The domestic program of President Franklin D. Roosevelt's first administration as viewed in the editorials of the Lincoln (Nebraska) Star

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THE DOMESTIC PROGRAM OF PRESIDENT FRANKLIN D. ROOSEVELT'S
FIRST ADMINISTRATION AS VIEWED IN THE EDITORIALS OF

THE LINCOLN (NEBRASKA) STAR

by

Charles Warren Ohrvall

A Thesis
Presented to
the Graduate Faculty of the Department of History
University of Omaha

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

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PREFACE

Except for the Civil War, probably no other period of American History has been covered so extensively by writers as has the New Deal era of President Franklin D. Roosevelt. It is not the intention or presumption of this thesis to re-cover that period in detail. What is intended is to cover the editorial writings of James E. Lawrence in the Lincoln (Nebraska) Star as he explained and defended the New Deal Programs.

I am very much indebted to my advisor, Dr. Roy M. Robbins, who has been patient, tolerant, and understanding as I worked to complete my graduate studies. I owe a debt of thanks to Dr. A. Stanley Trickett and the Graduate Council of the University of Omaha for their cooperation. The Librarians and staffs of the following Libraries have been most helpful in the use of facilities and source material for this thesis: The Franklin D. Roosevelt Library, Hyde Park, New York; The Nebraska State Historical Society Library, Lincoln, Nebraska; The Gene Epply Library, University of Omaha; and The Love Memorial Library, University of Nebraska.

Most of all, I give special thanks to my wife, Frances, for her support and understanding during my long years of off-duty efforts toward higher education. Without her cooperation and encouragement I could never have arrived at this point.
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CHAPTER I

INTRODUCTION

Nineteen-thirty began a difficult ten years for the people of the United States. After helping win "the war to end all wars" and experiencing the exhilarating financial boom of the twenties, the dismal depression of 1929 plunged the nation to the bottom of its economic and emotional barrel. It was an experience which seemed to sap the people's will to survive. To the public President Hoover and the Republican-controlled Congress were unable to take any action which would start the country back on the long uphill road to recovery.

At the same time reports were coming out of Albany, New York, about a man who was taking action during those trying times. Although a cripple who could not physically climb himself, he was furnishing the program and the leadership to help that state return to the top of the hill. This ability to give positive leadership plus an apparent compassion for and rapport with the people gained Franklin D. Roosevelt the presidency. For many citizens he supplied the answers to every problem — personal as well as public.

In Nebraska, not all people were impressed with Roosevelt. Many of the state newspapers were frankly anti-New Deal. Of those papers friendly to the administration, the strongest was The Lincoln Star. As its editor, James E. Lawrence championed Roosevelt and the New Deal in its entirety. He kept his readers informed of each aspect of the program

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1 These included the Nebraska State Journal and the Omaha Bee.
2 James C. Olson, History of Nebraska (Lincoln: University of Nebraska Press, 1955), 319.
and explained how it would benefit Nebraska and the country. Lawrence, a native of Beatrice, Nebraska, graduated from the University of Nebraska in 1911 with a Bachelor of Laws degree. He never practiced law — Journalism was his life's vocation and love. One of his co-workers commented: "The newspaper was his very life . . . He was on the job seven days a week." He was a reporter for the Star from 1906 to 1911 and then city editor, managing editor, and editor from 1911 until his death in 1957. He wrote all of the editorials, even while away on trips. Thus, the editorials often read like speeches because he usually dictated them.

Lawrence was a registered Democrat and a political liberal — both rare philosophies in Republican Nebraska. Always active in the state party activities he was mentioned as a candidate for office several times but chose to remain a newspaperman. For him, "the opportunities of informing the people . . . and of public service through editorials made the newspaper a calling, not a job." He was an adviser to both

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3In August, 1938, Roosevelt wrote George Norris that an editorial by Lawrence was "so clear and so convincing that the average boy and girl could understand it." Elliott Roosevelt (ed), F. D. R.: His Personal Letters (4 vols.; N.Y.: Duel, Sloan and Pearce, 1947-1950), IV, 629.


5Lancaster County Election Commissioner. Telephone interview, February 3, 1964, revealed that Lawrence was a registered Democrat as far back as 1924.

6Until 1930 the Democrats had been able to elect only four Governors and controlled almost as few state legislatures. The Nebraska Blue Book, 1930 (Lincoln: Nebraska Legislative Reference Bureau, 1930), 22-23. Hereafter cited as Blue Book 19XX.

7The Lincoln Evening Journal, September 17, 1957.
Roosevelt and Truman during their administrations and he managed two
Senatorial campaigns for George W. Norris. He did much for Nebraska
as a member of the state advisory boards for the Public Works Adminis-
tration and the Farm Security Administration. With such a background
of education, associations, and experiences, James Lawrence was con-
sidered by many as a leader of Nebraskans.8

The objective of this thesis is to present the editorial comments
of James Lawrence in the Lincoln Star regarding the first four years of
the Roosevelt administration. Because he mainly concerned himself with
those programs affecting Nebraska directly, only domestic issues will
be considered.

8Sara M. Baldwin (ed.), Who's Who in Lincoln (Lincoln: Robert M.
Baldwin, 1928), 136. Article in the Lincoln Journal, September 17,
(The Lincoln Journal was a morning paper, the Evening Journal an evening
paper at that time. Both were published by the Journal Publishing Co;
J. C. Seacrest, President.)
CHAPTER II

POLITICS

Franklin Roosevelt did not have to become a politician. His background and education were suited to the production of a country gentlemen, not the spawning of a political crusader. An only child of wealthy parents, he attended Groton as a matter of course. The curriculum had little to offer a politician. It was heavy with languages, and the only History taught was European. While a student at Harvard he was known as a playboy and took little interest in his studies. After graduating in 1904 Roosevelt decided to study law and live in New York City as a student and clerk. This did not prevent him from spending much time at his mother's Hyde Park estate. It was from there that he entered politics in 1910 as a candidate for the State Senate.

The campaign was a success and he retained the seat until his appointment as Assistant Secretary of the Navy in 1913. During his senatorial service he gained the basic political experiences which helped him in later campaigns. His tour with the Department of the Navy afforded him a grasp of the "political context of public administration." Both tours gave him prominence in the Democratic party, which won for him the second place on the ill-fated Democratic national slate in 1920. But in that election the country rejected Cox and voted over-

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9Frances Perkins wrote that his entering the campaign in 1910 had been a "stunt" and an "accident." The Roosevelt I Knew (N.Y.: The Viking Press, 1946), 28.

whelmingly for a return to normalcy.11

After such a disasterous defeat and the attack of polio in 1921, he retired to quiet country life. But while attempting to restore his physical self, he never retired. In 1924 he attended the Democratic national convention and proposed Al Smith as the Presidential nominee with his "Happy Warrior" speech.12

In 1928 Smith was successful in gaining the nomination and he asked Roosevelt to run for Governor of New York so as to bolster the national ticket. The rift between the "modern David and Jonathan" may have begun when Roosevelt won while Smith did not carry New York or the nation.13 Roosevelt was a hard working Governor and attempted to counteract within the state the adverse effects of the national disaster of depression. His actions, coupled with his political history and name made him a prime contender to be the Democratic standardbearer in 1932.

I

IN SEARCH OF A CHANGE, 1932

The race for the Democratic Presidential nomination was wide open in 1932. There was every indication that the party would win so everyone sought the post. Al Smith, once defeated but undismayed had the backing of the Tammany machine. Influential California and Texas were pledged to Speaker of the House, John Garner of Texas. Newton Baker, Wilson's

11Ibid., 14-16, 29-76, passim.  
12Star, January 28, 1932.  
13Ibid.
Secretary of War, and Maryland's Governor Albert Ritchie were strong dark horses. Even "Alfalfa Bill" Murray, maverick Governor of Oklahoma, was making a try for the nomination. Roosevelt formally became a candidate in January, 1932, by a letter to the secretary of the North Dakota Democratic Committee, accepting the filing made on his behalf in the state preferential primary. He stated that he was a progressive. On the same day, January 23, the Alaskan Democratic convention instructed its six delegates to vote for Roosevelt.14

In a Star editorial on January 25, 1932, Franklin Roosevelt's name was mentioned for the first time as a presidential contender. In glowing terms he was favorably compared to his cousin "Teddy". Regarding his polio attack, the comment was made that no man-given test could equal the trials which nature had placed upon him. Because he was able to overcome such a condition, it was contended that Roosevelt deserved the attention he was receiving and was a man to watch.15

In March an editorial reported that Roosevelt had won three tests of strength which was apparently a validation of the forecast made of his potential as presidential material. He had won contests in the East, the Mid-West, and the Old South. "No man in the last thirty-two years, not even including Woodrow Wilson . . . has captured so completely the imagination of the democratic party," was the editor's opinion. This success was not completely due to Roosevelt's personality and record,


15Star, January 25, 1932.
Lawrence admitted. The American people were demanding a change in a administration and they resolved that nothing should deadlock the convention and give Hoover the election by default.\textsuperscript{16}

Nebraska joined the Democratic tide in April, 1932. In a three-sided contest between Roosevelt, Garner, and Murray, Roosevelt received nearly twice as many votes as the other two combined. Lawrence did not find it difficult to explain Nebraska's preference for Roosevelt. The people were "weary and nauseated" with the manner in which the government was being conducted. They did not want to lose that which they had gained by their own efforts. As for Roosevelt, they admired his courage and fighting heart and they liked his views on national problems. The vote was not merely a protest but also a mandate to the Democratic convention. The formerly "dispirited minority" party in the state was prophesied to become a "rampant, irresistible majority" in November.\textsuperscript{17}

That rampant majority was the "forgotten man" to which Roosevelt referred in his speech at Albany, New York, April 7, 1932.\textsuperscript{18} In reviewing the speech the editor wrote that it was the first time a prominent person had talked about the consumer who after all was the foundation of the nation's prosperity. Washington had concerned itself far too long with Big Business. When Roosevelt said that the Hoover recovery efforts

\textsuperscript{16}Ibid., March 24, 1932. \textsuperscript{17}Ibid., April 13, 1932.

\textsuperscript{18}The text of this speech may be found in The Public Papers and Addresses of Franklin D. Roosevelt, Samuel I. Rosenman (comp.) (13 vols.; N.Y.: Random House, 1938-1950), I, 624-627. Hereafter cited as Rosenman, Papers.
were of a temporary nature and started the recovery program from the top down instead of from the bottom up, Lawrence agreed. He added that it was time to think more of small business than of big business. The nation would be ostrich-like if it did not acknowledge and act on the problems of that forgotten man. "What a tragic departure from American ideals and American traditions has taken place in these last twelve years," he concluded.19

During the spring Lawrence noted that several prominent Republican fighters for the forgotten man had crossed over the the Roosevelt side. To him, the announcement of such support by Nebraska Senator George Norris "removed some of the sting" of Roosevelt's setbacks in Massachusetts and California. It was predicted that many Nebraskans would be glad to ride with the "outstanding leader of liberal thought in America . . . behind the banners of Franklin Roosevelt." Senator William Borah of Idaho, "the least likely" to defect, announced in June that he could not support Hoover. This was after he had attended the Republican convention at Chicago.20

Editor Lawrence also attended that convention. Under the title, "A Disappointing Convention," he wrote back that his first reaction to the pre-convention activities was disgust. The loud attempts to instill life into an otherwise dull assembly alienated many of the delegates. He did consider that the program was emblematic of Hoover, his personality, and his administration. "Subdued but efficient," and "thoroughly

19Star, April 8, 1932.  
20Ibid., May 7, June 21, 1932.
mechanical" were the words he used to describe the convention. "What it lacked in human tone, it made up in organization," he reported.\(^2\)

He wrote a graphic description of the reading of the platform and its reception by the delegates: "We sat listening to that long document, one of the longest in the party's history, and not a single burst of applause or handclapping interrupted the tedious reading of the document." He summed up the entire proceedings as

\[\ldots\text{ the most amazing puzzle of a convention which throughout its entire deliberation was a continuous atmosphere of bafflement and futility. Here was a great party assembled in a critical period of national history. It was as cold, as lifeless and as dead as the grave.}\]^{2}\]

In contrast to the funeral air of the Republican convention, Lawrence reported on the thrills of the Democratic meeting in the same city. After a stirring keynote speech by Senator Alben Barkley, he left the hall with the message still ringing in his ears. In a park he heard a soap box orator harranging a crowd, telling them that the Republicans and Democrats were exactly alike. "But evidently he (the soap box orator) did not hear Keynoter Dickinson and Keynoter Barkley. They aren't alike," he declared.\(^3\)

The preparation for the convention had been a full-time job for Roosevelt's political aide, James Farley. His efforts included direct

\[^{2}\text{Ibid.}, \ June 15, \ 18, \ 1932.\quad ^{22}\text{Ibid.}, \ June 21, \ 1932.\]

\[^{23}\text{Ibid.}, \ June 22, \ 1932. \ James \ Farley \ wrote \ that \ "the \ Republicans had \ met \ in \ apprehension \ that \ defeat \ was \ just \ around \ the \ corner. \ In \ contrast, \ the \ Democrats \ met \ with \ joyous \ enthusiasm \ of \ crusaders." \ Farley, Jim Farley's Story, 14.\]
personal contacts with the local party workers, by-passing the archaic and cumbersome committee pyramid system. There was behind-the-scenes maneuvering for key positions on convention committees and for the position of keynote speaker. Farley admitted that the biggest problem of the campaign was Al Smith. The party faithful waited and asked, "What will Al do?"24

In February, 1932, Lawrence had speculated on "Al Smith's Potential Candidacy" and its effect on Roosevelt's chances. He felt that Roosevelt would be stronger without Smith than with him because this would show Roosevelt free of Tammany control. Lawrence doubted that the convention delegates would "conduct a sham battle among themselves" when selecting their candidate. On March 9, 1932, he reported the clean sweep of Roosevelt over Smith in New Hampshire, a state which had fought valiantly for Smith in the past. An analysis of the voting showed that Roosevelt not only won the farm and small town votes as expected but surprised many by breaking even in the urban areas. This victory should give the Roosevelt forces new confidence, Lawrence felt, although it would also center the fire of the full field on FDR.25

The editor was the first to admit that the field of possible candidates was not lacking in able men. He agreed, however, with Mark Sullivan who observed that if the Democrats wanted to fight on the basis of liberalism vs. conservatism, "Roosevelt was the natural and logical

24Farley, _Jim Farley's Story_; 15-18, 29; Burns, _The Lion and The Fox_; 140.

25_Star_, February 8, March 9, 1932.
candidate of the organization." He was the only one who espoused liberalism as a cause. He said that the democratic principle of starting at the bottom and working to the top was not old fashioned and useless as the Hoover administration claimed. Lawrence went on to compare Roosevelt to Jackson, Lincoln, Cleveland, and Wilson. It was his faith in the great American experiment which would make Roosevelt hard to stop at the convention.26

Lawrence believed that Roosevelt used good judgment in remaining away from Chicago; his cause was in the hands of his friends.27 By convention time almost every prominent progressive Democrat had announced his support of Roosevelt.28 James Farley was not as positive of winning as Lawrence. He busily gathered votes during the sessions. He asked Sam Rayburn for California's and Texas' votes on the second ballot in return for the Vice Presidential nod for Garner. Rayburn would not promise.29

After the standard program of the convention had run its course Farley called for the balloting on the candidates. It was 4:28 a.m. The first state polled was Alabama. Even though he knew that their twenty-four votes were for Roosevelt, Farley "thrilled to the response

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27Ibid., June 22, 1932.


29Farley, Jim Farley's Story, 20
... weariness and exhaustion were forgotten." When the balloting was completed, Roosevelt had 666 1/4 votes to Smith's 201 3/4. Garner had 90 1/4 and the remainder were divided among favorite sons. Two more ballots gained Roosevelt less than twenty votes, and the situation looked desperate. "The convention wise men were pronouncing Roosevelt out of the picture," Farley recalled. That morning the hotel corridors were alive with people bargaining for votes. There were several accounts of how and why the Garner votes were released to Roosevelt but the important thing for him was that they were released.

When the convention was called to order that afternoon, the fourth ballot was ordered. William McAdoo of California stood up and announced that California came to elect a president, not participate in a deadlocked convention. When he cast the forty-four California votes for Roosevelt the dam was broken. Except for die-hard Smith men, the states rushed to Roosevelt and Farley wrote, "Everyone knew we had just nominated the next President of the United States." It was two days before Lawrence could write his impressions of the final voting, for, he said, "Ear splitting yells from 25,000 throats are not conducive to reflection." He called the vote a union of the South and West to "rout the Tammany Tiger." "Tammany Loses Again" was

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30 Ibid., 21
31 Ibid.
32 Leuchtenburg, FDR and the New Deal, 7,8; Farley, Jim Farley's Story, 23.
33 Farley, Jim Farley's Story, 25. Another account of the convention may be found in Frank Freidel, Franklin D. Roosevelt The-Triumph (Boston: Little, Brown and Company, 1956), 291-311.
the title of his editorial on July 2 when he first reported Roosevelt's nomination. He continued the editorial with a description of the "inspiring scene" when Roosevelt appeared to make his speech of acceptance:

He came in and he revealed the thing which we hoped would show itself immediately. He was moved -- profoundly stirred -- by the sea of faces. Then his face was lighted by a glorious smile -- a smile which both heartens by its strength and attracts by its warmth.34

Lawrence was sure that Roosevelt's appearance answered the rumors and whispers which had been voiced about his health. The acceptance speech set the tempo for the campaign -- action! He said that the campaign would start that very night. Lawrence felt that this gave the convention "confidence in its own decision to nominate him." The speech was a hopeful document which expressed the thoughts of the American people. Linking Roosevelt to the great Democratic leaders of the past, Lawrence wrote that the speech

... had something Wilsonian in its flaming devotion to idealism and yet it had the practical flavor of Grover Cleveland in its conception of the responsibilities of public office. It had the scholarly, philosophical Jeffersonian blend and, at times, it revealed a fighting note reminiscent of the public documents of Andrew Jackson.

The Presidential nominee sent the delegates home as a "united, enthusiastic legion to battle for a new era in the life of the American people."35

The Democrats came home and began the job of electing Roosevelt. It was not too difficult a problem. The Kansas City Star, always ardently Republican and a spokesman for the President, was quoted by Lawrence as being disenchanted with Hoover's relief program. The paper said that the

34Star, July 4, 1932. 35Ibid.
program probably saved the banks and the railroads but the Kansas farmer
could not tell that the benefits were seeping down to him. He was not
afraid of the return to liberalism which Roosevelt demanded. He was in
favor of it. Lawrence admitted that this was quite a confession for so
strong a Republican paper to make. He did feel that it reflected the true
picture of Americans, except for those living in large cities and for
big business.36

Of course the Republicans were not counting themselves out of the
contest. Secretary of the Treasury Ogden Mills made a speech stating that
the Democratic nominee had no economic program to offer. In an editorial
titled "Where Do We Go From Here," Lawrence called Mills an "artful
dodger." After the past two years of misery and distress, Mills asked
that the Republicans be retained in power just because the opposition
had no program. The Democrats would welcome the announcement that the
campaign would be fought "in the trenches of economics." The editor
continued with a review of the financial programs of the three Republican
presidents, summed up by the phrase, "let big business prosper even if it
was necessary to exterminate small business." Well, the "big boys"
were no smarter than the "little ones" and now they were all in the same
boat. Roosevelt had challenged the nation to find the answer.37

Roosevelt challenged the nation again in a speech from Hollywood
in September. Lawrence tried to distill the issues of the campaign in
an editorial on that speech.

36Ibid., July 11, 1932. 37Ibid., July 12, 1932.
Roosevelt said that the "best minds" did not always produce the greatest good for humanity. Because of inherent selfishness man attempted to reduce others to virtual economic slavery. Hoover, meanwhile, was saying that the "best minds" would produce the best good for all if left unfettered by controls. Lawrence equated these two views on government to Jefferson on the one hand and Hamilton on the other. The rejection of the Hamiltonian theory permitted the progress of the country in the past and he believed it should be repudiated again so that people could have "A Better World to Live In."^38

An editorial on September 29, 1932, reported the names of several Liberal Republicans who had decided that Roosevelt could create this better world. When such liberal leaders as Clyde Reed of Kansas, Hiram Johnson of California, and Senator Bronson Cutting of New Mexico cut across party lines, it indicated the contest was not between Republicans and Democrats but liberals and conservatives. "It is a war against favoritism and privilege in Government," Lawrence said. This transformation of former enemies into supporters was Roosevelt's greatest triumph.39 As one of those former "enemies" George Norris was later to tell newsmen that he had no regrets for bolting his party in 1932. The country was drifting

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38 Ibid., September 26, 1932. Lawrence wrote editorials on other campaign speeches. These are covered by subject matter.

on the verge of dissolution. Something needed to be done or the nation would face utter ruin. Roosevelt seemed to present the program.  

On November 8, 1932, almost twenty-three million Americans indicated that they too believed FDR had the program for their problems. The Democrats also secured control of both branches of Congress. Hoover received sixteen million votes. In Nebraska, Roosevelt carried the state 359,082 to Hoover's 201,177. This landslide, Lawrence wrote the next day, obliterated sectionalism as it rolled from the Atlantic to the Pacific. He recounted the items which had helped produce the victory and listed as the chief one, the people's loss of confidence in the Government. America had passed through a great bloodless revolution — "That is a triumph for democracy." Now America could face a new day, united toward a common purpose.

As an indication of that spirit of unity, Lawrence was happy to report that Roosevelt would choose his cabinet members without reference to geographical or political lines. It was a most refreshing attitude and revealed his inherent sense of honesty and integrity. Roosevelt had faith in the traditions of our country. And yet he had a desire to get

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40 Quoted by Lawrence in a Star editorial, June 27, 1934.
42 Blue Book 1932, 499. Roosevelt carried all but two Nebraska counties and for the first time in sixteen years, the Democrats elected their entire state ticket. Olson, History of Nebraska, 305.
43 Star, November 9, 1932. 44 Ibid., December 20, 1932.
things done. In February he took the politically unprecedented action of asking for the power to revise the Government structure with a view to cutting expenses so that the budget would balance. Even if the action aroused opposition and deposed office-holders, Lawrence knew that these measures more than filled the bill of providing for a new deal.\textsuperscript{45}

In asking for this revisionary power, Roosevelt was asking for the cooperation and support of Congress. Lawrence was concerned that this would be the real challenge for Roosevelt -- a Congress which was jealous of its own power. Having been out of control for twelve years and having won by such a margin, they might feel inclined to remind the President that they were co-ordinate branches, meant to check each other. Lawrence had faith that Roosevelt, through his courage, boldness, and leadership ability, would be able to rally Congress behind him after he came into office.\textsuperscript{46}

On inauguration day Lawrence wrote that Roosevelt came into office at a difficult time -- "Yet [he came] ... to his post calmly, courageously, and confidently." It was not to be the end of the democracy because a new glowing chapter would be written. Roosevelt placed his hand on the Bible and gave his oath to lead the people "back to the highway of well being ..."\textsuperscript{47} How well he conducted the march would determine whether his program would be allowed to continue by electing of sympathetic legislators to Congress in 1934.

