

Rescuing the American Dream

By David L. Smiley*

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The date was January 20, 1937, and the scene was the United States Capitol, where a stage had been set for a presidential inauguration. It was the first inauguration held in January, authorized by the approval in 1933 of the Twentieth Amendment, and it was the second for President Franklin D. Roosevelt.

To take the oath of office Roosevelt stood before a large gathering, supported by his powerful arms and by clumsy steel braces on his legs. Unable to stand or walk without help, he shared the pain of his fellow citizens who were crippled and confused by the most serious economic disaster in American history.

There was reason for pain and fear in America. Beginning eight years before that January inauguration day, the businesses of the country had faltered and failed, plunging America into the Great Depression. Millions of workers lost their jobs, and until 1933, there were few government relief programs to help them. Even for those who could work, wages and salaries dropped so sharply that no one felt secure. Companies by the thousands were unable to pay their debts and went bankrupt or laid off workers. Between 1929 and 1933 nearly ten thousand banks were forced to close their doors in the United States, swallowing up savings accounts.

It was a major crisis, one that people met as best they could. Hopeless men in shabby clothing stood on street corners trying to sell oranges to other hopeless men trying to sell apples. Many families had to live for a week on nothing but a single loaf of bread. Others picked dandelion leaves or ate rotting vegetables thrown out by the grocers. City dwellers planted food crops in flower beds or moved in with a relative in the country to grow a few carrots. Mothers who had nothing to cook complained of forgetting how to cook, and children lost their appetites when served another bowl of the cornmeal mush they had eaten for months.

In these troubled times, North Carolina people came to know the sharp sting of economic distress. The state was still largely rural and agricultural, so that hungry people might find eggs, nuts, or berries. Lucky ones could fry a chicken or simmer a squirrel stew. But many families felt hunger and had little money to spare for clothing or entertainment.

The extreme poverty of North Carolina's rural and urban populations is hard to describe adequately. The sales values for pounds of cotton and tobacco were measured in pennies. King Cotton was sick everywhere in the South, and all who earned a living from the fiber—whether in the field or textile mill—felt it. Thousands of tenant and small farmers who operated tobacco farms were displaced from the land before 1932 because of the low prices. Larger farmers were close to losing their farms as well, because of debts they owed on bank loans and because of the

loss of credit facilities when the banks failed. Farm income in the state fell by two thirds, from \$280,000,000 in 1928 to just \$97,000,000 in 1933.

Industrial workers suffered even more. The falling profits of mill owners caused them to cut production by firing workers. By 1931, over 100,000 wage earners were out on the streets. The number of unemployed continued to rise over the next few years. Industries like textiles and furniture were on a two-or three-day work week.

As the effects of the economic collapse became evident, people began to question the American dream of plenty for all and a chicken in every pot. Some feared, in fact, that the dream had turned into a nightmare, and good times would never return. People worried that Americans felt beaten and hopeless, or felt that they had failed themselves and their families through no fault of their own.

People needed help, and quickly. Public and private charities could not handle the upheaval alone. On that January day in 1937, President Roosevelt recognized the depth of the problem. What he saw in the country was discouragement and the waste of skills and talents. "I see a great nation, upon a great continent, blessed with the great wealth of natural resources," he said. But he also saw "one-third of a nation ill-housed, ill-clad, ill-nourished." Roosevelt was determined to rescue the dream of a rich land offering opportunity to all. "Here," he told the country, "is the challenge to our democracy."

The great achievement of the New Deal was the acceptance of that challenge. In this state, tobacco and cotton farmers needed mandatory (enforced) crop controls to raise prices. The New Deal gave them this program with the Agricultural Adjustment acts. Textile businessmen faced the same problem of overproduction and wanted legal controls, too. They cooperated in improving wages and hours for their workers in return for assistance from New Dealers in production and controls. To put employed Tar Heels to work, the New Deal offered construction programs to build schools, hospitals, post offices, and airports, and it helped women find work in sewing rooms and canning facilities. A banking holiday, followed by regulation and insurance of bank deposits, brought large sums of money out of hiding and back into circulation. To feed the hungry, there were school lunch programs and the distribution of groceries. Young men could enlist in a conservation corps that improved parks and national forests across North Carolina.

All over the state and country, confidence flowed back into America's workers. Roosevelt's wish that "among American citizens there should be no forgotten man and no forgotten races" seemed to be working.

There were criticisms of the New Deal in this state, however. The announced purpose of the New Deal—relief, recovery, and reform—was achieved in the first two areas, although many North Carolinians disliked the welfare system that evolved from the New Deal programs. The third part of the New Deal program, reform, was the last to be tackled by Washington, and it received firm opposition in North Carolina. Simply, the New Deal had saved banks, farmers, and businessmen from ruin. Indeed, New Deal programs actually increased the power of these groups in their control of the state's wealth. They were not eager, therefore, to have their authority challenged by federal programs aimed at improving the living and working conditions of poor and tenant

farmers, blacks, and laborers. The New Deal failed to place some of the state's wealth into the hands of the people who had suffered the most during the Depression. The New Deal, as one historian put it, "was unable to bring new voices . . . into the politics of the state." The lack of labor organization demonstrates this. New Deal legislation guaranteed the right of workers to organize into unions, but few appeared. Workers were unable to challenge the traditional strength of government and business in North Carolina. Even programs regarded today as every American's right, like Social Security and unemployment compensation, were only grudgingly enacted by the state government. Also, the Social Security Act excluded agricultural workers from old-age insurance. In a farming state like North Carolina, this meant that over half of the state's labor force was not covered. The state's unemployment compensation law was for industrial workers. Only about one-third of the state's labor force worked in industrial jobs, and the benefits allowed by the state were among the lowest in the South and in the nation.

In spite of its failures, the New Deal did make a difference to North Carolina. To a people enduring a crisis they could not understand, the New Deal offered hope and a helping hand. Many of its programs brought lasting benefits to the state by securing rural electrification, higher farm prices, new jobs, child-labor restraints, old-age security, and so on. The New Deal proved that the American dream had not died. Weak it was, and ill, but able to recover. The spirit and stamina of the American people rescued the dream for the future.

**At the time of this article's publication, David L. Smiley was a professor of history at Wake Forest University in Winston-Salem.*