the system.

Exercise 15:

- **Minimum Wage Act of 1938**
- **Social Security Act**

The minimum wage of 1938, which established the forty-hour week and outlawed child labor, left many people out of its provisions and set very low minimum wages (twenty-five cents an hour the first year). But it was enough to dull the edge of resentment.

Housing was built for only a small percentage of the people who needed it, but the sight of federally subsidized housing projects, playgrounds, vermin-free apartments, replacing dilapidated tenements, was refreshing.

The TVA suggested exciting possibilities for regional planning to give jobs, improve areas, and provide cheap power, with local instead of national control.

The Social Security Act gave retirement benefits and unemployment insurance, and matched state funds for mothers and dependent children – but it excluded farmers, domestic workers, and old people, and offered no health insurance.

Corporations were much more secure.