\textsuperscript{45}Ibid., February 10, 1933. \textsuperscript{46}Ibid., February 11, 1933. \textsuperscript{47}Ibid., March 4, 1933.
The lusty infant of 1934 promises to be a most precocious youngster. Upon his shoulders rests the task of converting the doubting Thomases to the new order of things in America. That is a job from which even a full-grown man might shy.

This is the opening paragraph of the Star's New Years editorial for 1934. In the editorial, Lawrence reiterated the events of the ten months since Roosevelt's inauguration. There had been measurable results from the program which the Chief Executive had presented and the Congress had approved. The people once again believed in themselves and their Government, wrote the editor.

The question was: were the changes made in the first year of the administration to be permanent? Lawrence felt that 1934 would see some more changes as Roosevelt asked for corrective action on some of his programs which had developed flaws. But the fundamental principles of the changes made in 1933 would remain unaltered. Americans had faith in the sincere idealist in the White House. He was the first President, wrote Lawrence, who admitted that he could make mistakes and the first to periodically report his stewardship to the people. The editor saw no reason why the new year could not be viewed with optimism. The fact that it was an election year did not seem to concern the editor.

At all levels, the election of 1934 had national over-tones. Each candidate for office attempted to identify himself with the Roosevelt administration, or damned it in his campaigning. Whether the candidate

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48Star, January 1, 1934
was Republican or Democrat did not seem to matter; how he stood on the New Deal determined his chances of election. In fact, there was even talk that year of a political re-alignment in the United States. The editor described two views that were prevalent.

John G. Maher, who was, the editor said, an experienced political leader, foresaw a split in both parties. Liberal Republicans and Democrats would join together against the united conservatives of both parties. This particular split was not a new thing. The editor recalled that in the Eighties and Nineties, and again in 1912, the progressives in both parties tried to cooperate. Lawrence ascribed the Democratic victory in 1932 to the uniting liberals and moderate conservatives of both parties behind Roosevelt. Another type of split was that predicted by Senator J. Ham Lewis of Illinois. He said that the two-party system would be replaced by bloc groups, similar to French and pre-Hitler German politics. The editor hoped that this would not take place; the governmental problems of both France and Germany resulted from this type of political division.49

Lawrence commented that even as he was writing, Republican liberals were trying to oust the conservative Harding–Coolidge–Hoover group from control of the party. In the Democratic party, he could report, the President was in complete control. There were a mere handful who opposed the Chief Executive. In addition to this solidarity within the Democratic party, Lawrence felt that there was another reason the predicted re-alignment would not take place: The business man "who forms the bulwark of

49 Ibid., January 27, February 12, 1934.
conservative thinking" had changed; he had become more liberal and social-minded during the last year.\textsuperscript{50}

The editor was pleased to report that Roosevelt did not go by party lines. In a speech at Yale University, the President was frank to admit that he could not tell the party affiliations of most of his responsible people, "and it is a good thing I can't," he added. No other president had made such a statement. Lawrence felt that one had to admire a leader who criticized this sacred political institution even though it meant stepping on some very sore Democratic toes. The editor expressed his opinion that no other single thing had brought out the shining idealism of Roosevelt as did this admission.\textsuperscript{51}

James Burns, a Roosevelt biographer, wrote that the President did not picture himself as a leader to build a new alignment of political power in 1933-34. The primary effort needed to be the promotion of economic recovery. To do this Roosevelt needed to coax and conciliate leaders of major interest groups into a "great national partnership." Burns termed this "broker leadership." Roosevelt took a passive method of responding to pressures rather than the active one of building a new voting alignment that would recast the pattern of politics in America.\textsuperscript{52}

\textsuperscript{50}Ibid., January 27, 1934

\textsuperscript{51}Ibid., June 21, 1934. In a Star editorial on January 28, 1937, Lawrence admonished the State to follow Roosevelt's lead in using a nonpartisan basis for selecting the administrators for a state unemployment insurance agency.

\textsuperscript{52}Burns, \textit{The Lion and the Fox}, 197-198.
Lawrence would have probably agreed with Burn's interpretation of the President's aims. The editor noted in an editorial on February 6, 1934, that some observers felt the country was headed towards a completely Government-controlled economy. If not to this extreme, at least individualism was to be a thing of the past. Lawrence did not feel that the President was committed to any such extreme plan of national reorganization. Roosevelt was only interested in national recovery and the abolishment of unfair advantages that some had over others; not a radical redistribution of the nation's wealth. Overall, Lawrence wrote, there had been a political transformation in that there was almost unanimity of popular support from both parties behind the President.53

There were people, however, who did try to realign the political parties after the first bloom of the New Deal had flowered. Conservative opposition within the Democratic party led to forming the Liberty League. With DuPont money and politicians like Al Smith, Jouett Souse, and John W. Davis, the League unsuccessfully attempted to draw Democrats away from Roosevelt.54 These men, as well as Republican leaders, attempted to paint Roosevelt as a budding dictator.

The charge of dictatorship was the theme of the Republican Lincoln Day gatherings, reported Lawrence on February 13, 1934. He called it a peculiar coincidence that no direct criticism was made of Roosevelt or of

53 Star, February 6, 1934

54 Burns, The Lion and The Fox, 206. Lawrence wrote several editorials during the summer of 1934, in which he castigated the Leaguers for their defection. The editor did not feel that the action was worthy of them.
his program. "What actually took place," he wrote, "was a series of ad-
dresses in which veiled innuendo and insinuation were substituted for tan-
gible, concrete, definite attack." In Iowa, Colonel Frank Knox, "the most
outstanding Republican spokesman," had challenged the Washington bureaucr-
cracy. He alleged that this bureaucracy said that popular Government was
a failure and a Fascistic form of Government was needed in America. Law-
rence felt that Knox was letting his imagination run away when he saw such
spooks. And even if the President was inclined to be a dictator, which
Lawrence was sure he was not, he could not destroy representative Govern-
ment and put on the robes of a dictator without the consent of the govern-
ed.55

To prove that the electorate and Congress had not abdicated their
powers, the editor could report on March 29 that the Congress had overridden
the President's veto of the General Offices Appropriation bill. This Re-
publican victory would be hollow, he wrote, because it punctured the
dictatorship bogeyman which they had been using to scare the people. Roose-
velt's program was safe again for a while, although Lawrence did expect to
see other ghosts being called up to scare the people.56

A ghost which was raised up as a spoof and got out of hand was the
threat of Communists in Government. It could be called "the Wirt Affair."
Dr. William A. Wirt, an Indiana educator, attended a Washington party
where there were also several young administration men. Wirt, sounding
like Birch Society members in the 1960s, voiced concern over the Roosevelt

55Star, February 13, 1934.  56Ibid., March 29, 1934.
revolution which he was hearing so much about. The boys, being in rather high spirits and wanting to kid the gullible old duffer, expanded on the theme that the New Deal was part of a Communistic plot. They confided that Roosevelt was really only the Kerensky of the movement and that, in two years, a Stalin would appear to assume control. When Wirt pressed to know who the Stalin would be, the boys solemnly said, "Rexford G. Tugwell."57 Dr. Wirt, much impressed and concerned, went to Congress with his report that there were persons in the administration who were using the President, and planning on an economic failure so that there could be a Communistic takeover in the country. The House asked for an investigation.58

In an editorial, Lawrence wrote that the "meek, farm-bred Iowan," Wallace had been named by Wirt as the chief conspirator.59 The editor commented that it would appear from Wirt's story that Moscow was located in Des Moines. If the educator's story were true, Wallace should be shot as a traitor. To the editor, the story was another indication that the

57Page 1 article, Star, April 9, 1934.

58"Now they'er [the young administration men] quaking in their boots for fear that what was intended for some good clean fun will embarrass them with the administration." Editorial, Star, March 29, 1934.

59In his account of the affair, Tugwell did not mention himself at all. Rexford G. Tugwell, The Democratic Roosevelt (Garden City: Doubleday and Co., 1957), 322-323. Tugwell was prominently named by Wirt before a special House investigating committee. Without being specific, Wirt asserted that Wallace shared Tugwell's views. P.6 article, The Wall Street Journal, April 11, 1934. "Secretary Wallace seems to have been singled out for a number of attacks because Dr. Wirt believes that...[Wallace] has done more plain speaking...about the nature of the 'revolution' than most government officials." P.2 article by Bernard Kilgore, The Wall Street Journal, April 3, 1934. Thus, either Tugwell or Wallace could be considered the "Stalin" of the "revolution."
country was returning to normal — it was passing through another "silly season."  

The charges leveled by Dr. Wirt were so ridiculous that they would be laughed out of court, Lawrence wrote. The House of Representatives, however, appeared to Lawrence to be bent on making itself as ridiculous as the story by ordering a full investigation. This interest gave the Wirt story a credence it had not had, nor deserved. The editor considered the pushing of an investigation as poor strategy for Democratic Congressmen and a "real relief for frightened, starving Republicans." The prospect of Communism in government would replace the deflated bogeyman, "Dictator" Roosevelt. Lawrence was sure that the nation was little concerned with this playing and fun. It was more interested in the reports of decreasing unemployment and rising trade volume than with hearing about Dr. Wirt's "hallucinations of a red menace." People were too busy "chasing three squares a day to become wrought up over Mad March Commedies," he added. Lawrence was correct in his evaluation of the importance of the Wirt affair — it faded, to be replaced by other problems.

In August, a Nebraska woman wrote to the editor commenting on the plight of the farmer. While he was facing starvation, politicians were greedily fighting for power. To the question, "Whom shall you believe?" Lawrence answered: the Roosevelt of the warm heart and depth of compassion. When she asked for whom she should vote, the editor wrote that it was not the purpose of a newspaper to tell people how to vote. It should

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60Star, March 30, 1934. 61Ibid., March 30, April 11, 1934.
present the facts and news with honesty. It should advocate programs which would make a better Nebraska and America. The best men a state could send to Washington would be one who knew and understood the state's unique problems; one who would place this information before the President accurately and forcefully. Of course, the editor pointed out, support of the President did not mean the same as acquiescence. When determining whom to send, "Let us send men who believe both in Mr. Roosevelt and in Nebraska," Lawrence concluded.62

This right to vote was considered a civic responsibility by the editor. The list of candidates for the election of 1934 gave the voter a wide choice. It was for their own and the country's good that each man and woman examine the merits of the candidate. "Democracy can function properly only in the degree that members of society are able to pass intelligent judgment upon . . . those seeking their sufferage . . ." expounded Lawrence. In the primary election, one should choose from his own party on the basis of "fitness, integrity, and experience;" not let the professional politician dictate the vote. In the general election, policies of the party as well as the candidate needed to be examined.63

Good government should prompt the political desire of each citizen, wrote Lawrence. The people of Nebraska had so much in common as to livelihood, problems, and objectives. The only issue which divided them was the method of attaining those objectives. The platforms of the two parties defined the cleft in methods. To the editor the choice was clear: "Shall

62Ibid., August 10, 1934. 63Ibid., May 11, 1934
we shall go ahead or shall we turn back?" To go ahead was to continue
the alleviation of human misery, the revival of business, and the bring-
ing of order out of chaos. To turn back was to scrap the policies of
Roosevelt and return to the slow and painful attrition of Hoover's admini-
stration. It frightened Lawrence to think of turning back.64

There was every indication to Lawrence that people were taking
more of an interest in their Federal Government. Prior to the depression,
Washington had seemed far away and the measures passed there had little
direct effect on the lives of individuals. Roosevelt had changed this
by carrying the Federal Government "right home to the people who owned
it," wrote Lawrence. People took an interest in the Government because
the Government was taking an interest in them.65 This interest by the
public was in spite of the fact that many of the newspapers of the nation
were opposed to Roosevelt and the New Deal.

That summer editor Lawrence regretted to report that not a single
major newspaper in Chicago was supporting the President. A form of guer-
illa warfare was being waged by Colonel Robert McCormick's Tribune, Colonel
This was a strange contradiction to Lawrence because he felt that the
great majority of Chicago's three million people, "more than double the
total population of Nebraska," looked upon the President with gratitude
and hero worship. The fears voiced by the newspapers, that a super-
Government would dictate and control individuals and that America was be-

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64 Ibid., November 2, 1934. 65 Ibid., March 6, 1934.
coming enslaved, meant to Lawrence that they had missed the greater peril. "They do not seem to understand that political freedom, unless fortified with economic security, is threatened and menaced . . . by hungry people, who . . . would welcome anything . . . " he wrote. 66

Another newspaper that missed the point was the Kansas City Star. This Missouri paper, ardently Republican, was quoted by Lawrence as questioning the expenditures of the New Deal: "If the New Deal fails it will be the most costly failure in American history." The critical discussions of the New Deal ignored the intangibles, which had a strong bearing on the case. The cost of failure would not be solely in terms of money but in terms of morale and American thought. "Faith cannot be measured by gold bullion . . . and yet it is the foundation of American business and industry," wrote Lawrence. The pertinent question to Lawrence was not the expenditures of the New Deal but the alternatives to the New Deal. What was to come if the New Deal fails, he asked. While the critics whacked away at the New Deal, they should think that "the fruits of their criticism may be an even heavier price than the cost of the New Deal," Lawrence reminded them. 67 Of course, not all Republicans were critics nor were all the critics Republicans.

A prominent Republican who supported Roosevelt was Senator Arthur Capper of Kansas. His kind words for the President has led the conservative Old Guard Republican leadership to bar him from party affairs. To the editor, the importance of Capper's ouster was that it indicated

66 Ibid., March 7, 1934. 67 Ibid., September 10, 1934.
the Republicans had not learned their lesson from 1932. To ostracize a man because he endorsed an opponent's program, not on the basis of the program but because it was from the opposition -- this was the type of thinking which had cost the party the faith of the people in 1932. The ouster also indicated to Lawrence that the leadership had changed their attitude. They felt strong enough to fight back against Roosevelt and the New Deal, and planned an all-out campaign for 1936. 

Arthur M. Hyde, Secretary of Agriculture under Hoover, was one of the Old Guard leaders of the Republican party. Lawrence quoted him as saying that the fundamental duty of Government was to "create and preserve conditions of peace, order, and security under which every citizen has an equal opportunity." He continued the speech, saying that this did not mean that a Government should regulate the race. To Lawrence this sounded like rugged individualism but it was not the Republican philosophy of Lincoln or "Teddy." Lincoln preached humanitarianism, and the older Roosevelt insisted that the Government should prevent the abuse of wealth. The American voters had turned against the Republicans in 1932 because of the brute force which Hyde was again advocating. If the party expected to recover at all, Lawrence wrote, it must get rid of the leadership epitomized by Hyde and change its attitude about recovery methods.

Later in the campaign, the editor compared those who would destroy the entire recovery program because of a few "rats in the recovery barn" to the Barnburners of the 1840s. Those early Barnburners did not destroy

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68 Ibid., February 27, 1934. 69 Ibid., June 1, 1934.
the Democratic party then, nor did Lawrence believe that the modern ones would. The editor admitted that there might be some faults in the program but the President was attempting to correct them as soon as they were found. In spite of the fact that the program had drawn the attacks, Lawrence voiced the strong suspicion that it was Roosevelt that the critics were really after. The only way that they could get votes away from the President was to attack his program. The editor did not expect the people to allow such a short-sighted policy to continue.70

Continuing his attacks on the Republicans and their policies, the editor wrote that they were using the strategy made famous by "Colonel Catch' em Coming and Going." In the industrial East the Republicans told the electorate that they were bearing the "cruel and crushing burden" of the farm products processing tax. In the wide open spaces of Nebraska, the party commander, McKelvie,71 was informing the farmer that he, the producer, was footing the bill. Lawrence felt that it was a good time to remind the Nebraskans of the problems they had faced and what the President had done to alleviate those problems. Because the state's economy was wholly dependent on agriculture, parity between farm and manufactured products was a vital necessity, although not always a fact. The processing tax had been devised to restore and maintain this parity. In Nebraska alone, fifty million dollars had been received in benefits and, with the drought destroying other sources, furnished the principal income for farmers

70Ibid., October 5, 1934.

71Samuel R. McKelvie was the publisher of the Nebraska Farmer and Governor of Nebraska, 1918-1922. Olson, History of Nebraska, 276.
in 1933. It was this beneficial program which the Republicans wanted to destroy, without offering any alternate plan, continued Lawrence.\textsuperscript{72}

This was not the only time that the state Republican leaders were discussed in the \textit{Star} editorial columns. Dwight Griswold, a Gordon publisher and former state legislator,\textsuperscript{73} was campaigning for Governor on the Republican ticket. Lawrence editorially reminded his readers that Griswold was a conservative and that, if he were elected, ex-Governor McKelvie would be one of the chief counsellors. McKelvie, the "Hoover leader in Nebraska," and a member of Hoover's Farm Board, was an avowed enemy of the Roosevelt program. Lawrence rhetorically asked if the people wanted Hooverite McKelvie back in a position of power. The editor wrote that this would be an excellent time for candidate Griswold to "dissavow his association with Sam McKelvie, and to repudiate the McKelvie policies toward agriculture."\textsuperscript{74}

One of the readers of the above editorial was that same Sam McKelvie, who wrote a letter to the editor which was printed by Lawrence on October 4. In the letter, addressed to "Dear Jimmie," McKelvie noted that the editor got himself "all worked up into an editorial lather" because Griswold and McKelvie thought alike on the "five dozen or more alphabetical agencies under the New Deal." If it would help Griswold, or anyone else to repudiate him, McKelvie would be glad to have them do it. "I have been repudiated by experts," he claimed. McKelvie continued the letter,

\textsuperscript{72}\textit{Star}, October 23, 1934. \hspace{1cm} \textsuperscript{73}\textit{Olson, History of Nebraska}, 318.
\textsuperscript{74}\textit{Star}, October 2, 1934.
defending the Farm Board and its policies. He closed by saying that he
did not expect the letter would be published.

Lawrence wrote to "Dear Sam" in the editorial that he was sorry to
be disappointing, but that he would publish the letter. The editor claimed
he had not suggested that Griswold repudiate McKelvie. Griswold would be
guilty of the "most gross ingratitude" if the repudiation did take place;
after all McKelvie had meant to him as a friend, supporter, and confidant.
Regarding the Farm Board, Lawrence wrote that it did not matter what Mc-
Kelvie or the editor thought of it. The farmers had voted overwhelmingly
against it, as they did on the other Hoover policies. As for the campaign
of 1934, Lawrence asked Griswold to continue denouncing the New Deal. It
made the issue clear-cut; if elected Governor, he would be committed to
veto any legislation necessary for the state to do its part in the Roose-
velt recovery program.75

As it turned out, Lawrence need not have been concerned with the
fate of the state. On November 7, 1934, he was able to head an editorial:
"The New Deal Wins." Robert L. Cochran, the Democratic candidate for
Governor, won over Griswold, 284,095 to 266,707, while the Democrat Edward
Burke easily bested Republican candidate Robert G. Simmons, 305,958 to
237, 126 for the United States Senate.76 After telling of the election of
New Deal supporters all over the country, Lawrence wrote that the voting
results indicated that Roosevelt then possessed "more fully the faith and
confidence of his fellow countrymen than when he took office . . . ."

75Ibid. October 4, 1934 76Blue Book 1934, 516-519.
It was a gratifying outlook to the editor.77

Editor Lawrence agreed with the President of the United States Chamber of Commerce when he said that the election was a "Mandate of the voters." It was the editor's opinion that this mandate came at just the right time. Some of the nation's business leaders had begun to break away from the President's recovery program. The voting results, however, satisfied even the most obtuse and reactionary that the people were still with the government at Washington, and that any attempt at obstruction could have no other effect than to arouse the burning anger of a vast majority of the populace.78

If, as Lawrence predicted, the country was entering the "final phase of recovery," Roosevelt could be assured of winning re-election in 1936. If there was any faltering, his re-election would be less of a certainty.

77Star. November 7, 1934. 78Ibid., November 24, 1934
CHAPTER III
THE POLITICS OF RECOVERY

In mid-March, 1933, Lawrence editorially speculated on what the history books of 2000 A.D. would say about those first fourteen days of Roosevelt's administration. There had been a lightening-like transformation from the black pre-inauguration days. It was incredible to Lawrence that the nation's morale could change so completely in so short a time. He admitted that two weeks was only the beginning of the administration but Roosevelt had established a firm leadership and the people were satisfied that the new government had resolution and determination to continue its progress.79

After the election of 1934, President Roosevelt made a tour of the Southern states. In Mississippi he made a speech in which he said that there were intangible elements in the country which gave him encouragement and satisfaction. Lawrence agreed with him, writing that these intangibles were reflected in a change in the faces of the people during the preceding two years. The hopelessness was gone. Lawrence did not consider that the President's comments had been forced by political psychology; there had been a change in the attitude of the masses. America was on its way back. The people had a faith in their popular leader which the critics could not shake.80

I
"I STAND ON MY RECORD," 1936

As the election of 1936 approached, Lawrence reminded the people

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79Ibid., March 17, 1933. 80Ibid., November 19, 1934.
that Roosevelt had given them "a chance for life . . . by insisting upon economic parity." The President had succeeded in spite of the powerful groups which opposed him — "the wisecrackers and smartcrackers of the East who belittle us, yaps . . . [in the Mid-West]" Thinking people would realize that the Roosevelt program was a sound program. To continue this program by re-electing Roosevelt was the editorial effort for Lawrence during 1936.

Because Roosevelt was running on his record, Lawrence directed most of his writing to describing the Republican candidate and campaign. He agreed with the Omaha World-Herald editorial which said that the Republicans were running Alfred M. Landon so as to split the West. The party needed a Westerner from a farm state as their candidate. Lawrence called it curious logic — no farmer would vote against the Roosevelt farm program, even for his own governor. Conceding that Landon was a good salesman, Lawrence did not think that the Governor would sell any unknown plan when Roosevelt's "agricultural tariff" had equalized the national income. The West still remembered the Hoover Farm Board with trepidation. Landon, in addition to winning the West had to offer something to the Easterners who wanted cheap food. What a job for the Republicans to tackle.

81 Ibid., July 25, 1936.

82 "The Democratic platform was more notable for its claims than for its promises," Dexter Perkins, The New Age of Roosevelt (Chicago: University of Chicago Press, 1957), 52. Possibly because Lawrence felt more sure of Roosevelt's victory in 1936, he did not write as many general political editorials as in 1932. He did not even editorially comment on the speech which Roosevelt made when he visited Lincoln in October, 1936.
The editor suggested that the first and foremost job for the Republicans was to divorce the party from the old leaders and policies; those leaders and policies which had placed the party in the impossible position it had occupied during the last fifteen years. "It must push aside those who would emphasize urban and industrial development at the expense of rural life," he insisted. The farmer had as much right to a subsidy for his products as the industrialist did. If the subsidy did not continue, the farmer would "sink to the level of peasantry," Lawrence predicted.

