ensuring social security—for all. What Roosevelt called the "forgotten man" would no longer be forgotten.

ROOSEVELT'S RISE Born in 1882, the adored only child of wealthy, aristocratic parents, young Franklin Roosevelt had enjoyed a pampered life that freed him from worrying about a job or a paycheck. He was educated by tutors at Springwood, his father's Hudson River estate near Hyde Park, north of New York City. He attended Harvard College and Columbia University Law School. (He did not graduate.) While a law student in 1905, he married Anna Eleanor Roosevelt, the favorite niece of Theodore Roosevelt, then president of the United States, who was also Franklin's distant cousin.

In 1910, Franklin Roosevelt won a Democratic seat in the New York State Senate. Tall, handsome, athletic, and blessed with a sparkling personality and infectious smile, he seemed destined for greatness. In 1913, Woodrow Wilson appointed him assistant secretary of the navy. In 1920, Roosevelt became James Cox's vice presidential running mate on the Democratic ticket.

"TRIAL BY FIRE" Then a tragedy occurred. In 1921, at age thirty-nine, Roosevelt contracted polio, an infectious neuromuscular disease that left him permanently disabled and forced him to use cumbersome leg braces to stand or walk. Roosevelt fought back, however. For seven years, aided by his remarkable wife, Eleanor, he strengthened his body to compensate for his disability. Polio crippled his legs but expanded his social sympathies. He became less pompous, more considerate, more focused, and more able to identify with the problems of people facing hard times.

Roosevelt had a remarkable ability to make people feel at ease and express concern about their troubles. The aristocrat had developed the common touch as well as a great talent for public relations, but he also was vain and calculating and a clever manipulator. In other words, he was a consummate politician.

A PEOPLE'S PRESIDENT Roosevelt was neither a masterful administrator nor a deep thinker. One of his closest aides said the president never "read a serious book." But Roosevelt had many virtues: courage, good instincts, optimism, and charm. He loved talking to people, and he was determined to help those who could not help themselves. Colonel Edward House, the veteran Democratic counselor, explained that his former boss, Woodrow Wilson, "liked humanity as a whole and disliked people individually." Roosevelt, by contrast, was "genuinely fond of people and shows it."

THE 1933 INAUGURATION Inaugurated in March 1933, Franklin Delano Roosevelt assumed leadership during a crisis that threatened the foundations of American capitalism. "The situation is critical, Franklin," the prominent journalist Walter Lippmann warned. "You may have to assume dictatorial powers"—as had already happened in Germany, Italy, and the Soviet Union.

Roosevelt did not become a dictator, but he did take extraordinary steps while assuring Americans "that the only thing we have to fear is fear itself." He confessed in his inaugural address that he did not have all the answers, but he did know that "this nation asks for action, and action now." He asked Congress for "a broad Executive power to wage a war against the emergency" just as "if we were in fact invaded by a foreign foe." Roosevelt's uplifting speech won rave reviews. Nearly 500,000 Americans wrote letters to the new president, and even the pro-Republican *Chicago Tribune* praised his "courageous confidence."

THE FIRST HUNDRED DAYS In March 1933, President Roosevelt confronted four major challenges: reviving the industrial economy, relieving the widespread human misery, rescuing the ravaged farm sector, and reforming those aspects of the capitalist system that had helped cause the Depression. He quickly addressed all of those challenges—and more.

The new president admitted that he would try several different "experiments." Some would succeed, and others would fail, but the important thing was to do something bold—and fast. It was no time for timid leadership or paralyzing doubts. The defining characteristic of Roosevelt's approach to presidential leadership was *action*. He had a genius for leading others—even when he did not know for sure where he was taking them. To advise him, Roosevelt assembled a "brain trust" of brilliant specialists who feverishly developed fresh ideas to address the nation's urgent problems.

Roosevelt and his advisers initially settled on a three-pronged strategy to revive the economy. First, they addressed the immediate banking crisis and provided short-term emergency relief for the jobless. Second, the New Dealers—men and women (professors, journalists, economists, social workers, and political appointees) who swarmed to Washington during the winter of 1933—encouraged agreements between management and unions. Third, they attempted to raise depressed commodity prices by paying farmers "subsidies" to *reduce* the sizes of their crops and herds so that prices would *rise* and thereby increase farm income.