Governor Landon spoke to the farmers of Nebraska in April 1936. Lawrence wrote that "Brother 'Alf' Crossed the Rubicon" when he denounced the Roosevelt New Deal. The Governor was wise enough not to dwell on the farm subsidy program. He had, however, no kind words regarding the relief program. It had been incompetently, partisanly, and wastefully administered. The editor felt that this was a "pretty how-de-do," because of the manner in which the program was being handled in Kansas. The State Government would have nothing to do with its administration and furnished only $374,000 compared to $51 1/2 million furnished by the Federal Government. This did not seem very partisan to Lawrence. Governor Landon sounded distinctly like a politician to the editor.83

As Landon was announcing his candidacy on Kansas Day, January 29, Lawrence was writing about a visit to Kansas. He wanted to find out more about the "Budget Balancer." He found no basis for the Governor's claim to the title. Landon had actually increased taxes and increased spending during his four years in office. Nebraska got much more for its tax dollar.

83 *Star*, May 2, 1936.
In addition, Kansas needed twice the Federal aid that Nebraska did. Candidate Landon had pledged to reduce Federal spending by fifty percent in eighteen months if he were elected. "Any silly plan which assumes both the constitution and 50 percent of federal expenditures can be saved in the next eighteen months invites grave dangers," contended Lawrence. When asked, "What about this man Landon?" the editor wrote that he joined such noted Republicans as Colonel Frank Knox, newspaper publisher, and Senators Vandenberg and Borah, who were asking the same questions. "Alf" had been placed in the lead by a "nifty organization".

The organization did a good job of selling Landon. Writing after the convention in Cleveland, Lawrence felt that Landon's nomination was due to the buildup he had received in the press. The Governor was a stranger to many of the delegates. In the final analysis, they were not really concerned as to who the candidate was, as long as he could succeed in terminating the New Deal. It was difficult for Lawrence to imagine Landon in the role of a crusader. "He likes people too well. He is too friendly . . . . If he wins he will win because people are tired of a real crusader," contended Lawrence.

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84 Ibid., January 30, May 29, June 15, 1936. Oddly enough, in an editorial on August 9, 1934, Lawrence had praised Landon for his actions as Governor.

85 Ibid., June 15, 29, 1936. "(The choice of Landon) . . . was not a happy one. His flat, colorless voice bored his listeners. His friendly smile and good intentions were a weak match for the dynamic, audience-wise Roosevelt." David E. Weingase, F.D.R., Man of Destiny (N.Y.: Julian Messner Inc., 1952), 112.
Although Roosevelt felt he could win easily, he wanted to make the campaign a crusade, based on the new benefits and hopes which the New Deal had brought to America. Primarily this meant Social Security which was to be the basis of future security for the people. Democratic strategy called for a defensive campaign -- let the Republicans bring the charges of inefficiency; the Democrats would describe the state of the nation in 1936 compared with 1933. The President wanted to send out speakers but Farley told him it must be a one-man show. It was FDR the people wanted to hear. One reason they wanted to hear him was to be reassured about the New Deal.

To an uniformed observer the New Deal was in a bad way. The NRA and the AAA had been declared unconstitutional. Other phases of the program were the subject of angry debates. Roosevelt's 1932 attacks on Hoover as a spendthrift were coming back at him. The President was charged with "irresponsible experimentation," using the people as guinea pigs. The nation's press was opposed to him. Cries of "Soak the Successful," and "the Raw Deal" sold many copies of Hearst newspapers.

While the Republican Chicago Sun solemnly gave a count-down on days remaining to save the Union, ("What are you doing to save it?") the conventions met and agreed on their platforms. Lawrence wrote that the

86 Burns, The Lion and the Fox, 266-268; Farley, Jim Farley's Story, 59.

87 John T. Flynn, The Roosevelt Myth (N.Y.: The Devin-Adair Co., 1956), 84, 85. Compare Noel F. Busch, What Manner of Man (N.Y.: Harper and Bro., 1944), 117, who wrote that "the only really obvious defeat . . . was the fact that he broke his campaign promise to cut down government expenses . . . ."

88 Burns, The Lion and the Fox, 214. 89 Ibid.
Republican platform was a curious document, lacking the smooth-flowing style of earlier Republican platforms. It read as if it has been constructed a paragraph at a time, each by a different person. It was almost boyish in its approach, possibly by design, surmised Lawrence. The Republicans were accused of using the 1932 Democratic platform as their own in 1936, to which some was replied: "Why not? The Democrats have no more use for it. Moreover it is in perfectly good condition — it was never used." Harold Ickes noted in his diary that Landon was not pleased with parts of the platform so that the party was going into the campaign with two platforms.

Lawrence did not think that the Republican platform could compare with the Democratic platform. The latter challenged interest; it was "the outline of a political philosophy as it affect [ed] national well-being." Dexter Perkins wrote that "it contained remarkably few commitments for the future." Ickes wrote that it was forthright and progressive. He did not see "how any intelligent, forward-looking citizen, on the basis of the platforms alone, could fail to accept the Democratic platform as being far superior to the Republican." Inferior and unde-
sirable as it might be, the Republican platform was the platform on which Landon was committed to stand.

In accepting the nomination, Landon called himself an "everyday American." Lawrence agreed, adding that the speech was an "everyday speech delivered in an everyday style." It sounded better when read than when heard. Landon talked about prosperity but words did not make prosperity, contended the editor. Lawrence also found portions of the speech which showed an ignorance or willful indifference to the situation as it existed. Landon commented that the economy which he preached would not come from the relief program but from the "hide of political exploiters." Lawrence called this a "gratuitous insult" to those Republicans who had been serving in relief work. The editor summed up the speech by saying that Landon turned to the past; that he was the standard bearer of the conservative thought of the country. Borrowing a phrase from Roosevelt's acceptance speech, Lawrence wrote that between a deficit in the treasury (which Landon abhorred) and a deficit in human fortitude (collapse of national morale), Lawrence preferred the former. This was one of several comparisons which he made between the speeches of Landon and Roosevelt.

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96 Landon himself said that he was no speaker but the Republican National Committee issued a press release saying the "great interest in his (Landon's) ability as a radio speaker is expressed by critics and public alike." Lawrence asked the two to get together on their stories. Star, August 29, 1936.

97 Ibid., July 24, 1936.
The acceptance speech by Roosevelt climaxed what James Farley called a family reunion. "We could have completed our work in one day and gone home," he wrote. The first draft of Roosevelt's acceptance speech had been composed by Raymond Moley and was mild. Later, Samuel Rosenman and Stanley High produced a militant one. "In the end he (Roosevelt) produced his own, with sweetness and light but with something else," wrote Burns. The something else was the gauntlet that the President threw to the "economic royalists," -- that they were to lose their power. "The choice of the words was "lucky," he later told Frances Perkins. "Anyhow, I don't think people ought to be too rich," he added enigmatically and without explanation. Roosevelt concluded the speech, saying that the people had a rendezvous with destiny and that he accepted the commission which they had given him. It was a speech which invited comments.

On a train returning from Philadelphia, four newspapermen rode and discussed what they had heard FDR say. Harvey Newbranch, of the Omaha World-Herald (formerly a Democratic paper), called Roosevelt's speech a threat against private enterprise. William Allen White, Landon's closest friend, said that it would rank beside Lincoln's Gettysburg Address. Commentator David Lawrence compared the speech to "the swaying fields through which Mussolini and Hitler had trampled over the rights of free people . . ." The editor of the Star called this stupid writing.

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98Farley, Jim Farley's Story, 62.
99Burns, The Lion and the Fox, 273.
100F. Perkins, The Roosevelt I Know, 124.
101Rosenman, Papers, V, 230-236.
Lincoln editor himself wrote that the speech was "the most important contribution to American thought that has come to a grown up country."

Too, in commenting on both Roosevelt's and Landon's speeches he recalled that Landon had been cheered for thirty-six minutes while Roosevelt was cheered for one hour and six minutes.102

In late July, Lawrence wrote several more editorials on the Republican candidate's acceptance speech. On July 25 he said that the American farmer faced a crisis. Landon might call for a balanced budget, less spending, and tax cuts; but this would not help the farmer. The farmer had a right to know what changes Landon proposed to make in soil conservation, conservation of natural resources, and the other agricultural aid programs so vital to the tiller of the soil and the nation. What farmers needed was a permanent farm program. As Lawrence understood him, Landon had inferred that he would have essentially the same program for agriculture that Roosevelt had, so the editor saw no reason for debate or change. Landon's criticism of the expenditures for agriculture and relief was unjustified because of the unnatural condition of the nation's experiences in the preceding years.

Regarding any program of relief, Landon had said that man must live by the sweat of his brow.103 Lawrence called this a rather cheap and nasty remark because millions had not lived but only existed while they futilely

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102 *Star*, June 29, 30, 1936.

103 "How times do change. A few short years ago the Republicans were advising us to 'keep cool with Coolidge.' Now Mr. Landon ... insists that we 'must live by the sweat of our brow.'" *Ibid.*, July 30, 1936.
searched for work. The candidate's speech implied to Lawrence that Landon considered those on relief as being "lazy, indolent, and shiftless." Possibly some of them were, admitted the editor, but generally speaking it was nonsense to make such a statement. Lawrence classified the speech as "very shallow," "very academic," and "very trite." America had a problem which was not merely a political adventure. The "lost generation," i.e., those who were fifty and sixty in 1929 and who were too old to be absorbed into the work force of the thirties, needed help if it was not to be led astray by Dr. Townsend and others. As with the agricultural problem, Lawrence was sure that Landon would care for those on relief "precisely as the man he condemns took care of them." Apparently there would be no difference in the way the Republicans would seek economic recovery.104

This was the major complaint which Lawrence had against the Republican campaign. Although they damned every policy of the Roosevelt administration and promised to accomplish the same results of relief and recovery; they had not presented their own program of recovery. In a contradiction of the pledge of continued relief spending, the Republicans also pledged to reduce governmental expenditures. To the editor it was a "fair question" to ask how Landon proposed to meet his responsibilities if he were elected. Landon spoke on the "American Way" of solving the nations problems. Lawrence considered that the speech was neither com-

104 Ibid., July 25, 28, 1936. "... Governor Landon's only complaint is that he and his party did not perform the job [of recovery]." Ibid., October 14, 1936.
prehensive nor analytical. It was, he continued, confusing and contradictory -- another case of being long on criticism and short on propositions. Landon did not reveal "a comprehension of the infinitely complicated character of . . . domestic life," wrote the editor.105

Landon was not intentionally insincere nor intellectually dishonest, wrote Lawrence. But some of the campaign statements on his behalf were full of sham, pretense, and insincerity. No one would be fooled by cheap and idle talk. The catastrophe of drouth meant spending and the people would "turn to a man who [had] the sympathies, the courage and the vision to combine realism and idealism in a practical commonsense fashion, and who did the job before." Landon and his strategy board needed to revise their plans completely if they expected to win the votes of the people.106

In early September the Republican National Committee made the "surprise" announcement that Candidate Landon would visit Maine, where he would make his "first fighting repudiation" of the Roosevelt administration. To Lawrence the announcement was not just a surprise, it was stupendous! Here was a state which voted for Hoover in 1932 and which favored Landon by sixty percent in the polls; and now Landon was going there to be sure the state was safe for the Republican party.

Of the speech which Landon made at Portland, Maine, Lawrence wrote that

in his crusade for free enterprise, the governor waltzed two steps ahead, three to the left, occasionally cut loose with a long glide to the right, and then reversed the length of the hall.

105 Ibid., August 26, 27, 28, 1936.

106 Ibid., July 20, 31, 1936.
In the speech Landon approved federal control of almost all aspects of business, and then said that there was no half way house between free enterprise and complete regulation of the citizen. To Lawrence, all Landon neglected to say was that President Roosevelt had been correct in his handling of the problems of the economy. The editor asked if the free enterprise for which Landon was asking meant that which existed under Hoover "when farmers were working for nothing." Lawrence contended that the AAA and soil conservation programs were voluntary and "free enterprise."107

Comparatively late in the campaign, Governor Landon issued his agricultural program announcements. On the second of September, Lawrence reported on the conservation plank. It was a "Hybrid plan . . . that [had] neither intelligence nor practical foundation back of it," he wrote.108 At Des Moines, Iowa, on September 22, "Governor Landon's gift to American agriculture was dumped into [the farmer's] laps." The Governor said it was "a well rounded program" designed for the present and also for the "long time pull." Lawrence asked the reader to remember

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107 Ibid., September 9, 14, 26, 1936. Lawrence reported on September 15th that the GOP had won by a narrow margin in Maine, but even the Republican Congressmen ran on a platform of increased spending.

108 Ibid., September 2, 1936. The editor also pointed out that the conservation program which Landon had forced on the State of Kansas had been declared unconstitutional because it was non-voluntary. Ibid., September 23, 1936.
the words, "long time pull."

The Republican plan of uncontrolled production and stored surpluses raised the ire of editor Lawrence. He pointed out that agriculture was always controlled by the practices of crop rotation, seed improvement and other procedures used to make farming more economical and prosperous. Regarding the stored surplus plan, Lawrence reminded the farmer that he had crops in storage in 1933 on which he could not get a decent loan from bankers. The government was the only agency able and willing to loan money. The editor closed by writing that

the farm speech of Governor Landon was a curious conglomeration of borrowed Roosevelt policies and espousal of Hooverism. It was the speech of a man seeking to play upon deeply implanted instincts and at the same time satisfy his industrial legions.\textsuperscript{109}

Apparently the Republicans needed to talk on some program other than agriculture.

Landon received no better treatment from Lawrence when the candidate spoke on the subject of social security. The editor wrote that it was the most effective criticism of a Roosevelt program which the candidate had made. This compliment was leavened, however, by the comment that on such a large and diverse program, there was a great opportunity for faultfinding. If the Republicans favored social security legislation, they should announce their proposed program. Instead, they had given a

\textsuperscript{109}\textit{Ibid.}, September 23, 1936. In a speech at Omaha, October 10, Roosevelt said of the Republican plan: "No plan could lead the Nation back faster to such a crisis [as 1933]." Rosenman, \textit{Papers}, V, 432.
package, "wrapped in the cellophane of fear, a package which meaningless words and figures can be seen calculated only to appeal to fear," com­mented Lawrence. Under the cellophane, and inside the box, there was emptiness.

For all of Landon's talking about social security, Lawrence reported that the Governor had done nothing to institute a state program in Kansas. He listed five specific areas of deficiency. Then the editor contrasted this do-nothing program with the fine record in Nebraska under Democratic Governor Cochran, and in the nation under Roosevelt. An intrepid pioneer was needed to lead in the exploitation of this new social field. The record of Landon showed him to be inactive and timid — not the man for the job.110 The Republicans needed to attack the administration from yet another quarter.

The Republicans "lifted the door to the cellar of politics" when they initiated a fear campaign attack. Roadside signs appeared in Nebraska which read: "VOTE FOR LANDON AND LAND A JOB. VOTE FOR SIMMONS AND GRISWULD." Lawrence considered this contemptuous to decent sensi­bilities, and arrogant. The statement appealed to crass fear and it was a "despicable attempt to subject humble people to the will of business employers . . ." he wrote. It was not the American way "to clutch a

poor devil by the throat, line him up against the wall" and tell him how to vote. It would be a sorry day for the country if this was allowed to happen. Thus, Lawrence repulsed another Republican campaign attack in Nebraska. There was no question in the editor's mind as to which party had the program that would succeed.

A Nebraska grandmother wrote Lawrence, saying that the nation owed Roosevelt a debt of gratitude. She asked: "Dare we risk a change?" The editor's answer was an emphatic "No!" The President had not followed the "American Way" as defined by his opposition, but he had fed and preserved families and kept the nation from following the example of Russia, with its communal institutions which saved money but shattered family relationships. Because Roosevelt attempted to soften the blows that fell on the old, business hated him; business had no use for those too old to work. The editor concluded by saying that if care of the destitute was considered un-American, then make the most of it; if it was wasteful, it was necessary.

The Landon charges of waste in the government were considered a bit tardy by Lawrence, tardy after Kansas had already benefited from the economic relief programs of the New Deal. The Governor had not objected to receiving the money then, commented the editor, "He was a glad and grateful recipient before he became a candidate for the presi-

111 Star, August 31, October 23, 1936.
112 Ibid., September 7, 1936.
dency." Lawrence thought that Landon would have been defeated in 1934 if the federal government had not rescued the state. To the Easterner, this spending of tax money in the Mid-West was Roosevelt's greatest offense.

Lawrence pointed out that before FDR, three fourths of the tax money of the nation was spent in seaboard areas for harbor improvement, ship building, public buildings, and the like projects. While these projects were considered as functions of government, conservation in middle America was not; it was a raid on the treasury to the Easterner. In his editorial, Lawrence asked when the Easterner had become so saintly and sprouted wings. They had always been "self-centered, stupid, blind, and contemptuously indifferent to anyone or to anything except themselves and their own self interests," he wrote. During the campaign they worried about tomorrow and it's debt, but the editor wondered if they had worried about "tomorrow" when they were in control of Washington during the 1920s. To Lawrence, the President was the one person who was concerned with both the "todays" and the "tomorrows" as he implemented his various programs. His record spoke for itself.

After the convention in June, the President had taken a vacation while the Republicans opened their campaign. The President was content to wait because he had already prepared his machine. Although he gave the appearance of being non-involved, he was very much in command of the

113 Ibid., August 17, 1936. 114 Ibid., August 19, 1936.
proceedings. During the summer he toured the drouth areas. When reporters asked if the trip had any political over-tones, the President piously said that it was a disservice to the administration to link human misery with politics.115

"In swift, deft strokes," wrote Lawrence, the President opened his campaign on September 29. Roosevelt spoke "with greatest moderation and the greatest restraint." Lawrence applauded the statement that the Republicans did not object to the way the Democrats were doing the job -- they did not want the job done at all. The nation had made great strides in safeguarding democracy during his first term, but Roosevelt said that additional reforms needed to be made. To the President, the struggle was between concentrated wealth, with its abuse of power, against public welfare. To Lawrence, the choice was one of moderation. The Roosevelt administration was a government of compromise, not of extremes. In comparison, the GOP had accepted many extreme groups into their camp: the Liberty League,116 and the reactionary elements that wanted to overthrow sound and sane progress.117 Big business wanted to return to control.

When Roosevelt was asked what he had done to fight the monopolies created by big business, he answered in a speech at Boston: "We have in-

115Burns, The Lion and The Fox, 275-277.

116"Sumpin' new in the form of a fireside chat took place in New York Wednesday night (October 28) when Al Smith met, greeted, and placed his approval upon Governor Alf Landon." Star, October 29, 1936.

117Ibid., October 15, 1936.
creased their taxes." Lawrence wrote that the big Republican drive to save the Constitution and to insure freedom of speech merely resolved into a question of taxation. The tax bill which Roosevelt had signed placed the burden on those incomes over $100,000. This was the tax measure which Landon called "cock-eyed." Lawrence was sure that he now regretted the utterance, because evidence supported the contention that the tax was economically sound. The people of Nebraska had an interest in retaining the measure because they had supported the government under the Republican plan of taxation, and now they were receiving a well-deserved rest. The editor pointed out that there were no million-dollar annual incomes in Nebraska and few even over $25,000. Nebraskans could recoup financially.

Whether it was Roosevelt’s programs or for some other reason, the economy did look better in 1936 than in preceding years. In Nebraska, the commodity index of prices received by farmers was 121 in 1935 and 1936, compared with 84 in 1934 and a low of 62 in 1932 and 1933. There were only 68 business failures in the state in 1936; down from a high of 363 in 1932. Nebraska had 208,367 residents on relief in January, 1935.


119 "None of . . . [Roosevelt’s] measures would have availed, it may be presumed, if . . . 1936 had not been a year of very substantial economic recovery." Dexter Perkins, *The New Age of Roosevelt*, 51.

120 *Nebraska Agricultural Statistics Historical Record 1866-1954* (no publisher or date indicated), 128. Hereafter cited as *Nebraska Agricultural Record*. Lawrence credited the Administration’s agricultural policies with bringing up the prices and allowing the farmer to repay his federal loans before they came due. *Star*, February 4, 1936.

121 *Blue Book 1940*, 398.
January 1936 found only 92,504 on relief, and this figure was lowered to 39,757 by June. 122

In August, bank clearings in Lincoln were up more than $2 million over August, 1935. All over the nation, businesses were expanding. The editor wrote that in the light of this commercial recovery it took "a great deal of nerve" for the Republican Vice Presidential candidate, Knox, to assert that his party was campaigning to "save America." It was humorous to Lawrence that the men who were paying for Roosevelt's defeat were the ones who were expanding their production facilities, as a result of the success of the Roosevelt recovery program. 123

In writing on the economic progress exhibited during the year, Lawrence commented on the new farm buildings which were going up all over the state. Tractor and implement sales were at an all-time high. The increase in the income of the farmer meant an increase in his buying power. The money was not being hoarded but was put into circulation. Overdue bills were paid to merchants and professional men. The equipment which farmers purchased and the employment given to additional farm workers meant increased employment to workers in factories, transportation, and mines all over the country. "When the farmer is prosperous his prosperity radiates to all sections of the nation," wrote Lawrence. 124

122 Ernest F. Witte, Final Report of the Nebraska Emergency Relief Administration to the Governor, June 1, 1933, to January 1, 1938 (Aurora, Nebraska: Burr Publishing Co., undated), Table II, 12. Hereafter cited as Witte, Final Relief Report.

123 Star, September 1, 1936. 124 Ibid., January 6, 1936.
The editor was still optimistic about recovery in May when he commented on a report by the State Crop Statistician, showing farm recovery in Nebraska. Lawrence was also optimistic about the political picture as, in the same editorial, he reported on the visit of Secretary of Agriculture Wallace to Lincoln. Other state Democrats were pessimistic that summer as they replied to a survey conducted by the Democratic National Committee. Although only two or three predicted that Republican candidates would win in the state, only two or three felt that the Democrats would sweep Nebraska.

The results of the election proved to Lawrence that the pre-election jitters which some people had were just "scarecrow troubles." There would not be the outbreak of trouble that had been predicted if Roosevelt won. In Nebraska, Roosevelt carried the state, receiving almost half again as many votes as Landon. In the gubernatorial contest, Robert L. Cochran, the Democratic incumbent, beat Dwight Griswold by almost the same margin. In the Senate race, George W. Norris, the "independent," won over the Republican Simmons. Terry Carpenter, the Democrat, came in a poor third. Nationwide, it was a Democratic landslide.

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125 Ibid., May 4, 1936.
126 James Farley's correspondence; Nebraska, 1936. Democratic National Committee; Roosevelt Official Files 300, Roosevelt Library in Hyde Park. If Lawrence was asked for an opinion, his reply was not in the file.
127 Star, September 5, 1936.
Lawrence wrote that "the heart of America went to the polls" to give Roosevelt "the greatest triumph and most sweeping approval that any man charged with heavy burdens ever received." The editor felt that it must have been comforting and strengthening to Roosevelt to see such an expression of the real heart of America. The nation was grateful, and it gave a vote of appreciation and gratitude for all those who had worked to improve the nation. The editor did not blame Landon for the debacle which befell him. It was the "grisly crew that usurped the leadership of the republican party" who was responsible.

The editor commented that apparently millions wore sunflowers for decorations during the campaign, but they forgot the flower when they cast their ballot. It was not likely that sunflowers would grow so profusely again. Lawrence commented:

the hopeful and encouraging outcome of the election (was) the reflection that the people themselves tried to be fair, tried to weigh the issues, tried to arrive at an intelligent judgment, and so much of this spirit was infused in the casting of the ballots that the clumsy old trick of yesterday simply did not work.130

Once again Roosevelt and Congress had received a mandate from the people to work for the continuation of the nation's economic recovery. It was up to the two branches to act together as they had the last three years.

129 National popular vote: Roosevelt: 27,751,612; Landon: 16,681,913. The electoral vote, 523 to 8, was the most overwhelming since 1820. The Democratic majority in the Senate was 76 to 16 and in the House, 331 to 89. Morris, Encyclopedia of American History, 335.

130 Star, November 4, 14, 1936. Lawrence pointed out that the Republican National Committee wound up with a "whopper of a deficit." This did not speak well for a party which preached economy. Ibid., November 14, 1936.
ROOSEVELT AND BALKY POLITICIANS

When the newly-inaugurated President, Roosevelt, called the special Congressional session for March 9, 1933, there was an air of wartime crisis over the assembly. The first measure presented to the Congress was the Emergency Banking Relief Act. It was read as newly-elected members still hunted for their seats. Only one copy of the proposed bill was available, complete with last-minute pencil corrections. A unanimous shout by the House passed the bill after thirty-eight minutes of debate. That same evening the Senate passed the measure, and the President signed it into law at 8:36 P.M. This was the honeymoon performance of a new couple, the President and Congress, but which all too soon began to act like a long-married, ill-matched couple.

In September 1933, editor Lawrence wrote of the spectacular drama of the first six months of the Roosevelt administration. The incisive steps which the President had taken, routed hysteria and restored confidence. These steps vindicated the trust which people had shown by their votes. Regarding Congressional cooperation, Lawrence wrote:

The first one hundred days of the Roosevelt administration found the White House and congress working in close harmony, enacting legislation of the most extraordinary character without undue delay or debate. Before the lapse of three months, a legislative program had been put through and congress was ready for adjournment.

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131 Leuchtenburg, *FDR and the New Deal*, 45, 46. Raymond Moley wrote that a folded newspaper was placed in the hopper and used until the proper document could be prepared. Raymond Moley, *After Seven Years* (N.Y.: Harper and Brothers, 1959), 152.

132 *Star*, September 20, 1933. During the "First Hundred Days" special session, Congress passed sixteen major pieces of legislation requested by
When Congress convened in January 1934, Roosevelt told the members that he did not come to make requests for legislation, only to "counsel" them. The Executive and the Legislative branches of government had received a mandate from the people. Without partisanship, they were to cooperate in continuing the restoration of the economy. The program itself, he said, came from the people. It was an integrated program, national in its scope. The President then told Congress that he valued their close association and cooperation: "Out of these friendly contacts we are... building a strong and permanent tie between the legislative and executive branches of the Government." It was Roosevelt's idea that the Congress should legislate and the Executive should execute, cooperation being the tie.133

The session was forecast to be a short one. "The 73rd congress will go down in history as having accomplished its work in the most businesslike and expeditious fashion of any federal assemblage since the civil war," commented Lawrence. Of course, to accomplish this, he wrote, oratory and partisan strife would need to be held to a minimum. By placing no obstacles in the way, and giving wholehearted support to the President, Congress would merit the confidence and esteem of the people. It seemed logical to the editor that the President's program, already substantially completed, should

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be completed without Congressional interference. What the editor asked was that Congress "Give the President Free Rein."

If any Congressman had thoughts about blocking administration legislation, Lawrence was sure that a talk with the "home folks" would demonstrate the President's continued popularity. It would also show the dissenter the rashness of his contemplated act. The popularity of FDR was based on his demonstration that he was qualified to deal with political as well as economic emergencies. As the editor commented, "Roosevelt has shown himself to be a past master in exacting from Congress what he wants . . . if the occasion arises, he has demonstrated that he can hand out a good spanking." Lawrence was sure that the President would dominate the Congressional session, and that all would go well.134

Only a week later on January 12, Lawrence regretted to announce that "The Honeymoon Wanes." Roosevelt came within three votes of suffering his first legislative defeat. Eighty-four of the 313 Democratic Representatives joined all of the administration opposition in voting against continuing the ten percent pay cut of Federal employees. To Lawrence this did not constitute a crisis, but it did indicate that Roosevelt would always have trouble with Congress. It was not essential, in fact, not desired, that the Congress and the President have complete accord on every matter, wrote the editor. But on the broad, general policies, he expected the Democratic members to be united behind their leader.

The area of greatest friction between the Democrats in Congress and Roosevelt appeared to be that of patronage. President Roosevelt, because he had been a governor, worked through this line instead of through Senators to achieve state-federal cooperation. The Congressmen, considering themselves ambassadors from their state to the Federal Government, were jealous of their prerogatives. They felt that they should have a voice on federal aid and appointments within their state. The Cabinet had not always accepted Congressional recommendations regarding appointments. Thus, a fire was smoldering, which flamed forth during the voting on the Independent Offices Appropriations Act. By this measure, Congress restored the wage cuts made in 1933, and increased veterans' allowances. The editor thought it was ridiculous that such a minor matter as patronage should inject itself into decisions involving a vital emergency recovery program.

This Presidential defeat had one bright side to Lawrence. It struck away the haunting fear, maintained by the Republican press, that Congress had abdicated its position and that Roosevelt was becoming a dictator. The question that Lawrence now raised was: how far would Congress go in substituting its own program for that of the President? Because the legislators were sincere in their attempts to do a good job of governing, the editor did not believe that the threat of substitution was an area of concern. Roosevelt did not want a spineless, docile, subservient Congress because it would not serve any useful purpose in the plan of government.136


136 Star, March 15, 1934.
The Congress overrode the President's veto of the Independent Offices Appropriations Act on March 27 and 28, 1934. The President had been caught between the necessity of balancing the budget and the necessity of furnishing relief for the people. It was not a pleasant position. Roosevelt had used his veto, not objecting to the expenditure of the additional money voted by Congress, but to the fact that Congress had not made provisions for securing the revenue. The uncanny spell which Roosevelt had over Congress was beginning to be broken.\footnote{137}

The President changed his tactics, trying a "hands-off" policy in late March. He left Washington for two weeks of deep-sea fishing, and the pressure from the White House was relaxed. Roosevelt's biographer, James Burns, said that "soon Congress was looking like a schoolroom of disorderly boys with the master gone." The Democrats fought among themselves over the regulation of the stock exchange. More than one hundred Democrats came out in favor of an inflationary mortgage refinancing bill. Roosevelt sent word that, if this wild bill passed, he would tell the nation plainly just who was wrecking the recovery program. Vice President Garner said that he had never seen the House in such abject turmoil in his thirty years of service. "The hands-off experiment was a dismal failure . . ." concluded Burns.\footnote{138}

In April, Lawrence predicted that the "short" Congressional session would stretch out to six months. Roosevelt was "applying the lash" to make Congress speed up. He was "determined to have it out with a recalcitrant

\footnote{137}{Ibid., March 28, 1934.}

\footnote{138}{Burns, The Lion and the Fox, 186.}
and rebellious Congress and to reassert his leadership," wrote the editor. Business tended to become unsettled during a lengthy legislative session. It also meant more chance for undesirable legislation being presented and enacted.

As Congress continued its meetings, Lawrence foresaw that Roosevelt would have trouble with some pieces of undesirable legislation. First was the McLeod bill which would have provided Government payment of depositors who lost money in bank failures since 1930. Rather satirically, the editor asked why the date, 1930, was used as a cut-off point. And, if the Government was to be in the business of reimbursing people for losses, why stop with banking losses? Although there were powerful forces back of the measure, the McLeod bill failed to pass. A second measure which was presented to Congress without Presidential approval was the Frazier-Lemke bill. This measure was designed to enable farmers to refinance mortgages, and at a lower interest rate. The administration had provided what it thought was adequate resources of cheap credit. The Frazier-Lemke bill would leave the Government "holding the bag," thought Lawrence. The measure was passed, and the President signed it into law on June 28, 1934. Although Frazier and Lemke were not Republicans, the GOP backed their bill.139

In fact, the Republican members of Congress had been voting solidly against the administration during the summer, reported Lawrence. The Republican Floor Leader, Representative Bertran Snell of New York, called on his party members to "exercise the function of a real opposition party." The editor

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139 *Star*, April 16, July 2, 1934. The Frazier-Lemke Bill is discussed in more detail in Part I of Chapter VII, this thesis.
doubted that Representative Snell could instill in the nation any confidence in the Republican party. Anticipating the attacks which the editor would make on the GOP during the campaign of 1936, Lawrence asked what the Republicans would offer in lieu of the Roosevelt program of recovery. What the party needed was new leadership, concluded the editor. The Democratic Congressional leaders, as well as Republican Snell, were attempting to control their followers, sometimes with less success.

Lawrence expressed the feeling that the President was apprehensive over Congressional schemes which might prove inflationary. The "lesser political lights" often wanted to go further than the White House desired, unconcerned with the political implications involved. The editor suggested that Congress deliberate carefully before enacting any such measures. The President had presented a progressive, liberal program of reforms and social improvement. It was regrettable that he should be embarrassed by any irresponsible Democratic Congressman who felt called upon to save the nation, using his own formula. Lawrence felt confident that there were a sufficient number of Democrats with common sense, who would hold down the visionaries.

The last session of the Seventy-Third Congress closed on a note of revolt, and the Seventy-Fourth Congress was to open under the same cloud.

The Seventy-Fourth Congress, first to convene under the provisions of the Twentieth Amendment, opened for work on January 3, 1935. The next day they listened as Roosevelt launched the second New Deal. It was to be

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140 Ibid., March 30, 1934.

141 Ibid., December 26, 27, 1934. The editorial page for the 27th was erroneously dated December 26.
a program of social reform with three goals. First, the better use of natural resources for security of livelihood; second, social security; and third, slum clearance and improved housing conditions. Labor and the small farmer would be the chief beneficiaries of this program. Although Congressmen might have been in favor of these programs, their actions during the first six months of the session reflected their antagonism toward Roosevelt.

Once again Lawrence wrote that the largest area of contention between the Executive and the Legislature was over the division of the patronage pie. It was the editor's opinion that the individual legislator would be glad to dispense with the program because of the troubles engendered. The President desired to keep partisan politics out of his program during the emergency period. Lawrence admitted that men and women who, through the lean years, had continued to work for the Democratic party, should have consideration for appointments. But, the party could wreck itself in fifteen months by using politics as the primary consideration for appointments.

The control of patronage did not mean control of the electorate. Hoover and the Republican party had all the patronage power in 1932, and it availed them nothing. The program of the party was the deciding factor. Lawrence predicted that many of the Republicans who voted for the Democrats would switch back if they found the Democrats insisting on patronage rights. There was also the possibility that a third party, composed of dissident

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142 Rosenman, Papers, V, 10-12.

143 Roosevelt had little patience for those who demanded that any progress "bear the label of their own party." He said that he would give credit where credit was due. Franklin D. Roosevelt, Looking Forward (N.Y.: The John Day Co., 1932), 255.
Democrats, could give the Republicans control of the Government again. Lawrence wrote that the revolt of the young leaders within the Democratic party was a battle between the liberal and conservative wings of the party. If the contest remained along these lines, "it would be a refreshing campaign." The struggle, however, was over the spoils system -- a danger to the President and his program. The administration did not have as an objective the building up of any political machine for personal advancement. This concept was foreign to the ideals of the President; it was more in keeping with the practices of the "standpat" Republicans. The young men should give a second thought to their motives before withdrawing from the party. If the distribution of patronage was the real basis for their revolt, they would be destroying their usefulness as leaders at a time when the President and the party needed them badly.

In May 1935, Lawrence commented that the President had his back to the wall in his battle with Congress. The issue was the Patman Bonus bill which Roosevelt had vetoed because he considered it inflationary. In an unprecedented move the President delivered his veto message to Congress in person. The editor wrote that Roosevelt was at his best with his back to

144 *Star*, February 5, 20, 25, March 6, 1935.

145 Ibid., August 8, 1935. Because Congressmen complained about giving New Deal jobs to Republicans, amendments requiring Senate approval of appointees were added to the Emergency Relief Appropriations Act which established the Works Projects Administration. Schlesinger, *The Politics of Upheaval*, 269.
the wall as he rolled up his shirt sleeves to battle those Democrats who were determined to override him.\textsuperscript{146} The President's efforts were successful and his veto stood. Although Congress passed several of the measures for which Roosevelt asked, they did it almost grudgingly. Nationwide, the Gallup poll found that the President's popularity had never been as low as it was in the fall of 1935. With this in mind, Roosevelt prepared his annual message to Congress, attempting to rekindle in the people and in Congress, the spark of enthusiasm for his program.\textsuperscript{147}

The State-of-the-Union message, delivered to an evening session of Congress, was planned almost as a keynote address for the election year, wrote Schlesinger. The press was most unkind in their accounts of the speech, wrote Lawrence. The reporters had misinterpreted the President's intentions, and also they had forgotten that several Presidents in the past had talked in the same way to Congress. The present situation was unique.

The Congress was overwhelmingly controlled by the President's party, and "presumably overwhelmingly in sympathy with his policy," noted the editor. The fact was that large numbers of the Democrats were rebels. The Federal Government was not alone in the revolt, continued Lawrence. Even in Nebraska there were examples of rebellion. To all those in revolt, the President had "looked them square in the eye," and asked for the repeal of policies which "begat slavery at home and aggression abroad," recorded

\textsuperscript{146}Star, May 18, 1935. Roosevelt vetoed 505 bills during his first eight years in office. Congress repassed only seven of them. Schlesinger, \textit{The Coming of the New Deal}, 555.

\textsuperscript{147}Schlesinger, \textit{The Politics of Upheaval}, 502.
Lawrence. The editor called it the opening note of a great historical struggle.148

This historical struggle was often between factions of the President's own party, both within Congress and without. Al Smith spoke at a Liberty League dinner in late January 1936. Lawrence wondered what would have been his fate in Russia if Smith had spoken about Stalin the way he had spoken about Roosevelt. The performance of the Leaguers was hypocritical and they made fools of themselves, the editor commented.

Frances Perkins wrote that Roosevelt could not comprehend disloyalty. He expected his opponents to fight him, but he was never prepared for the disloyalty and defection of people who called themselves his friends.

He had the naive idea that those who had joined up with him politically, were really on his side, belonged to his club, so to speak, and were with through thick and thin.149

This sentiment was especially true during the election campaign of 1936.

The results of the election showed that the nation was still behind the President as they returned an overwhelmingly Democratic Congress to Washington to work with the re-elected President. Whether the Congressmen were behind him was another matter. During the "First Hundred Days," Congress was ready to approve almost any Roosevelt plan for economic relief. After that period, Congress usually balked at approving any radical program. This was especially true in the area of the economy.


CHAPTER IV

HIGH FINANCE

Franklin D. Roosevelt came from the "wrong side of the tracks" to have a natural concern about economy. His parents, although not millionaires, were sufficiently wealthy to be able to maintain the trappings of wealth: The Hyde Park estate, Springwood, with its comfortable old house, annual visits to Europe for the cure, summer vacations spent in the rustic setting of Campobello, New Brunswick, and private tutors instead of formal schooling. These were the boyhood memories of the only child of doting parents. The Roosevelts moved in the class of the Astors and Vanderbilts, who also had Hudson River valley estates.

FDR was raised in a manner similar to the Whitney, the Mills, and the McCormick children. However, he learned from his parents the attributes of sympathy for others and an indifference to the claims of wealth. His father instilled in him an awareness of noblesse oblige, without the feeling of superiority. This gave a foundation to his political attitudes which was quite different from those conservative views held by others in his "class." At the age of fourteen, Franklin was sent to Groton, an exclusive boys school. There the emphasis was on the classics and liberal arts. It was during the silver versus gold campaign of 1896. Since the school was supported by the wealthy parents of the students, gold had the better of any discussion in the classroom.

After Groton, Roosevelt went to Harvard where he received the traditional middle-of-the-road economic outlook of the turn of the century. He majored in History and Economics. Professor Daniel Fusfeld considered it signif-

150Tugwell, The Democratic Roosevelt, 23-25.
ificant that Roosevelt majored in Economics, and that his teachers, Ripley, Andrew, and Sprague, were advocates of economic reform. Roosevelt had an obvious interest in big-business and in monetary issues. He learned that the role of government in business was to provide regulation to avoid abuses. During his two years at Columbia Law School, FDR wrote in his notebook that the great aim of political development was to bring the political system into accord with the social system. This education was good background for development of an economic philosophy, and yet it did not teach him how to meet the problems of economic instability such as he would encounter in the great depression.

Fusfeld wrote that during the 1930s there were two schools of thought about Roosevelt's economic policies. One thought that Roosevelt had a definite program of welfare legislation, while it was the opinion of his opponents that the President betrayed the American system of free enterprise. Later historians, Fusfeld reveals, are of the opinion that Roosevelt himself had no specific economic philosophy; he was simply using the ideas of his advisors. In contradiction, from reading the documents available, Fusfeld contends that Roosevelt had a well developed economic philosophy, based on a sound study and understanding of the subject.¹⁵¹

This latter opinion is shared by Thomas Greer, who wrote that the fundamental ideas which Roosevelt held were his own, based on Jeffersonian tradition, molded by association with his cousin Teddy, and President Wilson.

The views of FDR seldom conformed to the orthodox economist who went by the book, nor did this bother him. "Throughout the thirties he pursued an economic policy which was predominantly national [sic] in aim and procedure," wrote Greer. Roosevelt himself wrote that "good government should maintain the balance where every individual may have a place if he will take it . . . ." The nation should work toward the time when depressions could not occur.152

I

TAMING THE BULLS AND THE BEARS

At the time Roosevelt wrote his book, Looking Forward, the nation was deep in a depression. Business was on the ropes and needed help. During the 1920s, the New Era of the Republicans had exulted business almost as a religion. Success was the criterion by which things were judged. Ogden Mills, who was a Hyde Park neighbor and contemporary of Roosevelt, spoke in the House of Representatives in 1926. He asserted that Federal centralization of control was "striking at the very cornerstone" of American institutions. Coolidge, who felt that the less the Federal Government interfered with business, the better, did his part to take the Government out of business.

Under this philosophy the nation in the Twenties seemed to go forward. The living standards rose, business expanded, production increased. The fact was, this new prosperity created new problems, which those in authority and power did not know how to solve. The prosperity was spotty, overproduction commonplace. Speculation in the stock market was the accepted way to make

money. "As the twenties proceeded, the stock market sucked off an increasing share of the undistributed gains of industrial efficiency," wrote Schlesinger.153

When Hoover was inaugurated in March 1929, he said, "I have no fears for the future of our country." There were, however, a few dissenting voices, concerned about the stock market boom. By that summer, the economic danger signs were showing, as consumer spending slackened and business inventories expanded. Wholesale commodity prices dropped off week after week. After minor setbacks in September, the stock market seemed to recover in October, only to dip sharply on October 23. The next day, Thursday, the downward trend continued until Richard Whitney, a broker for J. Pierpont Morgan, came on to the floor and announced that he would buy U. S. Steel at 205, when it was available at 193-1/2. The action of the big financiers reassured the market temporarily, and it steadied until the next Monday. That week, as Variety magazine headlined, "WALL STREET LAY (ed) AN EGG." Within a month, the stock loss on paper was twenty-six billion dollars! Stocks had lost over forty percent of their value. Schlesinger wrote that "the New Era had come to its dismaying end."154 All over the nation the economy sagged, and the Great Depression had begun.

In Nebraska, however, the difficulties of the citizens had not begun with the depression of 1929. By 1920, land prices had reached their peak as a result of the war-time demand for agricultural products. The decline of prices was sharp during the 1920s, and by 1935 the average assessed value

154 Ibid., 155-159.
per acre was forty-five to fifty percent less than in 1920. At the same time, farm mortgage indebtedness had increased, contracted for during the period of rising prices, to be repaid during the period of falling prices.\textsuperscript{155}

It was no wonder that the agrarian Midwest was antagonistic toward the industrial East which apparently had placed the farmer in his poor economic position.

In August 1932, Roosevelt spoke at Columbus, Ohio. In the speech he recounted the failures of the Hoover administration. He especially discussed the evils of the security exchanges. Lawrence wrote an editorial, "Buccaneers in Business," in which he commented on the Roosevelt speech. The naive public had been stampeded by high pressure salesmanship into pouring their savings into stocks and bonds. Roosevelt charged the Hoover administration with lulling the people into a false sense of security while giving no control or even attention to the ruthless operations of the financial wizards of Wall Street. Lawrence was certain that, as people studied the speech, they would realize that the candidate was a leader with the power to think clearly and speak honestly. These were valuable attributes for a potential President.\textsuperscript{156}

After the potential President had become, in fact, President, he quickly acted to restore faith and hope in the American people. His efforts were so successful that by early June, Lawrence was warning that Roosevelt was facing the same problem which had faced his two predecessors -- speculation on the stock market. While the President was saying that the nation

\textsuperscript{155}Witte, Final Relief Report, 46.

\textsuperscript{156}Star, August 23, 1932.
could not ballyhoo itself back to prosperity, Lawrence was surprised to report that people were reinvesting in securities, not just for investments, but in the gamble to realize profits in the bull market situation. It was incredible to the editor, after the disaster of 1929, that anyone who had so recently said "never again," would be "... back again doing exactly the same thing that got them into trouble." This was the thing about which the President was warning, and about which he was going to act. Although the administration spokesmen reported that stock values were still below their fair market value, recovery would return people to thinking of speculation. The editor was certain that the President desired recovery, but he was equally certain that Roosevelt did not want it based on speculation. Positive action, possibly unpopular and difficult, would be necessary by the President if his program was to succeed.\footnote{Ibid., May 13, June 10, 1933.}

Roosevelt took the first step toward control of the stock market by the Federal Securities Act, known as the "Truth-in-Securities" Act, which was passed May 27, 1933. As the name implied, information on new securities was required to be made available to investors, and new issues had to be registered with the Federal Trade Commission. An additional check on speculation was a provision of the Banking Act of 1933, the Glass-Steagall Banking Reform Act, passed June 16. This provision strengthened the Federal Reserve Board's power to prevent banks using borrowed funds for speculation. Both of these measures were of an emergency nature and did not go as far as Roosevelt desired, but an improved bill had to wait on more urgent matters. The Banking
Act of 1935, the first major overhauling of the Federal Reserve Act since it was passed in 1913, was signed August 23, 1935.\footnote{Tugwell, The Democratic Roosevelt, 288-289. Compare Roosevelt's actions with what President Hoover wrote of his administration: "To ask Congress for power to interfere in the stock market was futile ... ." Herbert C. Hoover, Memoires (3 vols.; N.Y.: The Macmillan Co., 1951-52), III, 16.}

In March 1934, Lawrence reported that the President was "... out to do something about that roaring canyon more familiarly known as Wall Street, and the New York Stock exchange." In February, a stock exchange measure was introduced in the House by Sam Rayburn, and in the Senate by Duncan Fletcher. It was a fifty-page, intricate document, with three objectives. First, it was designed to protect investors from manipulators by placing stock trading practices under Federal supervision; second, to protect investors from misrepresentation by requiring the registration of new securities; and third, to reduce speculation by controlling the margin requirements for investments.\footnote{Schlesinger, The Coming of the New Deal, 457. Star, March 27, 1934.}

In his message which accompanied the measure, Roosevelt complimented the Congress on regulating the investment business. He regretted that, outside the field of legitimate investment, speculation was a gamble which had been painted as an easy way to wealth for those who could not afford the loss of money. This gamble of speculation had not been confined to the individual with his savings. Pools of individuals, and corporations, often using money which was not their own, attempted to manipulate the market for their own profit. Frequently, this resulted in the loss of savings of innocent
victims of the speculation. It was the opinion of the President that the national policy should present some restriction on the use of stock exchanges for purely speculative operations. They should be returned to a place of investment.