The new Congress was as ready to take action as was the new president. From March 9 to June 16, the so-called First Hundred Days, Congress approved fifteen major pieces of legislation proposed by Roosevelt. Several of these programs comprised what came to be called the **First New Deal** (1933–1935).

Shoring Up the Financial System

Money is the lubricant of capitalism, and money was fast disappearing from circulation by 1933. Ever since the stock market crash of 1929, panicky depositors

Franklin Delano Roosevelt Preparing to deliver the first of his popular "fireside chats" to a national radio audience. This message focused on measures to reform the American banking system.

had been withdrawing their money from banks and the stock market. Taking so much money out of circulation worsened the Depression and brought the banking system to the brink of collapse. Throughout the twenties, an average of almost 700 banks a year failed. After 1929, that number doubled and then tripled.

BANKING REGULATION On his second day in office, March 9, 1933, Roosevelt called Congress into special session to pass the Emergency Banking Relief Act, which declared a four-day bank holiday to allow the financial panic to subside. (Herbert Hoover criticized the move as a step toward "gigantic socialism.") For the first time in history, all U.S. banks closed their doors.

Roosevelt's financial experts worked all night drafting a bill to restore confidence in the banks. On March 12, in the first of his radio-broadcast "fireside chats" to the nation, the president assured the 60 million listeners that it was safer to "keep your money in a reopened bank than under the mattress." The following day, people took their money back to the banks. "Capitalism was saved in eight days," said one of Roosevelt's advisers.

A few weeks later, on June 16, Roosevelt signed the Glass-Steagall Banking Act of 1933, part of which created the **Federal Deposit Insurance Corporation (FDIC)**, which guaranteed customer accounts in banks up to $2,500, thus reducing the likelihood of future panics. The banking crisis had ended, and the administration was ready to pursue a broader program of economic recovery.

REGULATING WALL STREET Before the Great Crash in 1929, there was little government oversight of the securities (stocks and bonds) industry. In 1933, the Roosevelt administration developed two important pieces of legislation intended to regulate the operations of the stock market and eliminate fraud and abuses. The Securities Exchange Act of 1933 was the first major

Roosevelt loved to visit the CCC camps. After sharing a meal with one group, he said: "I wish I could spend a couple of months here myself." By 1942, when the CCC was dismantled, some 3 million young men had passed through the program.

REVIVING THE INDUSTRIAL SECTOR The centerpiece of the New Deal's efforts to revive the industrial economy was the National Industrial Recovery Act (NIRA) of 1933. One of its two major sections created massive public-works construction projects funded by the federal government as a means of creating jobs. The NIRA started the Public Works Administration (PWA), granting $3.3 billion for the construction of government buildings, highways, bridges, dams, port facilities, and sewage plants.

The second, and more controversial, part of the NIRA created the **National Recovery Administration (NRA)**, which represented a radical shift in the federal government's role in the economy. Never before in peacetime had Washington bureaucrats taken charge of setting prices, wages, and standards for working conditions.

The primary purpose of the NRA was to promote economic growth by ignoring anti-trust laws and allowing executives of competing businesses to negotiate among themselves and with labor unions to create "codes of fair competition" that would set prices, production levels, minimum wages, and maximum hours within each industry, no matter how small. In New York City, for example, women who made their living as burlesque show strippers agreed to an NRA code limiting the number of performers on stage and the number of performances they could provide each night.

In exchange for allowing companies to "cooperate" rather than compete, the NRA codes included "fair labor" policies long sought by unions and social progressives: a national forty-hour work week, minimum weekly wages of $13 ($12 in the South, where living costs were lower), and a ban on the employment of children under the age of sixteen. The NRA also included a provision that guaranteed the right of workers to organize unions.

These were landmark changes, and, for a time, the downward spiral of wages and prices subsided. But as soon as economic recovery began, small business owners complained that the larger corporations dominated the NRA, whose price-fixing robbed small producers of the chance to compete. And because the NRA wage codes excluded agricultural and domestic workers (at the insistence of southern Democrats), most African Americans derived no direct benefit from the program. When the Supreme Court declared the NRA unconstitutional in May 1935, few regretted its demise.