Lawrence predicted that the administration was heading toward a tempestuous contest when it tried to dehorn the sacred cow of Wall Street. The opposition claimed meddling and tinkering by the Government. The editor asked why the Government should concern itself with gambling; attempting to legislate morality for the people who wanted to risk all on the fickle turn of fate. The issue could not be defined in such simple terms for Lawrence. The stock exchange should not be blamed; it served a useful purpose in modern business as a part of industrial progress. The evil practices of speculation came during the 1920s, when trading departed from its original purpose. To the editor, this was sheer gambling. The craze had affected millions of people who could ill afford to lose money. In addition, testimony had revealed that several financiers had pooled their knowledge and resources to manipulate stocks for their own gain, and at the expense of the hapless public. "They weren't content with shearing; they took the hide and the hoofs," commented Lawrence. No tears needed to be shed for the losses sustained by gamblers, but the innocent, honest investor had also lost.

These were the evils at which the President was aiming, wrote Lawrence. The disease of speculation was attacking the very core of American life. It threatened American security and economic stability. People did not realize

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that for every person who won on the stock market, someone had to lose. The
Government could not stop people from gambling, but the factors which cheated
them could be controlled. Therefore, it was a worthy and noble purpose which
motivated the Fletcher-Rayburn bill.161

The reform measure was condemned by business men as the House Inter-
state and Foreign Commerce Committee sat in discussions on the bill. The
opposition contended that regulation of the exchanges was unnecessary, im-
practical, and dangerous. The most serious sounding charge was that the
measure was part of the plan to turn the country Communist. James H. Rand,
Jr., of Remington Rand Corporation, produced a pamphlet written by Dr.
William A. Wirt, an expose of Communists in Government. The "Wirt Affair"
generated headlines for a few weeks, but it did not influence the Committee.
The Red Scare of 1934 turned out to be a farce.162

In spite of the contention by the New York Stock Exchange President,
Richard Whitney, that "the exchange is a perfect institution," he admitted
that there had been abuses and excesses which had caused troubles in the
nation's economy. But, he insisted, there was no need of Governmental reg-
ulations. When adherents of the measure contended that it would establish
sound business practices and aid the general economic stability, Whitney
countered that it would nationalize business. Big business leaders from
all over the country joined the fight to prevent passage of the measure.
Sam Rayburn called it "the most powerful lobby ever organized against any
bill which ever came up in Congress." By April, a redraft of the measure

161See supra, 22-24 for a discussion of the "Wirt Affair."
was presented. It was more acceptable to Congressional and Wall Street moderates. After conferences in which the final differences were resolved, the measure was passed in early June. Roosevelt signed it on June 6, 1934.\textsuperscript{163}

Getting capital back to work had been a problem for the Roosevelt administration during 1934. Lawrence pointed out in December 1934 that bank deposits were at a high point while the number of bank loans was low. He attributed this to the strict supervision of collateral by the bank examiners, and to the low volume of trade which caused a lack of business opportunity. The recent order of the Federal Reserve Board for banks not to pay in excess of 2-1/2 percent interest on savings deposits, aroused interesting speculation for the editor. The purpose of the order was to discourage the piling up of idle money. By driving this money into business, trade would be increased and the economy strengthened. It was paradoxical to the editor that this nation, rich in bank deposits, was a nation poor in its economy. It was essential that this wealth be put to work, and the President could take credit for accomplishing this job.\textsuperscript{164} The economy continued to improve during 1935 and 1936.

In October 1936, the editor wrote that the "woeful" report by the President of the New York Stock Exchange was the best index of the value of the administration's monetary policies. Charles Gay had written that the market was "thin and illiquid" as a result of the obstacles which the Federal Government had placed in the path of purchases and sales of securities in

\textsuperscript{163}Schlesinger, The Coming of the New Deal, 456-467.

\textsuperscript{164}New York Times, December 21, 1934.
large quantities. The editor noted that Gay did not complain about the high level of prices on the market and the volume of sales which was rising steadily. To the editor, the reason for the gloomy report was self-evident. Gay was a broker. Because of Governmental restrictions, large volumes of stocks could not be bought and sold at one time, and the more shares sold back and forth, the more money the brokers made.

Another and more important fact was indicated to Lawrence by the report. A damper had been placed on outright speculation. The people realized, as a result of the 1929 crash and the New Deal securities policies, that the stock market was not a financial playhouse. The market had become a place where investments could be made, using judgment instead of speculation. Lawrence felt that,

if for no other reason than that he . . . transformed the economic philosophy of American people from one of speculation to one of investment, President Roosevelt [would] go down in history as one of the great statesmen of all time.165

Controlling the stock market was one part of restoring the faith of Americans in the financial status of the country. But unless the people had the money available to invest in the market, or in business, the effort would be wasted. As Roosevelt took office in 1933, the banking system of America was in the direst straits, and millions of people had their money tied up or lost due to bank closures. It was another facet of the black diamond of depression which faced the new President, and which required a solution if the country was to survive.

165 Ibid., October 5, 1936.
"The breakdown of the American banking system . . . was not a sudden catastrophe," wrote Jesse H. Jones, former head of the Reconstruction Finance Corporation. Even during the periods of prosperity, while President Hoover was talking about the sound condition of the banks, an average of 634 banks failed each year. The depression period after 1929 accelerated the rate of failures, and in the two years, 1931 and 1932, there were 3,635 failures. Jones admitted that most of these banks were small and should never have been opened in the first place. However, after the market break in 1929, more and more middle-sized banks had been appearing on the list of failures. Before the worst was over, banks with assets in the millions were destroyed.

Although 1932 saw bank failures in several large cities, and a few states had declared bank holidays, the banking crisis is considered to have begun in Michigan, in mid-February, 1933. The Union Guardian Trust, a bank holding company, was in trouble and asked for an RFC loan. If this company failed, all the Michigan banks would have to close. The loan was refused, because of the insolvent condition of the Bank, and even Henry Ford would not lend his financial support. With no other course apparent, the Governor declared a bank holiday. Just like an infectious germ, the panic spread across the country. President Hoover wrote a secret letter to President-elect Roosevelt, asking for his support, and in effect, asking him to repudiate the proposed New Deal program. Roosevelt dismissed the letter as "cheeky."

In a comment that would have done justice to editor Lawrence, Schlesinger wrote that Roosevelt watched the bankers asking for federal aid. They
had been high-minded when they objected to federal aid to farmers or the unemployed, but now they demanded assistance for themselves. Roosevelt's comment was that he could see no reason to protect any one interest; the important thing was to save the people. While Hoover appeared to have lost all control of his administration, Roosevelt and his advisors were considering a course of action, to be taken only after his inauguration. Until that time, FDR's only comment was that Hoover should do what Hoover thought best.

The Roosevelt discussions centered arround taking the country off of the gold standard. Under a never-used clause of the World War I, Trading with the Enemy Act of 1917, the President could embargo gold exports by proclamation. Although Hoover felt that any action taken under this Act would be unconstitutional, Roosevelt determined that it was the best way, considering the emergency. Roosevelt considered that the presidency was not merely an administrative office. What the people needed was a leader who would take action.166

The first priority of action for the newly inaugurated President, Roosevelt, was the banking crisis. It dominated his whole first week in office. FDR arrived in Washington with the rough draft of his Executive Order for a four-day national bank holiday, using the authority of the Trading with the Enemy Act. The order was announced on Sunday, March 5, to be effective on Monday.167 In addition, Roosevelt called a special session of Congress, to convene on


167 Roosevelt realized that it would take more time to complete the
March 9 and consider a permanent solution to the problem. The people wanted action, and Roosevelt gave them action.

A Roosevelt biographer, James Burns, wrote that the President and his advisors realized that the real national problem was one of public psychology. The people were frightened by the apparent inaction of the Hoover administration. However, it was a curious fact that action had been taken, if not by the Federal Government, at least by the states and by the banks. By Inauguration Day, every state had announced a banking holiday. Many large banks limited withdrawal amounts. To Burns,

Roosevelt played his role of crisis leader with such extraordinary skill that his action in keeping the banks closed in itself struck the country with the bracing effect of a March wind. His action was essentially defensive, negative, and conservative -- but he made it a call to action.168

On March 8, 1933, editor Lawrence asked the reader what had happened during the three days since President Roosevelt had taken office. What action had changed the temper of the people and altered their outlook? It was the impression they got of a "... vigorous, confident, and determined leader with a definite program of action and the ability to put it in force," he wrote. At least for the time being, slothfulness, indifference, and "the contemptible philosophy which brought on ruin and disaster," had passed.

The Roosevelt philosophy was not a new system, but a return to the investigations preliminary to allowing the banks to reopen. "Quite frankly," he wrote, "we believed that it was better to limit the first proclamation to four days and to extend the closing by later proclamation than it would have been to close the banks for an unlimited period in the first instance." Roosevelt, On Our Way, 17.

168 Schlesinger, The Coming of the New Deal, 4; Burns, The Lion and the Fox, 166; Jones, Fifty Billion Dollars, 18.
old system of Jefferson, Lincoln, and Wilson. For Lawrence,

from the strength of his ideals of government, strongly and vigorously compelling wrongdoers to observe the decencies of modern society, the American people [would] take strength and hope.

The editor did not expect the Government under Roosevelt to do anything which the individual should rightly do for himself, but he did expect that the Government should protect the individual from those who would use it to enrich it themselves. "Expediency is dead and right arises from the ashes," exalted Lawrence. Roosevelt went right to work on the bank crisis.

The President and his advisors completed the drafting of the banking bill only one-half hour before the Congress met on March 9. The Congressmen would not wait for the normal rules of order. By unanimous consent, the emergency banking bill was presented, and forty minutes allowed for debate. The House approved the measure without a recorded vote, and the Senate approved it a few hours later. The bill, which gave the President dictatorial power over the currency, was presented to the President, and he signed it at 9 o'clock that evening.

In his Banking Day address, Roosevelt described the crisis and what steps he was taking to aid recovery. Only those banks which could prove to be sound would be allowed to open. The first banks to open would be those in the twelve Federal Reserve Bank cities. The next day, banks in cities which had clearing houses, and then, banks in smaller cities. The delay would allow banks to apply for RFC loans. The President thanked the Congress,

169 Star, March 8, 1933.

on both sides of the aisle, for its devotion to the welfare of the public. The President later wrote that great sums of money came out of hiding and were deposited after his comment that hoarding was unfashionable, and that money was safer in the reopening banks than in the mattress.171

Jesse Jones described the hoarding fever which gripped the nation during the banking crisis. The Senate investigations, under Committee Counsel Ferdinand Pecora, had further weakened the already shaky faith which the people had in banks. By the end of February 1933, money in circulation was 6-1/2 times its normal amount, as a result of hoarding. At the same time, bank deposits were down. Even the bankers began to hoard. By calling in loans and disapproving new ones, they attempted to get their banks into a more liquid position, but their actions only increased the apprehension of the public.172 The actions of Roosevelt during his first week in office apparently restored confidence in the banking system.

Editor Lawrence reported an "extraordinary spectacle" in the banks of Lincoln, after they reopened for business on March 14. "An aggregate of $1,700,000 was deposited in excess of the sums withdrawn," he wrote. Even though much of this was accumulated pay checks, hundreds of thousands of dollars was money which had been hidden away in safety deposit boxes, tin cans, and other secret places. "It was estimated" he continued, "that over

171Roosevelt, On Our Way, 26-31. "I have always felt that Roosevelt's Banking Day Address will go down in history as one of the greatest utterances of an American President." Farley, Jim Farley's Story, 38.

172Jones, Fifty Billion Dollars, 15, 18; Schlesinger, The Crisis of the Old Order, 457.
a million dollars of hoarded currency and gold coin exposed itself to the sunlight for the first time in weeks, months, and in many instances, years."

Coins and bills, many musty and dusty, were piled high on the counters of the bank tellers. It was impressive evidence of the fears which had gripped the people. It was also a demonstration of the rebirth of confidence and faith which the nation had in the new President and his administration. Lawrence considered it unfortunate that Hoover had not applied these stern tactics; it might have averted the banking crisis. "He was out of step with the times," was the kindest comment the editor could make.

Honest people rejoiced that there were only a minority of dishonest bankers, and Lawrence was proud that the Nebraska banks had proven sound. A new day was dawning for American finance, and for the American people.

In July 1933, as an example of the renewed faith which the people had in the financial stability of the nation, Lawrence reported the oversubscribing of a new Government Bond issue. To him this demonstrated two things. Besides the confidence shown in the Government and its program, the oversubscription showed that there was plenty of money available in the country for any sound investment opportunity. There was, however, the problem of getting a loan to start a business.

In September 1934, Lawrence commented on a statement by the President at a press conference. Roosevelt had expressed concern over the attitude of certain bank examiners when approving loans to individuals and to businesses. Before loans would be approved, the applicant needed to produce

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173 *Star*, March 15, 1933.  
collateral of the most ironclad type; his character did not count for anything. The human element had been taken out of the loan business. Roosevelt asked for a return to the rule of reason in this matter.

To Lawrence, the over-tough policy of the examiners stuck at the very heart of the Roosevelt recovery program. This program was based on faith and confidence in the nation's future. No one, except those who have abandoned all hope in the future of America, could approve the use of "panic valuations" instead of normal valuations for property offered as loan collateral. No recovery program could succeed if the credit facilities of the nation were paralyzed in such a manner. Credit was the backbone of modern business, the editor contended. The President had done the correct thing by pointing the finger of guilt at the source of the trouble. The attitude of the examiners needed to change if the nation was to go forward. 175

In March 1933, Lawrence had recorded the fact that the Federal Reserve was issuing six billion dollars in Federal Reserve notes, which was equal to all the currency then in existence. The Federal Reserve was acting within the law, and avoided cheapening the money by keeping up the redemption percentage. The editor saw this expansion of the currency as having an immediate effect on the economy by advancing prices and values. 176 Although there was now an ample supply of money in circulation, the Government's gold supply which backed the paper money, was being slowly depleted.

To the bankers of the world, the gold standard had been looked upon

175 Ibid., September 13, 1934. 176 Ibid., March 10, 1933.
as the holy of holies. The currencies of most of the nations was based on gold. However, this common base was frequently the cause of internal financial problems. As foreign investors dumped their holdings on the markets, gold moved away from the country. This happened in 1931 when Great Britain went off the gold standard. Within six weeks, fifteen percent of the monetary gold in America was on its way overseas. To dampen or prevent such fluctuations, with the resultant effect on the nation's economy, was the intent of the Roosevelt administration.

Roosevelt considered that control over the nation's monetary standards was the sovereign power of the Government. His monetary policies were influenced by the theories of Professor George F. Warren of Cornell University. It was Warren's opinion that, if the price of gold was raised, the effect would be a general commodity price rise. This was not a radical idea in 1933. Debtors and other ardent inflationists wanted to go further -- printing more paper money and bimetallism. Increasing the price of gold seemed a conservative measure by comparison.

In early April 1933, the gold reserves in the United States banking system was causing concern for the administration. The stock level was not dangerously low, but the flight of gold to foreign shores could become uncontrollable. On April 20, by Executive Order, the President prohibited the exporting of gold. The effect was immediate. The domestic price level went

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177 Jones, Fifty Billion Dollars, 14-15.

up, and the American exchange weakened in terms of foreign currencies. It has been argued that on April 20, 1933, the country went off of the gold standard. To Roosevelt, the nation did not go off because the legal gold content of the dollar remained the same. But in another sense, we did leave the gold standard because gold ceased to be a medium of exchange.

President Roosevelt recounted an anecdote on the situation. When the Secretary of the Treasury, William Woodin, arrived at the White House the morning after the announcement, Roosevelt looked serious and said that he had bad news to report — that the country was off the gold standard. Woodin, being a good sport, threw up his hands and exclaimed: "What, again?" In October 1933, an unsuccessful attempt was made to raise prices by bidding up the price of gold on the world market. In January 1934, Roosevelt, with the approval of Congress, announced a reduction of the gold content in the standard dollar.179

To Lawrence, as to many economists, the authority to call in all of the nation's monetary gold and silver rested with the Government. Congress also had the authority to determine the gold content of the dollar. Therefore, Congress was within its Constitutional rights when it gave the President the power to devalue the dollar. Calling on the Federal Reserve Banks to surrender their gold was also within the power of Congress, because the Banks had been created by Congress. Their purpose in being was to provide the means by which the nation's currency could be expanded or contracted to meet the needs of the economy. Therefore, the Banks had no legal right

179Roosevelt, On Our Way, 58-61; Greer, What Roosevelt Thought, 56-57.
to make a profit. Changes in the value of the dollar meant that the Government would make a profit, and because the people were the Government, Lawrence equated that the people would profit in the end. With twice as many dollars available, the result of the six billion dollars Federal Reserve note issue in March 1933, the President's recovery plan could go forward without the burden of additional taxes.180

What the editor called a "dreary statement of national policy" had a far-reaching effect on each American. This was the opening comment he used when explaining the administration's monetary program to the reader in January 1934. During times of prosperity, the people tended to overlook the connection between the citizen and the Government. Washington was a remote place, and what transpired there seemed to have little connection with the individual. During the emergency, however, Lawrence was certain that no person could truthfully say that it was no concern to him what the Government in Washington did. "It took an awful bump to educate the people . . . to the importance of weighing governmental policies," was his comment.

For three years during the emergency, the Federal Government had been making decisions, not the least complex being those concerning monetary policy. Historically speaking, recalled the editor, the nation had been wedded to "sound money" and the gold standard since the campaign of 1896. President Roosevelt must have called upon his profound knowledge of history, wrote Lawrence, and reviewed these facts before developing his own monetary

180Star, January 15, 1934.
program. With this program in operation Lawrence was frank to admit that it was an experiment and that no one knew exactly where it would lead. But at least something was being done, which was considered a blessing by the editor.

The purpose of the Roosevelt monetary program was to return the dollar to a value so that commodity prices would approximate the 1926 level. This was necessary, thought Lawrence, if obligations, contracted during that time, were to be discharged in 1934. The program would restore the purchasing power of the people, which was a fundamental requirement for the profitable operation of all business. The Roosevelt dollar was a sound dollar, and his monetary program was a sound program, and there was no lack of faith or confidence by the people.181 Lawrence wrote a second editorial on the Roosevelt monetary program on January 16. Two editorials on the same day on the same subject were unusual for Lawrence. Apparently he felt that it was important for his readers to understand the administration's program.

In this second editorial entitled "All Must Go Forward Together," the editor told of the outcome of the North Dakota wheat embargo. It was political advertising for Governor William Langer, but it did not benefit the farmer. The courts had rendered the verdict of "unconstitutional," because it interfered with interstate commerce. Agriculture could not recover using any such freak remedies. What was needed was a broad national program which considered the welfare of all the diverse segments of the population. The President had such a program, wrote Lawrence, and his monetary policy was

181 Ibid., January 16, 1934.
at the root of it. The editor then described this policy again, ending the editorial with the comment that the expanding economy of the nation required the increased volume of money. The deflationary trend of the national financial policy during the Harding-Coolidge-Hoover reign, was being reversed.\textsuperscript{182} Although Lawrence had such high hopes for the Roosevelt program, unfortunately it did not prove to be successful, and Roosevelt abandoned further changes in the gold content of the dollar.\textsuperscript{183} This did not end the controversy over the gold standard and the administration monetary program.

Several individuals and corporations sued other individuals and corporations over the change in the gold value of the dollar. It was their contention that their contracts had been agreed to under one value of the dollar, and they expected payment with the same value dollar. Four cases were decided by the Supreme Court in February 1935, affirming the constitutionality of the Congressional Joint Resolution of June 5, 1933, under which the President had devalued the dollar. Lawrence made editorial comments on the momentous decision and its importance.

As a practical aspect, it had been the editor's experience that, even though the contracts he signed often had the moot gold clause, gold dust was not expected for the payment. The payment of the debt was always accepted in the money in circulation, and this would now continue to be the legal payment. The future of the debt structure of America had rested on the outcome of the decision. If the Court had decided for the plaintiffs, Lawrence was certain that billions of dollars of debts would have had to

\textsuperscript{182}Ibid. \textsuperscript{183}Greer, \textit{What Roosevelt Thought}, 58.
be written off. Instead, these debts would be paid in full. There was, he reported, an instantaneous change in the markets. Security and commodity prices surged upward in a general advance. To the editor, the 5-4 Court decision showed the division between the conservative and the liberal elements in the Court, and in the country.184

In editorials on May 14 and 16, 1935, Lawrence attempted to educate those conservative Democrats who were antagonistic toward Roosevelt's mone­tary program. He reviewed the wild and ruinous inflation of credit which occurred during the Republican 1920s, causing the collapse of banks and other financial institutions. The first problem which Roosevelt attacked when he came to office was the restoring of commodity prices, and his efforts were successful. Those Democrats who called themselves Cleveland-Democrats would not be sure how Cleveland would have reacted if he had assumed the Presidency during a crisis similar to that facing Roosevelt in 1933.

Conditions were exactly opposite from what they were in the 1890s. At that time, the United States wanted to go to a bimetal basis of the currency, but Europe would not do it. In 1933, most of Europe had left the gold standard while America was trying to maintain it. This proved to Lawrence the wisdom of Secretary of the Treasury Morgenthau when he stated that America could not go it alone in stabilizing the dollar. Lawrence used this situation as an analogy for the relationship between the people and Roosevelt. The people must believe in the Government to complete the process of recovery, and to Lawrence, the future seemed hopeful. The drouth appeared

to have been broken and business appeared improved. The continued cooperation of farmer and businessman was required because, wrote Lawrence, the President could not bring about recovery alone. The relation between recovery and financing that recovery was very close. As recovery improved, the cost of recovery increased. Deficit spending became a way of life.

III

FINANCING THE RECOVERY

As the lame duck Congress convened in December 1932, President Hoover realized that it was his last opportunity to complete his desired programs. The important thing to him was to balance the budget while remaining on the gold standard. A sales tax was the speediest way to accomplish these ends. This proposal was presented to the President-elect, who disavowed it. This disavowal did not mean that Roosevelt did not want to raise new revenue. In fact, he felt that additional Government income was necessary because, at that time, he was still attempting to plan a balanced budget operation.

Pressures from many sides came in on Roosevelt, attempting to sway him to one point of view or another. The conservatives were depending on the pledge which Roosevelt made in his Pittsburgh campaign speech, a pledge of retrenchment, sound money, and budget balancing. The liberals remembered his campaign promises of relief and public works. But what Roosevelt would do was revealed to neither side until he took office. 186


The emergency session of Congress met on March 9, 1933, and immediately passed the President's Emergency Banking Relief Act. The next day, Roosevelt surprised the Congress with a measure on economy. He told why the request for power to effect economy in Government was necessary. It was imperative to restore economic order, and there was no time for a "leisurely approach," he said. He was pointing out a definite need, and a definite solution. After a revolt by the Democrats in the House, primarily over the request to decrease veteran's relief payments, the bill passed the next day.\footnote{Star, March 11, 1933.}

Lawrence, in an editorial on March 11, cited the vigor with which Roosevelt tackled this problem of economy as expressive of the man of action who had moved into the White House. It was a bold, adventurous move — asking Congress to let him make the reductions in Federal spending. It was a courageous move — asking for reductions in veterans' appropriations. The editor wrote that Roosevelt literally walked "into the lions' den" because of the power which veterans' organizations held and the pressures which they could exert. Lawrence was certain that the President did not want to sacrifice veterans' benefits, only overhaul the program and eliminate the abuses. There were, Lawrence added, many other areas for economy in the Government. A review of the bureaucracy would find sections which could be eliminated as serving no useful purpose.\footnote{Burns, The Lion and the Fox, 167; Roosevelt, On Our Way, 19-21.}
Of course, not everyone was so certain that the Roosevelt program was the answer to financial stability. On May 4, 1933, the editor told of Betty Richman of Chicago, who interrupted the House of Representatives to shout, "You can't relieve the depression that way. You can't spend money you haven't got." Nothing that had been done during the preceding six months would help recovery, she contended. As far as the Midwest was concerned, Lawrence did not feel that the facts would bear out her charges. Corn prices were three times, and wheat prices two times what they were when Roosevelt took office. The editor predicted that the economic conditions would continue to improve under the leadership of the President.

"Miss Richman," the editor wrote, "did raise a question which [had] been bothering many people . . . ." Where was all of the money which had been circulating during the boom years? Actually, he answered, there never was that much money. The economy had existed on credit. At the peak of the inflation period, $22.50 of credit was utilized for each dollar of currency. At the bottom of the depression, the ratio was 3-1. What had disappeared was not the real wealth of the nation, but the yardstick by which wealth was measured. Lawrence commented that Roosevelt had two choices of tactics to use in recovery. Either he could allow the deflation to continue, or he could undertake controlled inflation. The later course, which he chose, was considered best by the editor.189

With the several big news stories in the fall of 1933, Lawrence wrote that little notice had been made of the Government's attempts at balancing the budget. For several weeks the daily Treasury reports had shown a cash

189 Ibid., May 4, 1933.
balance of over one billion dollars. Income was so close to outgo that the Treasury could be considered on an even keel. Uncle Sam was spending a great deal of money for its ordinary and emergency functions but these expenditures were offset by the emergency revenue legislation which the Government had enacted. In addition, the increase in business activity meant that increased taxes would be paid into the Treasury.190

Conservative businessmen were generally opposed to Roosevelt's tax and fiscal policies. In a New Year's Day editorial, 1934, Lawrence commented on the tax ideas of William Randolph Hearst, California publisher. Hearst demanded that the income tax be replaced by a sales tax. To the editor, this was taking the burden of the government's financial support away from those who had income and could afford to pay, and placing it on those who could least afford to support the Government. The income tax, together with the inheritance tax, was the only way to "prevent the accumulation of dynastic wealth," according to Lawrence. He pointed to Great Britain as an example of a nation which prospered in spite of a severe income tax. The Congress would undoubtedly disregard Hearst when it considered higher taxes, a measure necessary to support the budget which Roosevelt was planning.191

When Roosevelt announced his budget request in his speech to Congress on January 4, 1934, Lawrence wrote that it was a distinctly encouraging report. The projected debt figure of $31,834,000,000 was approximately the same as the safety figure given by Republican Senator David Reed of Pennsylvania.

190 Ibid., September 12, 1933.
191 Ibid., January 1, 1934; Greer, What Roosevelt Thought, 55.
Much of the money loaned through the various emergency agencies would be repaid, and should not be classified as part of the debt. As to the moneys which was given for relief, Lawrence felt that this should be considered in the same light as the expense of an illness. And Uncle Sam had been very ill. However, the illness was not necessarily fatal, and with the proper kind of financing, recovery should not take long.

In the spring of 1934, Secretary of the Treasury Morgenthau recommended to the Senate Judiciary Committee that loopholes in the tax laws be closed so that the rich could not avoid paying taxes on securities. Lawrence wrote that this suggestion would meet with the hearty commendation of a majority of the citizens of the country. It would also place a more nearly fair share of the burden of Government support on those who could pay it. "There [was] no valid reason why the owners of these high class properties should not help support the governments which protect them," was his opinion. Besides taxing securities, Lawrence felt that the "court-made law" which tax-exempted the salaries of public officials should be abolished. Millions of dollars in revenue to the state and Federal Government had been lost because of this ruling.

On March 27, 1934, the editor reported on the progress of the new tax bill discussion in the Senate. He wrote that "soak the rich" had been changed to "soak the investor." The new measure was supposedly to contain provisions which would penalize investors of all sorts, by lowering the

192 *Star*, January 5, 1934.

surtax limit on the income from such sources. Unfortunately, Lawrence
pointed out, this could mean added taxes for elderly people who had worked
hard and invested in mortgages, bonds, and securities for retirement income.
On the other hand, high-salaried individuals would be exempted because of an
"earned income" exemption. Public officials would continue to be exempted
from taxes on their salaries. The ordinary wage earner, who needed the most
help, would receive no help from the new measure, because there was no change
in current exemption amounts. "It used to be considered right . . . for citi-
sens to save . . . (but) now the idea is to penalize them for doing it,"
wrote the editor. In the final version, the Revenue Act of 1934 raised
slightly in income, estate, and gift taxes in the higher brackets. Morgen-
thau felt that it was only the beginning.\footnote{\textit{Star}, March 27, 1934; Blum, \textit{Morgenthau Diary}, 298.}

During the summer of 1934, the Executive branch had left the choice
of new taxes up to the Congress. Meanwhile, Secretary Morgenthau and his
staff were developing new policies, the primary interest being on revenue.
When Roosevelt let it be known that he did not favor imposing further taxes,
or increasing the current taxes, Lawrence saw it as encouragement to all
types of business enterprises to expand their activities. This would have
the effect of decreasing unemployment and promoting recovery. In Nebraska,
the Democratic party, newly elected to power, pledged that taxation would not
change. This did not mean that either government would conduct a pinchpenny
operation. It was an adherence to the traditional Democratic policy of
economy in administration. Both the President, and the Governor-elect
deserved the backing of their Legislatures in efforts toward an economic
government operation, admonished Lawrence.195

When Roosevelt presented his budget message in January 1935, Lawrence
predicted that the Republicans would be highly critical. The President had
stated that the predicted national debt would be thirty-four billion dollars
at the end of fiscal year 1936. This would be eight billion dollars more than
at the end of the World War. Figures this large staggered the imagination of
a laymen. For a comparison, the editor recalled that, prior to 1916, no peace-
time year debt exceeded one billion dollars, and at the end of the Civil War, it
was only slightly more than that. Adding the debts of the other political sub-
divisions, the gross public debt was approximately $600 per person. "It [was]
the equivalent of a mortgage against all existing property in this country of
about twenty percent and a tax burden ... of about forty per cent," reported
the editor.196 This was a heavy load to carry on the way to recovery, but
the expenditures appeared necessary.

Roosevelt had come to accept the necessity of deficit spending, but
he continued to campaign against wasteful spending. Congress was admonished
to shun "opportunist" appropriations, and to use long-range planning for
public works projects. In 1935, Roosevelt admitted that the budget could
not be balanced, and he was disappointed but not discouraged. To Lawrence,
the question of Governmental spending was simply: was the expenditure nec-
essary, and was it sound? America and Americans had always been in debt,

195 Star, November 28, 1934; Blum, Morgenthau Diary, 297-298.
196 Star, January 8, 1935.
he wrote, but this indebtedness was accepted because it led to the development of the country. When he came to office, Roosevelt had two choices; either he could ignore the cries of the destitute and balance the budget, or he could relieve the suffering through deficit spending. He chose the latter course in spite of the price. "Any other plan would have invited even more grave and disturbing danger," predicted Lawrence. Deficit spending would be a way of life for Americans, and the world, for some time.

In February 1936, Lawrence listed the names of large companies which had showed profits for the year, in spite of an unbalanced Federal budget. This was a handsome expression of appreciation for the President. Because it was an election year, and the Republicans would use the charge of deficit spending as a campaign issue, the editor reminded the reader just who had begun the unbalancing of the budget. President Hoover had an unbalanced budget during the last two years of his term. His plan for recovery had been to make huge loans to big business, and hope that the recovery process would trickle down to the "grass roots." This plan augmented the national debt by five billion dollars, and the expected recovery did not take place. Roosevelt, however, had instituted a program of direct relief to avert disaster, and in so doing, he reestablished faith among the people. It was the opinion of the editor that this much-maligned program should be considered both in terms of human suffering, and in the "cold, black balances of American Business." And those American businessmen were very unhappy with the President

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198* Star, February 4, 1936.
because of his tax program.

It being an election year, as Lawrence predicted, the Republicans made deficit spending a campaign issue. But Roosevelt could not cut expenditures at that time because of the severe drouth which harrassed the Midwest. In September, Lawrence wrote that those "snappers" who were snapping at Roosevelt and his financial policies justified themselves on the ground that the administration had increased taxes until they became a crushing burden to the taxpayer. Futher, they said that the consumer paid the indirect taxes. To dispel the fallacy that indirect taxes were up excessively from their 1932 level, Lawrence pointed out that the corporation income tax was only 3/4 of a percent above what it had been for ten years. The editor presented an example of how this affected the farmer. Assuming that a company made $100 profit on a $1,000 tractor, the tax would have been $12.50 in 1932. In 1936, assuming the same transaction, the tax would be $13.25. The difference of 75¢ went toward salvaging the nation. "Who would say that it (was) a bad bargain?", asked the editor.199

Who indeed could say that the financial policies of the Roosevelt administration had been a bad bargain? They were part of an attempt to lift the country out of the dark depths of depression. But another part of this "lifting attempt" involved the nation's business community. It was the National Industrial Recovery Act, passed in June, 1933.

199Ibid. September 24, 1936; Blum, Morgenthau Diary, 268.
CHAPTER V
BIG BUSINESS

During much of the history of the United States, business was relatively uncontrolled by the Government. The expansion which began during the Civil War led to the creation of industrial combinations, or trusts. State laws were powerless to deal with those companies which had interstate commerce. Finally, in 1890, the Sherman Antitrust Act was passed to curb the forming of these empires. "The existence of the statute did not prevent the continued growth of . . . monopolies under other names," commented the Encyclopedia of American History. As President, Teddy Roosevelt gained a reputation as a trust buster; forty-four antitrust suits were started during his administration. Additionally, state reform movements attacked the alliance between machine politics and organized wealth.200

In spite of these efforts, business and industry were able to maintain and strengthen their position. A high protective tariff was continued from 1901 through 1909, and again during the 1920s. Attempts by organized and unorganized labor to better their lot during this period usually ended with state or federal troops being used to break the strikes.201

Franklin Roosevelt considered that after the World War, an unplanned pyramiding of production and speculation led to the depression of 1929. Industry blamed the antitrust laws, and the farmer blamed the industrialist. Neither was exactly correct. When Roosevelt came to Washington in 1933, he planned on a "New Deal" for America. This would include all segments of the economy.202

201Ibid., 551-553. 202Roosevelt, On Our Way. 85
Frances Perkins, Secretary of Labor in Roosevelt's cabinet, wrote that this meant that the "little man nobody knew much about" would get a better break from the Government. She did not think that the New Deal was a preconceived plan. The general ideas were there, and the specifics were filled in as the programs grew. Roosevelt "worked with his instincts," she said. In a similar vein, Dexter Perkins, a historian of the New Deal period, did not feel that the people could be sure of what they were getting when they voted for Roosevelt in 1932. They knew a great deal about Roosevelt, but little about the program which he proposed.  

If Roosevelt did not have a well-defined program, he did have a knowledge of the situation. Roosevelt realized that business and its problems were not isolated from the affairs of the other segments of the nation's economy. To successfully deal with one, he had to deal with all of them. By 1932, he had decided that the nation had completed its industrial plant expansion. What was needed after that was better administration, which was a job for Government and industry, working together as partners. He felt that the majority of businessmen were willing to cooperate in this venture. The era of unguided business competition was passed; the Government had a responsibility to provide a directing hand.  

In spite of appearances, Roosevelt did not envision a completely planned economy. The Government should inject its helping hand only to "adjust parts."


which got out of line. Henry Wallace, while serving as the Secretary of Agriculture, wrote that certain limits were needed on the old ideas of competition and individualism. The Government was the agency to furnish these limitations. The democracy could endure, he concluded, only if there was a balance among the major producing groups. The concepts of the National Recovery Administration can be discerned in these writings.

I

THE BLUE EAGLE

In one of his books on Roosevelt, John T. Flynn attempted to show that the NRA was not the brain child of President Roosevelt and his advisors. He cited the report of a Committee on Continuity of Business and Employment, created by the United States Chamber of Commerce in 1931. In the report, Flynn contended, the Committee proposed a program of controls identical to those later incorporated into the NRA. Who first thought of the program is immaterial. The fact is that Roosevelt was the person in a position to implement the program, and who had the nerve to implement it.

The famous Hundred Days during the summer of 1933 was begun with the efforts to save the American banking system. The first New Deal measure was for the relief of the farmer. During those early days, industry seemed

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206John T. Flynn, Country Squire in the White House (N.Y.: Doubleday, Doran, 1940), 77. Frances Perkins [The Roosevelt I Knew, 197], claimed that when she talked to Roosevelt in April 1933, "... his mind was as innocent as a child's of any such program as NRA." Roosevelt later wrote [On Our Way, 84]: "It would not be fair to say that the National Recovery Act was proposed as a last-minute happy thought, any more than it would be to say that it was thought out and planned for before the new Administration came in."
to have been left out of the picture. The "heart of the American economy" was beating only faintly. But, Roosevelt related, even before the inauguration, he and his staff had been examining hundreds of plans for the rehabilitation of industry. Industry, and the nation, could not afford to wait for natural forces to revive it. 207

Frances Perkins, an advocate of public works, and like-minded Cabinet members, kept the subject of economic relief before the President. In April 1933, it was revealed in a Cabinet meeting that two groups were working on grand schemes which would encompass public works and industrial control. The groups had been working in secret, without cooperation. At the insistence of President Roosevelt, Secretary Perkins took over the coordination of their efforts. The resulting plan was the National Industrial Recovery Act. While the preparation of the measure was going on, Roosevelt spoke to the national Chamber of Commerce, asking them to do three things toward recovery. He later called this speech the "forerunner of the N.R.A." He asked that the businessmen increase wages as commodity prices rose; that they practice fair methods of competition; and that they consider their own welfare as part of the nation's welfare. In the meantime, work continued on the NIRA, and the completed, Roosevelt-approved bill was ready for Congress in mid-May. 208

Title I of the National Industrial Recovery Act was intended "to promote the organization of industry for the purpose of cooperative action

207 Schlesinger, The Coming of the New Deal, 87; Roosevelt, On Our Way, 48, 66.

among trade groups." It was based on the principle of self-regulation, under Government supervision, using fair competition codes. The National Recovery Administration was created. Labor was granted the right to organize. Title II of the NIRA established the Public Works Administration. Although General Hugh S. Johnson, appointed head of the NRA, considered that the two programs should come under one head, President Roosevelt named Secretary of the Interior Ickes as the head of the FWA. The NIRA passed in the House in just over one week and with minor changes. In the Senate, the opposition was more organized and determined. After much discussion and attempts at amendments, the measure passed on June 13, and the President signed it into law on June 16, 1933. As he signed it, he said that "history probably would record the . . . Act as the most important and far-reaching legislation ever enacted by the American Congress."209

Editor Lawrence did not think that the President would need to use the controlling powers given to him by the NIRA. The measure would be a club which he could use to compel industry to comply with the Act. This was true of most of the emergency legislation which had been passed since March 4. A Kansas City Star article stated that "the power to license . . . is the power to destroy," but Lawrence was certain that the President would never go to that extreme. Roosevelt needed the club of Title I to hold over the industrialists. The first part of the NIRA assumed that business would be "unselfish and public spirited," wrote Lawrence. But to the editor, the experiences of the past twelve years would indicate that the exact oppo-

209Schlesinger, The Coming of the New Deal, 98-105. Title II, the FWA, will be discussed in Chapter VI of this thesis.
site could be expected. Therefore, Roosevelt needed the entire Act to effect compliance.\textsuperscript{210}

The first industrial code which Lawrence discussed was that in the textile industry. He wrote that it might be hailed as the Magna Charta for that industry's workers. Historically, the men, women, and children who labored in these mills did so at almost slave wages. Under the new code, child labor was abolished and the minimum wage scale was increased. The code was a unique experiment, and showed a clear picture of the humane element in the Roosevelt program, wrote the editor. But even if the program was humane, it was not fully approved by all. In an editorial of the \textit{Lancaster County Weekly}, George A. Spidel asked what these new codes would do for the consumer. Innocent and benevolent as they appeared, making business profitable could only mean that the Government gave its stamp of approval to higher consumer prices. "To the farmer," he wrote, "this would be little short of calamity, for consumer goods have been for years, increasingly out of line with the products of the farm."\textsuperscript{211} The farmer was not the only segment of the nation's population who might oppose the NRA.

In September 1933, Lawrence reported that the honeymoon between Roosevelt and the industrialists was on the wane. He wrote that it was remarkable that the truce had lasted as long as it had. The industrialists were beginning to speak out in opposition to administration programs, "and if need be, to fight openly," the editor commented. Part of the opposition

\textsuperscript{210}\textit{Star}, June 15, 1933.

\textsuperscript{211}\textit{Ibid.}, July 11, 1933; \textit{Lancaster County Weekly}, June 6, July 11, 1933.
was directed toward individuals in the Government, particularly the head of the NRA, General Johnson. Lawrence considered that the sentiment toward the General was unwarranted. He was the victim of Washington newspapermen who misinterpreted what he said. And through Johnson, the opposition was sniping at the NRA. It was the opinion of Lawrence that the purpose of the Act was sound. Business itself could not have carried out that intent, of putting men back to work, with the speed with which the Government had acted.  

But even when the Government acted with that speed and determination, there was never any danger that a dictatorship would be established. The Government acted under democratic processes. The Government would not take over business, stated Lawrence. In fact, as he had often reminded the people, it was Roosevelt's stated policy to increase the personal factor in the nation's economic struggle. A unity of action was necessary during the emergency, but this did not mean that individual business actions were not to be allowed. Individual actions should not include gouging tactics, counseled the editor. The steel industry had placed bids on new rail orders totaling 700,000 tons. Roosevelt commented that these bids were too high, and he asked for competitive bidding. Lawrence was certain that the administration expected business to make a profit, but this did not permit conscienceless price boosting. The public would not accept such action, was the conviction of the editor.  

Lawrence quoted an unnamed "distinguished merchant" who commented that the average merchant was underestimating his 1934 business potential.

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212 *Star*, September 14, 1933.

and thus was understocking his shelves. Connecting this statement with the projected decrease of persons on the relief rolls, the editor wrote that it was a time for plain talk. The Civil Works Administration had been created as an emergency measure, and it had performed admirably in its mission to provide work during the winter months. Now it was the duty and the opportunity of business to take over the job of providing work for the unemployed. "Never at any time since 1910 had there been a greater potential market for the necessities and comforts of life," wrote Lawrence. Since 1912, people had gone without many of those things which they needed and wanted.

Lawrence considered 1934 as a year of challenge for business. The initial action toward recovery had been taken by the Government, but everyone should have realized that the Government could not continue indefinitely to support the economy. The editor reminded the reader that the nation's first move toward recovery had been taken through huge Government expenditures. For example, he wrote, "five out of every six men who had gone back to work [got] their pay checks from the federal treasury." It was impossible for this situation to continue. Private business needed to take up the fight. "The only alternative [was] unthinkable," to Lawrence. It was time for business to act in expanding production and replenishing its stocks. It was not time, admonished the editor, to do the minimum required. Boldness, daring, and faith were action words for business as it assumed its place in the recovery program. The NRA had done its part.214

214Ibid., January 23, February 21, 1934.
Lawrence described the head of the NRA, General Johnson, as "blunt," "bellicose," and "cantankerous," but he exhibited these characteristics only because of the nature of his job and the pressures which were made on him. Johnson had invited those who criticized the NRA to present their opinions for consideration. To the editor, this appeal was made in the same vein as the purpose of the NRA. That was, to create cooperation between business and labor; a "rehabilitation of America and the American people." Other countries had been faced with the same problems and had tried different solutions. With American ingenuity, the nation was trying yet another solution.215

Roosevelt and Lawrence continued their admonition that private enterprise needed to assume the initiative in the nation's striving toward recovery. The President spoke to a meeting of NRA code representatives from the business world in March 1934. To Lawrence, the message was significant. In substance, he wrote, the President said that the Government could not continue its huge relief expenditures. To survive, private capital and private initiative should justify their existence by providing job opportunities for the unemployed. The administration, Lawrence commented, would not retreat in its drive for a shorter work day and shorter work week for labor. The editor considered that this restriction was the basic intent of the NRA, and that the nation had generally ignored it. The people looked on it as only an emergency measure, not something of a permanent nature.216

Regarding Congressional acquiescence to the will of the administra-

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215 Ibid., February 21, 1934. 216 Ibid., March 8, 1934.
tion, the editor wrote that they "did not know what else to do" at the time. The Congressmen were "puzzled," "Bewildered," and "disturbed," by the programs submitted by the administration, but they had no counterplan to offer. They agreed to the programs, based on their faith in the President. "It's not thinking in terms of permanency, however," Lawrence wrote. The people had lost courage, vision, and pride, contended the editor. And Roosevelt was in the strange position of using the Government to kindle a rebirth of these qualities. To illustrate his point, the editor reported on an informal statement made by Roosevelt, in which he counseled that the country needed to "... look ahead, to plan nationally, rather than depend on "legislative panaceas" for recovery or to continue to grow 'haphazardly'."