The NRA experiment did, however, have lasting effects. It set new workplace standards, such as the forty-hour work week, created a national minimum wage, and helped end the abuse of child labor. Its endorsement of collective bargaining between workers and owners spurred the growth of unions. Yet, as 1934 ended, industrial recovery was still nowhere in sight.

AGRICULTURAL ASSISTANCE In addition to rescuing the banks and providing jobs to the unemployed, Roosevelt created the Farm Credit Administration to help farmers deal with their crushing debts and lower their mortgage payments to avoid bankruptcy.

The **Agricultural Adjustment Act** of 1933 created a new federal agency, the Agricultural Adjustment Administration (AAA), which sought to raise prices for crops and herds by paying farmers to cut back production. The money for such payments came from a tax levied on the "processors" of certain basic commodities—cotton gins, flour mills, and slaughterhouses.

By the time the AAA was created, however, the spring growing season was already under way. The prospect of another bumper cotton crop forced the AAA to organize a "plow-under" program in which farmers were paid to kill their fledgling crops. Moreover, in an effort to raise pork prices, some 6 million baby pigs were slaughtered and buried. By the end of 1934, the AAA's efforts had worked: wheat, cotton, and corn production had declined, and prices had risen. Farm income increased by 58 percent between 1932 and 1935.

At the end of the First Hundred Days of Roosevelt's presidency, the principle of an activist federal government had been established. While conservative critics warned that Roosevelt was leading America toward fascism or communism, the president had become the most popular man in the nation.

DUST BOWL MIGRANTS At the same time that the agricultural economy was struggling, a terrible drought created an ecological catastrophe known as the **Dust Bowl**. Colorado, New Mexico, Kansas, Nebraska, Texas, Arkansas, and Oklahoma were hardest hit. Crops withered, and income plummeted. Strong winds swept across the treeless plains, scooping up tons of parched topsoil into billowing dark clouds, called black blizzards, that engulfed farms and towns. By 1938, topsoil had disappeared from more than 25 million acres of prairie land.

Parched farmers could not pay their debts, and banks foreclosed on family farms. Suicides soared, and millions of people abandoned their farms. Many uprooted farmers and their families from the South and the Midwest headed toward California, where jobs were said to be plentiful. Frequently lumped together as "Okies" or "Arkies," most of the Dust Bowl refugees were from cot-

In response, the Roosevelt administration passed the Agricultural Adjustment Act of 1938, which reestablished the earlier crop-reduction payment programs but left out the tax on processors.

By the end of its 1936 term, the Supreme Court had ruled against New Deal programs in seven of nine major cases. The same line of conservative judicial reasoning, Roosevelt warned, might endanger other New Deal programs—if he did not act swiftly to prevent it.

The Second New Deal

To rescue his legislative program from judicial and political challenges, Roosevelt launched in 1935 the second, more radical phase of the New Deal, explaining that "social justice, no longer a distant ideal, has become a definite goal" of his administration. In his effort "to steal Huey Long's thunder," the president called on Congress to pass a cluster of "must" legislation that included a federal construction program to employ the jobless; banking reforms; increased taxes on the wealthy; and "social security" programs to protect people during unemployment, old age, and illness.

THE WPA In the first three months of 1935, dubbed the Second Hundred Days, Roosevelt convinced Congress to pass most of the **Second New Deal's** "must" legislation. The results changed the face of American life. The first major initiative was the $4.8 billion Emergency Relief Appropriation Act. The largest peacetime spending bill in history to that point, it included an array of federal job programs managed by a new agency, the **Works Progress Administration (WPA).**

The WPA quickly became the nation's largest employer, hiring an average of 2 million people annually over four years. WPA workers built New York City's LaGuardia Airport, restored the St. Louis riverfront, and managed the bankrupt city of Key West, Florida. The WPA also employed a wide range of writers, artists, actors, and musicians in new cultural programs: the Federal Theatre Project, the Federal Art Project, the Federal Music Project, and the Federal Writers' Project.

The National Youth Administration (NYA), also under the WPA, provided part-time employment to students and aided jobless youths. Two future presidents were among the beneficiaries; twenty-seven-year-old Lyndon B. Johnson directed an NYA program in Texas, and Richard M. Nixon, a struggling Duke University law student, found work through the NYA at 35¢ an hour. Although the WPA took care of only 3 million of some 10 million jobless at any one time, it helped some 9 million people before it expired in 1943.