Lawrence interpreted "legislative panaceas" to mean bureaucratic Government. This form of Government had expanded since 1900, and this expansion did not tell the whole story. Individuals had come more and more to transfer their problems to the Government for a solution. They grew accustomed to receiving the answers from Washington. Roosevelt attempted to remind the people that the Government could not perform miracles. The key word used by Roosevelt was "education." When the emergency was at its height, emergency measures were required. As conditions returned toward normal, the thinking of people needed to be changed and updated. The President had issued a call to arms to the business community leaders to plan for the future, using the new factors of prosperity and welfare. 217

Bringing the issue closer to home, Lawrence pointed out "The Job Ahead of Nebraska Business." Halfway through May 1934, there were almost 30,000 Nebraska families receiving $5-3/4 million in relief. The job for

217 Ibid., April 26, 1934.
Nebraska businessmen was the absorption of the employables into the labor force of private industry. The President was revising his relief program so that the business world would have what it had been clamoring for -- an easing of Government interference. This should silence the cries that the nation was going Socialistic or Communistic, wrote Lawrence.\textsuperscript{218}

While the President was asking business to assume its proper role in the recovery effort, business was asking the Government to let it alone. To the editor, there was a glint of humor in the cry. It had been only a short time since business was prostrate, and glad of help from any source. Now the plea was to be left alone. Lawrence was curious as to what portion of the administration's program was objectionable to business. He wondered if it was the primer spending, or the NRA codes, or other regulatory measures which had as their aim the spread of employment and a return to fair trade practices. The editor also wondered, if business was given its wish, would it be able to achieve recovery, starting with increasing employment. So far, there had been no interference by the Government in this area, yet the only progress had been inspired by the Government. Relief from Governmental interference was a laudable desire, but the consequences of such action needed to be weighed, cautioned the editor. To return to the old methods of business practices was unthinkable.\textsuperscript{219}

In May 1934, Lawrence reported that the licensing provision of the NRA would not be renewed. This brought to his mind the remarkable fact that this provision had never been utilized. This "sharp claw" of the Blue

\begin{footnotesize}
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\item \textsuperscript{218}Ibid., May 17, 1934.
\item \textsuperscript{219}Ibid., June 16, 1934.
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Eagle could have given the Government complete control over business, a fact which furnished ammunition for the opponents of the NRA. Instead of being a club over business, Lawrence considered that the measure was purely precautionary. Because of the experimental and seemingly radical nature of the entire NRA, the administration could not anticipate the reaction of the business community. In the year of operation under the NRA, it had received amazing support, so it was well to let the licensing provision lapse. "It [was] wise to rely more under the voluntary, cooperative spirit of the American people," he wrote, "rather than to attempt compulsion."\(^{220}\)

In spite of the administration's exhortations for business to hold the line, prices continued to rise during 1934. As a result of the March meeting of the code authorities, the National Recovery Review Board was created to investigate monopolistic tendencies in the industrial codes. Clarence Darrow, the veteran criminal lawyer, was selected as Chairman. Lawrence commented that Darrow gave the NRA a "traditional slashing," in the final Board report. The editor did not consider that Darrow had presented any new arguments against the NRA. The report termed the NRA dangerous because it encouraged monopoly, because it harmed the small businessman, and because wages had not kept pace with living costs under the program. However, to the consternation of the enemies as well as the friends of the NRA, Darrow recommended the socialization of business as a substitute for the NRA as the best method of gaining recovery. This pointed up the existing situation where businessmen were unhappy under the codes but fearful of any

\(^{220}\)Ibid., May 19, 1934.
alternative. One result of the Review Board was that it brought into the open the issues which had been bothering both sides of thinking on the NRA. It was apparent that there were changes needed in the program.221

Lawrence attached more than casual importance to the report from Washington, announcing that the NRA would be revised in September 1934. The announcement was in keeping with the promise which Roosevelt had always made -- to take experimental steps, learn from the process, and correct the errors. The President was merely doing what any farmer did in his business -- readjust to meet new conditions. To Lawrence, the President smashed all political precedents by such actions.222 Government was not a fixed, static thing, immune from evolution, for either Roosevelt or Lawrence. The NRA had its good and bad points. Farm income had not kept pace with prices, but gains had been made in improving the conditions of industrial workers. The NRA could not, in one piece of legislation, furnish solutions for every individual situation in such a diverse and complex nation.223

One of the first revisions made in the NRA was the resignation of Roosevelt's "Bad Boy," General Johnson. To Lawrence, this did not mean that the administration was in for a drastic readjustment. Johnson had been a "scrapping son of a gun," wrote the editor, but the job called for a man with such a personality. For twelve years the Government had been

221Schlesinger, The Coming of the New Deal, 132, 133; Star, May 21, 1934.

222Jim Farley wrote [Jim Farley's Story, 37]: "No President so shattered tradition and no President set so many precedents. Roosevelt had an instinctive flair for the dramatic which was to serve him well."

223Star, August 22, 1934.
ruled by business. As Lawrence described it, "It was the golden era of that
astonishing national philosophy which expressed itself in scorn and contempt
for Governmental control . . . ." This needed to be kept in mind to understand
the job which Johnson accepted. The program was new and revolutionary, affect­
ing everyone. Johnson was very vocal in his opinions and was ready to back up
his statements with action. Such a man was not going to be universally
popular in a nation of 120 million people, with 120 million points of view.
The retirement of this war horse indicated to Lawrence that Johnson had achieved
his purpose, and that the nation had become aware of the real aims of the NRA
and had accepted them. Now it was time for a man of a different temperament to
assume the head.

The editor realized that some would interpret Johnson's resignation and
the planned revision of the NRA as evidence that Roosevelt considered the NRA a
failure, and that he was ready to let it go. "Leaving that for the field of
politics," the editor wrote,

it would be well for the public to give calm perusal to the real
aspects of the NRA. It created new thought and a new individual
attitude in America — a complete reversal of the past — and as
such it has been a preeminently successful part of the New Deal.

If one said that Johnson failed, he ignored the known facts. History would
show that the very qualities which made Johnson a misfit constituted his greatest
strength while head of the NRA. As for the administration itself, it probably
required the greatest readjustment of thought of any of the New Deal
programs. The trend toward the less desirable features of rugged individualism
had to be reversed. Labor needed the assurance of sharing in the fruits of
their labor. Since the enactment of the NRA, would anyone dare propose
returning to the old way of business? That is the test which Lawrence suggested applying to the NRA. He voiced the opinion that some of the fine idealism of the NRA would exist in the country for years to follow the end of the program. When Johnson stepped down, a new leader would carry on the work of the old crusader.224

The new head of the NRA was Donald Richberg, who was appointed as the chairman of a newly created board to formulate policies for the NRA. He was a lawyer who had achieved fame as a labor lawyer, but was little known as a Government official. To Lawrence, the appointment of Richberg indicated that there was no lessening of the importance which Roosevelt placed on the NRA and its principles. Although Richberg was the antithesis of Johnson, as far as temperament was concerned, Lawrence reported that he was a relentless fighter for principles which he believed were just. Richberg was the choice of labor as a replacement for Johnson. While his appointment would not be especially pleasing to business or industrial leaders, the editor felt that the NRA would be administered smoothly, and that he would cause less trouble to the President than his "two-fisted, scrappy predecessor."225

As 1934 drew to a close, Lawrence referred to the news reports which gave an optimistic prediction for the economy in 1935. Of course the editor hoped that business would continue to improve, but he also considered any feverish boom as being a most unfortunate economic develop-

224Ibid., September 24, 26, 1934. 225Ibid., September 28, 1934.
merit. The march toward recovery had been a slow, bruising struggle, which called for perseverance and courage. America had gone forward; her ideals had been revamped. People were more willing to live sanely, without the fever of wild money-making schemes. The administration had created the setting for this rebirth of the basic ideals of the American people. The nation could look forward to a new year in which it would move on toward recovery. 226

If the nation was optimistic about the new year, the administration was not optimistic about the New Deal, especially the NRA. Professor Schlesinger wrote that "the legacy of the First New Deal was now fragmenting in a bewildering way . . ." Roosevelt was at a crossroads: he could return to a quietist, orthodox Government; he could turn to more tightly controlled planning; or he could hold the status quo while doing more long-term research. Unfortunately, none of these concepts were appealing to the President, who wanted a positive program with dramatic action. "Events were imposing policy on him," was Schlesinger's judgment. The unemployment rolls were still over nine million, yet businessmen were objecting to the money being spent on relief. And in the courts, the New Deal was suffering setbacks. 227

In May 1935, the United States Supreme Court found the Railroad Retirement Act unconstitutional. The NIRA cases were coming up slowly

\[226\] Ibid., November 21, 1934.

through the lower courts. There was some reason to assume that these cases would be resolved in favor of the Government, but it was not a certain thing. The pivotal case for consideration became the *U.S. v. A.L.A. Schechter Poultry Corporation*, popularly known as the "sick chicken" case. The lower courts had upheld the constitutionality of the case, and it came before the Supreme Court in April 1935, by an appeal for *certiorari*. Richberg himself participated in the argument for the Government, stressing constitutional precedent and social need. The opposition lawyer replied that if the Government could regulate the live chicken industry, it could ultimately regulate all human activity. On Monday, May 27, the decision of the Court was announced. As it was described by Schlesinger:

> Chief Justice Hughes announced that he himself would read the opinion in the Schechter case. Moving forward in his chair, his arms rigid on the bench, occasionally stroking his beard, speaking with unaccustomed vehemence in the quiet courtroom, Hughes, for a unanimous court, knocked down with a series of blunt strokes the entire edifice of NRA.

It was Black Monday for the New Deal. 228

Many historical students of the NRA, wrote Professor Burns, concluded that the NRA program did little to help recovery; it may have retarded it in fact. Also, many of them held the idea that Roosevelt was pleased by the defeat of the NRA. Burns, Leuchtenburg, and Schlesinger, all eminent Roosevelt historians, have written that the President was indeed upset over the Court's decision because he believed in the principles of the NRA. He "never gave up trying to restore it," wrote Leuchtenburg. As

228 Ibid., 274-280.
the NRA passed into history, the administration attempted other forms of Governmental control over business, as the partner became the policeman.\textsuperscript{229}

II

BUSINESS AFTER THE NRA

As the Chief Justice read the death sentence for the NRA, Richberg became pale. He was later to say that the decision ranked with the repeal of the Missouri Compromise "as a tragic event in the history of self-government." The public reaction to the decision was a mixture of dismay, delight, and confusion. There was no overall sentiment for or against the decision. A public opinion poll, taken a year after the event, showed that half of those with opinions were in favor and half opposed to reviving the NRA.\textsuperscript{230}

Two days after "Black Monday," Lawrence wrote an editorial on the NRA. He titled it "It's A Lively Corpse." It was strange to the editor that as the newspapers made the most confusing statements about the Supreme Court decision, American businessmen and organizations ... were casting about hurriedly to give life and vitality to the principles which in truth and in fact constitute the spirit of the NRA." It was an anomaly that as the Republicans were speaking out against the program, and for a return to the good old days, business itself did not want to return. The editor asked why any businessman who survived the wreck of the depression

\textsuperscript{229} Ibid., 280; Burns, The Lion and the Fox, 510, 514; Leuchtenburg, FDR and the New Deal, 145-146; Greer, What Roosevelt Thought, 63.

\textsuperscript{230}Schlesinger, The Politics of Upheaval, 280, 283.
would want to return to the policies which had caused the wreck. The
NRA had not been perfect in form, and it was not administered with
perfection, but the idea and the intent of the measure were good. Its
goal was to put the unemployed back to work and to restore the purchasing
power of Americans. 231

The Supreme Court decision had given the people cause to think.
They were against retracing their steps back from the "fires of social
consciousness which were lighted by the NRA," wrote the editor. To
Lawrence,

there was no conflict between a decent social conception or an
exalted idealism and sound honorable business, in which the rights
of workers to share fairly with capital was recognized.

It mattered little to the editor whether the goal of a stable, prosperous
nation was attained by legislative fiat or by a conscientious business
community. The important thing was that individuals had the opportunity
to work, and that they were well paid for their labors. 232

One of the Republicans who spoke out against the NRA and the
administration was Samuel R. McKelvie, "Nebraska's most outstanding Re-
publican Old Guard leader," as described by Lawrence. The editor reported
that McKelvie proposed that President Roosevelt be impeached because of
the statement he made, asserting that the Supreme Court decision en-
dangered certain features of the recovery program. The Star editor

wrote that this violent demand represented an amazing inconsistency on the part of McKelvie. The ex-Governor of Nebraska had complained bitterly about the destruction of American liberties. Therefore, why should he object when the supreme authority of one branch of the Government expressed himself on the ruling of another branch. The Supreme Court, Lawrence was certain, did not look upon itself as being immune from criticism, if the criticism was made after a decision had been reached and it could not affect the decision. The people looked with equal reverence and respect on each of the three branches of Government. But McKelvie, apparently because of extreme partisanship, had deserted his espousal of freedom of speech.  

For two years the Republican leaders had been traveling throughout Nebraska, exhorting the people to "throw off the shackles of a tyrant." No one had questioned their right to criticize. The results of the 1934 elections had shown impressively that the listeners did not agree with the Republicans' desire to return to the good old days. It was paradoxical to Lawrence that the Nebraska Republicans found themselves in the position of the old Southern conservatives. Just as they had resisted the social forces that ended slavery in the United States, so the Republicans were resisting the social changes through which the nation was passing in 1935. These Republicans should remember that Abraham Lincoln was not afraid of change, "even though it did violence to what had been preconceived notions of the American constitution." The  

233Ibid., June 3, 1935.
social changes of 1935 had set themselves in motion and were sweeping over the country. "No man could change them," promised Lawrence, even by voiding the NRA.234

In attempting to rebuild on the ruins of the NRA, to effect the social changes in which he believed, Roosevelt held a series of conferences to develop a program to replace the NRA. Lawrence reported that the objectives of the new program would be to spread employment, abolish the sweat shop, prevent exploitation of labor, and increase purchasing power. The editor saw nothing in these objectives to which either the employer or employee could object. They were essentially the same aims as those of the NRA. After its demise, the NRA held more interest in the minds of the people than when it was in existence. They were apprehensive as to what would happen if employers gave way to greed and avarice, and returned to the long hours and low wages of pre-NRA days. The results would be a return to unemployment and the destruction of purchasing power.235

It was time to consider realities, wrote Lawrence. Of the 125 million people in the nation, possibly one to three million were classed as unworkables because of age or health. They would always be a permanent charge on the country. Another eight to ten million were idle simply because there was no demand for their services. They would remain

234 Ibid.

235 Ibid., June 4, 1934.
a permanent charge unless jobs opened up for them. Either the Government could put them to work or private enterprise. One of them must. The Government could not force private enterprise to employ more people or increase its payrolls. Business needed to take this initiative. The development of some program was required, and it should not become involved in blasts of partisanship. 236

Just ten days after the Supreme Court decision, the administration was completing a new program for Congressional approval. Lawrence attributed this speed to the "gathering storm of sentiment among responsible business institutions" for a program which would embody the aims and objectives of the NRA. The new plan, reported Lawrence, would not contain the so-called coercive features of the NRA, but would outline a voluntary statement of business practices according to the conditions and the needs of the time. The reaction of the people, asking for a resurrection of the NRA, had a simple explanation to the editor. After sober thought, the people realized that there was no alternative to the aims of the NRA except a return to the old order which had brought the nation to the brink of disaster. Lawrence agreed with columnist Walter Lippman when he wrote that perhaps the defeat of the NRA had been salutary. Congress could be encouraged to enact a law which would meet the requirements of the Court, and business could have a new sense of responsibility for its attitude toward the new era. 237 In spite of these possibilities of cooperation, Lawrence reported that business was still

236 Ibid., June 4, 1935; March 18, 1936.

237 Ibid., June 7, 1935.
fearful of Roosevelt.

How much of this fear had been politically inspired, and how much was real, he could only guess. But, fearful or not, business had to consider its problems and it could not escape from one conclusion: the unemployment of 1929 to 1935 was a challenge that faced business. There was no certainty that all of the slack would ever be taken up; some unemployment would exist even under the most favorable economic conditions. There was no escape from the fact that something must be done for those unemployed. Old people should not starve when denied an opportunity to work. Young people, prepared for work, would not starve without protest when they could not find work to exercise their skills. Thus, the sooner that business came to appreciate the problem and acted on it, the greater progress business could make. No gains could be made by holding back and letting the Government assume the responsibility. The President could not continue to ask for Federal money for relief.

In September 1935, the President took a holiday trip across the country. Things were relatively quiet on the political and economic fronts. In his speeches along the route, Roosevelt talked of the individual and of the purposes of his Second New Deal. When he returned to Washington, his desk was piled high with headaches and heartaches, Lawrence wrote. Americans were not kind to their Presidents, but Roosevelt had stood up relatively well under the punishment of the office. The

238 Ibid., September 6, 1935.
nation was fortunate, because it needed a strong man at the wheel. The economy was approaching normal; price levels of both manufactured and agricultural products were up, but still unemployment existed. This was the heart of America's problem and the greatest problem which faced the President. 239

From the President's speech upon his return, the nation could derive satisfaction that the acute phase of the depression might be over. In the durable goods industries, which had lagged behind, the recovery trend was upward. In the building trades, where the greatest unemployment had existed, more construction was being accomplished than at any time since 1929. But, Lawrence reminded the reader, the depression was not over for many people. These included the older person who could not compete with youth for the available jobs. This was the reason that the President asked for the Social Security program. America had reached a plateau in which its land had been settled and its industrial plants built. The problem for the following years was one of a social nature. "That [was] the full vision of Roosevelt's leadership — he's out ahead of the pack in thinking of his country, its people, and their problems," wrote Lawrence. 240

To the editor, as to Roosevelt, another of the problems facing the country was control of business. The editor stated that "no apology need to be offered to business for the steps taken during [the Roosevelt]
administration. What business called regimentation should better be called regulation. It had been a healthy tonic for business. Lawrence pointed the editorial finger at business when he asked who had first pleaded for controls such as the NRA. The United States Chamber of Commerce asked for it, business leaders by the hundreds advocated it during the time it was being considered in Congress. In practice the codes were drawn by representatives of business. Therefore, concluded Lawrence, if the NRA was a failure, business was responsible for the failure; it had been involved in the creation and the administration of the measure. The same reasoning could be given for the holding company legislation and the stock exchange regulating laws. The companies involved brought on the regulations because of their activities when unregulated. Business was not bigger than national welfare, commented the editor. When a segment of business conducted itself to the detriment and injury of the national welfare, "then business may anticipate a kick in the pants, and it deserves it."241

Of course, business objected to the controls and the kick in the pants. The truce of the fall of 1935 did not last long. The radicals were displeased because they thought that Roosevelt meant to ease up on the pressure on business. The conservatives were unhappy because they were sure that he did not mean to ease the pressure. The political wars resumed as the election year approached. The statements of the opposition reflected the sentiment that the nation was facing perhaps the greatest

241 Ibid., November 14, 1935.
crisis of its history. The American system of Government was at stake. For the administration, Secretary of Commerce Daniel Roper took an optimistic look at the economic prospects for 1936. Production and consumption were up, and earnings were growing. Factory employment was up ten percent over January 1935. Factory payrolls were up twenty-five percent over the same period. Lawrence reported that, because of the optimistic crop outlook, payments made by Nebraska farmers to the Federal Land Bank were up one million dollars over 1935. In addition to the crop outlook, the editor credited the administration with the improved position of the Nebraska farmer. When the agricultural economy was good, the nation's economy improved.242

It was a report of business gains in California which afforded the editor another opportunity to blast the critics of Roosevelt. The shrieks against Roosevelt and his programs, which were found in the same newspaper issues that contained the stories of business gains, seemed a little unfair to Lawrence. Instead, he wrote, the President should receive some credit for reversing the downward business trend during his three years in office. The readers could not believe statements that there had been no improvement in the business community; the financial reports for thousands of different companies denied the statements. Many of these industries which were solidly in the black were the ones which financed the smear campaign against the President. "For them, recovery [was] an accomplished fact," commented the editor. No one in the administration would say that Roosevelt was a superman, or that he had not made mistakes.

But someone or something had succeeded in arresting the downward trend of
the nation's economy, and the editor gave Roosevelt the credit. 243

"For the first time since 1929," Lawrence wrote, "American business
[was] in the highly desirable position where income balanced operating
costs and fixed charges." But, he asked, "Is business grateful?" It was
a "foolish question." Some businessmen gave Roosevelt credit for the
recovery, but the greater portion of the business community took the credit
for themselves. "We killed the bear," they crowed. Lawrence felt that
this statement brought up several natural questions. Why did they let the
bear get them down in the first place? Why did it take them so long to
kill him? Why, if they were so intelligent, did business leadership lead
the country so close to ruin? These leaders hated Roosevelt because it
was he who knew what was good for the economy and had the spirit to insure
that business took its medicine. That medicine had revived business and
the nation's economy. 244

One criteria for judging this revival was to check the totals of
income tax payments. Since there had been no increase in the tax levies
over 1935, then the increase in payments could only be attributed to an
increase in income over 1935. More people were employed than any time
since 1932. But still, unemployment existed and was a problem. And this
was the issue which business was dodging, claimed Lawrence. Relief must be
discontinued, and people employed by private enterprise. If industry was
operating at full employment, then another kind of relief, and Social

243 Star, March 3, 1936. 244 Ibid., August 17, 1936.
Security, must be developed to relieve conditions. America needed to revise its thinking about social planning, was the editor's continuing plea.245

As the year progressed, the editor cited other indications that the recovery was progressing. By mid-June, General Motors had produced their millionth automobile of the year. This was equal to the entire 1931 or 1934 output, and was double the 1932 output. This also indicated to Lawrence that people had more money to spend on such things as cars. The purchasing of automobiles, usually involving credit, meant that people had faith in the continued prosperity of the economy. In July, the editor printed the report of the National Retail Credit Association which showed there was an increase of almost ten percent in their collections. This increase in sales was a result of the increase in payroll and wages, money available to the workers of the nation. The Republicans, the Liberty Leaguers, and the other opponents of the administration could attempt to rob Roosevelt of the credit for the continued prosperity, but their efforts would not avail. It was too easy for people to recall the dark days of the depression, which resulted from the policies of the Republicans. They could also remember the forward strides made during the three years that Roosevelt had been in office. The editor was certain that no one desired to return to the programs which had caused the depression.246

As the election came closer, the campaign became hotter. Roosevelt was charged with several economic blunders. His opponents charged that he

245Ibid., March 18, 1936. 246Ibid., June 17, July 17, 1936.
had caused the decline in the business of small towns. The editor retorted that this process had been going on for some time before Roosevelt took office. The trend was the result of improved highways and the increased use of automobiles. People could go to the larger cities in a short time, and preferred to do their shopping there. Another campaign charge, reported by the editor, was that of waste and extravagance in the Reconstruction Finance Corporation. Statistics given by the Chairman of the Corporation, Jessie Jones, were cited by the editor to refute this charge. The RFC had made a total of just over six billion dollars in loans, of which four billion dollars had been repaid. It was not surprising to Lawrence that a great deal of misinformation had been circulated about the RFC. The fact was that most of the money put out during the emergency would be returned, and should not be considered part of the national debt. Look at it another way, the editor asked. Billions were spent for purposes of war, without a murmur. But when billions were spent to save the people and the nation, it seemed a different matter. Those later billions were America's best investment.  

In spite of the opposition by business and the newspapers, Roosevelt was returned to office by a landslide in 1936, and with a Democratic Congress. Almost personally, Roosevelt had won loyalty to the principles of his New Deal programs. This was especially true of those agencies which worked directly with the people. As an example, Leuchtenburg cited the Farm Credit Administration which saved 300 farms from foreclosure.

247 Ibid., July 7, September 9, 1936.
on an average day. Roosevelt was campaigning on his record. He asked his listeners to compare their situation with what it had been in 1932. As he toured the country, thousands crowded to see him and tell him that it was he who had saved their home or job. The election results were a personal triumph for Roosevelt. 248

After the election, business rapidly flocked to the New Deal which it so recently had been lambasting. To Lawrence there was nothing amazing about the change in attitude. "Big Business goes along with the channels it is compelled to follow, unless it can map and chart its own course," he wrote. "It's too smart for anything else. With it, business is business." The editor did not consider that this was a second honeymoon between business and Government, because it was too early to determine whether business had really changed its mind. A year after the election would be a better time to make that determination. 249

In the meantime, the administration, and the nation, had the continuing job of recovery. Unemployment continued to be a problem. A satisfactory program of relief for the unemployed and the unemployables was the goal of Roosevelt and the hope of the nation. As Lawrence often wrote, the depression changed the thinking of people concerning social planning.

248 Leuchtenburg, FDR and the New Deal, 193.

249 Star, December 11, 1936.
CHAPTER VI

RELIEF AND SECURITY

The great depression in America could be said to have started in 1929. That spring, the usual seasonal decrease in expenditures for relief failed to materialize. There were already almost three million unemployed in the nation. Continuing at a higher-than-average level throughout the summer, there was a sharp upturn in expenditures in October. By December 1929, the level of relief expenditures was nearly twice as high as it had been in December 1928. By January 1930, the number of unemployed had jumped to over four million. This figure climbed with alarming rapidity until it reached a peak of fifteen million in the spring of 1933. Both public and private relief agencies tried to carry the load, with public agencies increasing their portion. Throughout the period, the public, from habit, looked to private agencies such as the Community Chest for their needs. However, these organizations soon depleted their funds.²⁵⁰

In October 1930, President Hoover organized an Emergency Committee for Employment, to coordinate, supplement, and encourage state and local communities in their relief efforts. The Committee recommended a Federal Public Works Program, but the administration would not approve it. The stress was placed on the responsibility of the local government for relief. As the private organizations ran out of funds, the local and state governments began to assume the responsibility for relief. In spite of the efforts made, it soon became apparent that the Federal Government would be called upon for aid, a last resort measure according to President

Hoover. The President and his advisors claimed that the use of Federal funds for relief would impair the Government's credit and make it impossible to balance the budget. They also claimed that the idea of Federal relief was contrary to the Constitution. They put forward several other plausible-sounding arguments against granting funds for relief. These arguments did not sound plausible to those who were starving.

Proponents of the use of Federal funds for relief were just as vocal. It was their contention that a national disaster called for national relief measures. Senator La Follette noted that over two billion dollars of Federal funds had been provided during the depression for the relief of business. Could not the same reasoning be applied to relief for individuals? Throughout both sessions of the Seventy-Second Congress, attempts were made to pass bills providing for unemployment relief. But they either died in committee or failed to pass on the floor. As the pros and cons of Federal grants were being debated in Washington, several states were appropriating money for relief, but funds were often exhausted in a short time. Riots and hunger marches were reported in large industrial areas. Immediate action of some nature was imperative.251

In July 1932, a bill acceptable to the President was passed by the Congress and signed. It authorized the Reconstruction Finance Corporation to make loans to states for relief work. The loans were to be repaid by deductions from future Federal highway construction funds to the states. The private charity organizations were still committed to share expenses.

251 The story of this struggle to obtain Federal funds for relief is told in Brown, Public Relief 1929-1939, 68-127.
During the year of operation, nearly $280,000,000 was made available, and forty-two states and two territories received funds. Another $20,000,000 was loaned to political subdivisions. This was the only Federal relief measure passed by the Hoover administration. 252

Nebraska had not applied for the RFC assistance because of a State Constitutional provision which prohibited the State from incurring a debt of greater than $100,000. Hattie Plum Williams, Professor of Sociology at the University of Nebraska, wrote an article, "Public Welfare," for the Nebraska Blue Book 1938. In the article she said that the State was not generally aware of the extent of the impending economic disaster in 1931. Drouth and grasshoppers had taken their toll in some areas of the State. This emergency had been met by a semi-private relief program, involving the State Tax Commissioner as the collecting agency, and the Red Cross and American Legion as the distributors. Approximately $500,000 in aid was distributed in 1931 and 1932. As late as the legislative session of 1933, no demands for state-wide relief were made, the counties continuing to provide support. But such a situation could not be maintained for long. 253

"The decade of the 1930s might well have been known as the decade of destitution but for the humane leadership provided by the Roosevelt administration," commented Fred K. Hoehler, Director of the American Public Welfare Association, in January 1940. The system of local poor

252Ibid., 124-127. The repayment of these loans was cancelled by Acts of Congress in 1934 and 1938.

253Blue Book 1938, 511-512.
relief which had prevailed in the country for 150 years was superseded by a new philosophy. The biblical quotation, "Am I my brother's keeper?" was "taken off the signpost, brought down to earth, and made the query for every man," commented Director Hochler.254

I

EMERGENCY RELIEF

In his inauguration address, Roosevelt commented that the national emergency should be treated as a war emergency. He expected to put the nation's house in order by presenting to Congress measures to combat the problems which faced the country. Roosevelt's message to Congress, March 21. 1933, outlined his program for recovery. Under this program, the Federal Government would grant money to the states for relief work. He asked for the creation of Federal machinery to coordinate these grants.255

Frances Perkins wrote that Washington had a hectic atmosphere during the first days of the new administration. On her desk were over 2,000 plans for Federal actions to relieve unemployment, and the President's desk contained that many more. The plans submitted by Harry Hopkins interested both the President and his Labor Secretary, and a bill based on these


255Rosenman, Papers, II, 11-15. John T. Flynn claimed that while he was Governor of New York, Roosevelt spoke and wrote against direct relief or the dole. He also objected to Federal spending for relief. Flynn, Country Squire in the White House, 57-60. An examination of the President's papers reveals that FDR also spoke and wrote in favor of the use of public funds for relief work. In his nomination acceptance speech, he commented that he favored the use of public works as an emergency means of stimulating employment. Rosenman, Papers, I, 103-104, 115, 457-473, 653.
plans was prepared. The Federal Emergency Relief Act was passed, and signed on May 12, 1933. The administration which was created by the Act was authorized $500 million. Half of this money was to be spent in the states on a ratio of one federal dollar for each three dollars from other sources. The other $250 million was for allotment to states whose relief burden was so heavy that they could not meet the above requirements. The establishment of work relief projects was assigned to the state and local governments. The principle of outright grants differentiated this program from the Hoover "loan" policy. Harry Hopkins was appointed as Administrator of the program. The FERA was "the first step in the economic pump priming that was to break the back of the depression," commented Frances Perkins.256

In describing the measure, Roosevelt reminded the states and local governments that it did not absolve them from their responsibility to exert themselves to provide aid for their own needy. The bill was a challenge to those officials to stimulate their own relief efforts. The works projects which were chosen needed to be "labor-creating, quick-acting, useful projects" which avoided the pork barrel smell. Roosevelt agreed with Hopkins on the decision to pay cash to those on relief instead of giving grocery slips. Also it was decided that aid meant the providing of clothing, shelter, and medical care as well as food. This was considered radical and impractical by conservative social workers of the day, but the

256 Frances Perkins, The Roosevelt I Knew, 184-185; Morris, Encyclopaedia of American History, 342-343. Harry Hopkins was a New York social welfare worker who had worked for Roosevelt when he was Governor.
principle became accepted after it was proven workable.\textsuperscript{257}

There were other projects to release money into the economy and relieve unemployment. Editor Lawrence called it "glorious news" which came out of Washington on June 12, 1933. The Government was planning to spend $1,000,000,000 for labor "so quickly that it 'will electrify trade into new life'." When "headquarters" announced that money would flow, it would flow at once. This did not mean the next spring, but immediately. The money would be spent in the form of additional highway and building contracts. As Lawrence often commented, action was the key word for the Roosevelt administration. It had an appealing sound to the people who were used to the inactivity and lack of initiative which used to characterize Washington. The people had learned to expect a lot from the Roosevelt administration, and they were getting it.\textsuperscript{258}

An editorial of August 5, 1933, commented that some people had an erroneous concept of the real purpose and intent of the Roosevelt recovery program. Apparently officials of one Nebraska county had announced that their office hours would be curtailed, in keeping with the President's program. Lawrence saw no relationship between the recovery law and the curtailment of office hours. The only purpose of the law was to increase public buying power by providing additional jobs. Opening their offices later, and closing them earlier, would have no effect on providing additional jobs, or increasing the paychecks of anyone who was working.

\textsuperscript{257}Roosevelt, \textit{On Our Way}, 82, 145, 266; Robert E. Sherwood, Roosevelt and Hopkins, \textit{An Intimate History} (N.Y.: Harper and Brothers, 1948), 47.

\textsuperscript{258}\textit{Star}, June 13, 1933.
The taxpayers would disapprove of any such interpretation of the law.\footnote{259}

The taxpayers should not be disturbed about the size of the expenditures made by the Government to effect recovery, wrote the editor. Lawrence quoted a statement made by the United States Chamber of Commerce which said that national business was not concerned about the Roosevelt budget, if the expenditures would accomplish their purpose -- business revival. The Chamber had pointed out the vital factor in connection with Government expenditures. In the ten months since Roosevelt’s inauguration, over six million men had returned to work, but only one-fourth million of these had been absorbed by private enterprise. As the effect of Government spending was felt, private industry would absorb more and more workers from the relief roll and Government projects. The money had to be expended to achieve results.\footnote{260}

In the January 22, 1934 issue of the \textit{Star}, Lawrence commented on an editorial in the London \textit{Observer}, which was laudatory to Roosevelt and his relief policies. Such a viewpoint inspired reflection for the \textit{Star} editor. England had embraced the dole as the only way of recovery and relief. She had pulled through by wearing out the disease, "by bleeding." The Englishman suffered more than did the American while undergoing the cure, because

\footnote{259}\textit{Ibid.}, August 5, 1933.

\footnote{260}\textit{Ibid.}, January 13, 1934. By the end of 1933, all of the states and Territories had applied for and received aid under the PERA. A total of $3,250,000 had been distributed. In July 1933, Nebraska Governor Charles Bryan applied for funds, and Federal emergency relief became the chief source of Nebraska relief until 1935 and the enactment of the Social Security Act. Brown, \textit{Public Relief 1929-1939}, 148. \textit{Blue Book} 1938, 512.
his medicine was more drastic. Estates were broken up, fortunes wiped out, and a great number of people merely existed on the dole. In America, the English editor wrote,

President Roosevelt without check . . . carried political audacity to its uttermost and achieved his personal successes by means which would have ruined another man. . . . by proclaiming and vindicating the most gigantic deficit in the record of budgets.

The Englishman appreciated the fact that Roosevelt might fail in his attempt at recovery, but it would be a magnificent failure. Lawrence commented that the American public did not fully consider the possibility that the experiment might fail. Americans looked upon their country, their culture, and their Government as enduring and permanent. In its present straits, there was still no lack of food or fields to produce more; there was still a great industrial community, with the materials and manpower to produce as much as was needed. Americans could not contemplate anything but prosperity. The problem was not what would be the goal, but how to reach that goal. Europeans had tried the "bleeding" method of recovery; they had bled since their history began. America was now showing them a new way to achieve recovery. 261

In addition to the FERA, other emergency programs were established to aid in relief and recovery. In spite of the efforts, as winter approached, there were still millions on relief. Hopkins and many of his workers realized how degrading was the reception of handouts, the main method of relief under the FERA. He presented a program of work instead of cash relief, and Roosevelt agreed. The Civil Works Administration was created by an

261Star, January 22, 1934.
Executive Order under Title II of the NRA, on November 9, 1933, with Harry Hopkins as its Administrator. The CWA was created as a temporary winter program to furnish work relief for four million persons and to pump purchasing power into the economy in a short period of time.

The program was wholly Federally administered; Hopkins moved a great number of his FERA personnel over to the CWA. Funds for the CWA were transferred from the budget of the PWA without Ickes' prior knowledge or approval. By mid-January there were over four million individuals working on 400,000 CWA projects. During its existence, the CWA built or improved roads, school buildings, airports, playgrounds, parks, and swimming pools. Three thousand artists and writers were employed by the CWA during that period. The overall program cost nearly one billion dollars, but it was money well spent at a critical time.262

Near the middle of the life of the program, Lawrence reported that Washington had ordered a slowdown in CWA work because funds were low. He commented that Nebraska had benefitted from the CWA. Over 30,000 men and women were supporting themselves and their families from this work program. Although other states had scandals in regard to administration, in Nebraska the money was being used as it was intended. As the program was scheduled for phaseout, Lawrence felt that it was time for plain talk. There was always the danger that temporary Government programs would become permanent. The CWA had been created as an emergency winter relief program, and it should not be extended. It had rendered a magnificent service in

giving families fresh hope, and adding new life to business. However, private enterprise should not abdicate in favor of the Government in the recovery effort.

In May when the CWA was programmed for completion, the demands on charity would be less, but deserving persons would still be out of work and their families would need to be fed and clothed. This was where private enterprise came in. This was the challenge to business. If business failed to accept the challenge and did the minimum required of it, there would be a fresh crisis in the fall. The CWA program was the notification that the country was still in the greatest battle of its history. The initial advantage had been won due to the inspired leadership of the President. It was within the power of business to win the final triumph. "Or will business surrender to dry rot . . ." asked Lawrence.263

Besides being a challenge to business, the CWA was a challenge to the people. Telegrams and letters from all over the country were appealing to the President for the retention of the program. Lawrence reminded his readers of the temporary nature of the CWA. The funds used would not be repaid to the Federal Treasury, or the local treasuries. As an emergency measure, it was a glorious achievement, but as a permanent policy, "it might well become destructive of American tradition," he counseled. It would be easier for business to sit back and let the Government assume relief responsibility. The temptation would be not to put a time limit on the continuation of emergency relief. But to continue would be admission

263Star, January 22, 23, 1934.
that the American institutions of Government would crumble. The people would be affected too. The spirit of thrift must not be destroyed, pleaded the editor. The citizen needed to remember that the Government could not take care of everyone; individual initiative was needed. Somewhere between the extremes of rugged individualism and Government paternalism was "the happy meeting ground of America," wrote Lawrence, and the President was attempting to keep the nation from wandering too far away from it.264

In spite of the stress which the administration placed on the "temporary" nature of the CWA, even Congressional leaders attempted to extend its life. Lawrence wrote that Representative Kent Keller, Democrat from Illinois, was the leader of a rebellious group who wanted to extend the CWA for an additional year. The editor attributed at least part of this effort to politics. Roosevelt had assured the CWA administrators that the administration was not trying to gain any political advantage by the various relief programs. He had made it a rule that no applicant for relief be asked his political affiliation. And yet, members of his own party were attempting to use the relief issue as a softener of their path to reelection. Lawrence considered this a real menace to the President and his program. There was no reason that the editor could find for altering the President's recovery program. It would only upset his time table for recovery.265

As the CWA was nearing termination, Lawrence commented that the

264 Ibid., January 24, 1934.
265 Ibid., February 5, 1934; Roosevelt, On Our Way, 283.
permanent stimulus of the program was apparent all over the country. It had furnished work to the unemployed, and badly needed civic improvements had been started. These latter projects, much talked about but little done about for years, would be completed because of the impetus which the CWA had given to civic thinking. Even the arts had been aided by the CWA. Lawrence was perhaps a little cynical as he told of a projected exhibit of paintings by CWA artists. The paintings were to be displayed next to a fifty million dollar art collection in the famous Corcoran Gallery of Art in Washington. "Evidently Mr. Bruce (the CWA director for artists) never heard the old axiom that comparisons are odious," was the editor's comment. Whether the works of contemporary artists were equal to those of the dead masters was a question which was too broad for his column. Lawrence did wish Bruce luck in "a New Field of statesmanship."266

The termination date for the CWA, March 31, 1934, was a time for the editor to reflect on what the country got for its billion-dollar investment. It put four million men to work, offering them pay checks instead of charity. It enabled them to go through what had been a punishing winter. Intangibly, it had raised the nation's morale. Materially, the editor listed increased bank deposits, increased volume of retail trade, increased industrial production and employment, and an increase in the import-export trade. This revival of the nation's purchasing power was attributed to the impetus which had been given to the economy by the CWA. By its termination, the Government did not signal a relaxation of its

266Star, March 19, 27, 1934.
vigilance for human suffering. Other agencies had been established to handle these recurring problems. And again Lawrence reminded private enterprise that it was the golden opportunity time to take over the job of recovery. 267 All segments of the economy should work toward recovery.

In the fall of 1934, labor unions came out in favor of resumption of the CWA, to augment the efforts of the NRA. The editor thought that it would not be out of place to ask the unions if they had done all that they could to reduce unemployment. The rash of strikes in the steel and automobile industries, incited by the unions, seemed to indicate to Lawrence that the unions could do more than they had done toward recovery. If the union leaders were sincere in their desire to ease the unemployment problem, Lawrence suggested that they could help by "calling off their agents and organizers whose business [was] to take workers away from their jobs." 268 The CWA had served its purpose, and the emergency relief job was returned to the FERA.

As 1934 progressed, there was more and more emphasis placed on the necessity of state and local governments reassuming more of the relief burden. This came as no surprise to Lawrence. "In fact it is just what should have been expected," he commented. The administration had acted with speed and liberality when the emergency was acute. It should not be called upon to continue relief for an unlimited period. In August the counties would make their annual tax levies. If they did not go to the limit of their ability, they would receive no help from Washington. The

267 Ibid., March 31, 1934. 268 Ibid., August 7, 1934.
state was authorized by its constitution to appropriate $500,000 for relief. This it should do. The people of the state realized the situation, so there was no excuse for not taking action.269

"Relief, Like Charity, Begins at Home," was the title of an editorial on June 4, 1934. The responsibility for relief, wrote Lawrence, had always rested at the local level. Only when the situation was extreme did it warrant Federal assistance. One did not have to look hard in and around Lincoln to see the benefits which Nebraska had gained from the work of the CWA. "Having feasted for some time at Uncle Sam's board," the editor concluded, it was not the time for local governments to complain about buying some of their own groceries in the future.270

W. F. Cramb, the editor of the Fairbury Journal, opposed the Federal plan of local relief. When Washington said that it would advance no more relief funds until the counties did more for themselves, he saw this as usurpation of the authority of the local administrations. He said, in effect, that no Federal Government was going to tell him what or what not to do. In reality, countered Lawrence, the Government was endeavoring to do just the opposite. It wanted out of the relief business. If editor Cramb had his way, thought Lawrence, the Federal government should furnish the entire relief burden or none at all. In the latter event, the county taxpayers would furnish thousands of dollars more than they otherwise would, or people would starve. Lawrence wrote that, "whenever the resolve that people shall be fed and sheltered is changed to a cry of 'let 'em

269 Ibid., May 31, 1934. 270 Ibid., June 4, 1934.
starve,' the fight is lost."\textsuperscript{271} The problem of relief would continue to be a knotty one at all levels of government. The economic emergency had partially abated, and it was time to consider a new course of action.

II

WHY SETTLE FOR TEMPORARY RELIEF?

When Roosevelt talked of the economic responsibility of the state, this included the safeguarding of its citizens as well as the development of natural resources. Some economic groups could provide for themselves, but there were others who needed the intervention of the Government for their welfare. Roosevelt did not intend to deprive the wealthy of their good life by his "soak the rich" programs. He did intend to make that good life possible for all men. These programs which he envisioned should not be in the nature of handouts, he insisted. Greer considered that Roosevelt

wanted to improve opportunity for the poor, but by this he meant opportunity to enjoy the good life through work [sic] and productivity. His belief in the value of work explains why he fought against the dole. . . . He insisted that, "we are dealing with properly self-respecting Americans to whom a mere dole outrages every instinct of individual independence.\textsuperscript{272}

The first of the work-relief measures was the Public Works Administration, Title II, of the National Industrial Recovery Act. Harold Ickes was the Administrator. This agency, with a fund of $3,300,000, was created to increase employment and business activity by constructing roads, buildings, and other public projects. It was a part of the

\textsuperscript{271}\textit{Ibid.}, June 12, 1934.  \textsuperscript{272}\textit{Greer, What Roosevelt Thought}, 16-17, 67.
"pump-priming" process toward recovery. Created in June, it was slow in approving projects, partially due to the wary approach to spending held by Ickes. This was one reason that the CWA was created. In Nebraska, the major contributions of the PWA were in the areas of soil and water conservation. Lawrence approved of the PWA's efforts toward restoring the agricultural capability of the nation for the future. He was glad that Nebraska did not yet have an acute problem, and that proper action by the state and Federal conservation activities and the PWA, would save and improve the soil.273

Lawrence wanted it plainly understood by his readers that the PWA had not been created to combat the emergency but as a permanent policy. When working with conservation and the development of natural resources, long-range vision and planning was required. The plan, as Lawrence understood it, proposed to spend over ten billion dollars over the course of fifty years. The money would be spent to build America by preserving and increasing national wealth, and raising the standard of living. It was "majestic in its magnitude." To the detractor who might feel that this plan of spending might "squeeze the orange dry," Lawrence had an answer. If the plan had been devoted to foolish undertakings or wasted, the money would be lost; the nation could not stand the burden. But if the money were spent so as to increase the wealth of the nation, it would be a good investment. In the past, frequent interruptions and haphazard conservation

policies had wasted billions of dollars and ruined many acres of land. This new program would change that. Already in Nebraska, more money had been put into FWA projects than in all the period previous to it.274 To Lawrence the PWA was another example of the administration's honest attempts to improve all areas of the nation's economy and plan for the future. Recovery was only a matter of time and effort.

By October 1934, President Roosevelt had determined that direct relief such as the FERA had served its purpose and should come to an end.275 A form of work relief, similar to the PWA and the CWA should be substituted. The local governments would furnish "pauper relief" money while the Federal Government would finance public works efforts. Both Hopkins and Ickes developed plans. Ickes recommended long-term works designed to stimulate capital investment, with seventy percent of the funds going for material. Hopkins' plan called for short-term works to stimulate consumption. It would assume private employment, and three-fourths of the funds would go for wages. Roosevelt agreed to a combination of the plans, heavier on Hopkins' side. The plan was presented to Congress in the Presidential Annual Message to Congress, January 4, 1935. It was the first

274Star, December 18, 1934.
275During its three years of operation in Nebraska, $31,000,000 was expended by the Nebraska Emergency Relief Administration. Of this amount, almost 80 percent came from Federal funds, 20 percent came from local funds, and only one percent came from state funds. During the peak month of January, 1935, 208,367 persons were on relief in Nebraska. From March 1934 through December 1935, over 100,000 persons were on the relief rolls each month. Witte, Final Relief Report, 12, 20.
part of the Second New Deal. 276

An indication of the President's intentions regarding work relief was known during the fall of 1934. In September a spokesman for the FERA said that the "Santa Claus" features of the relief program should be eliminated. Lawrence agreed that this was the only course of action. Direct relief for unemployables was necessary, but for those able to, work-for-pay was a necessity. Roosevelt rested at Warm Springs in November and worked on his new program. The editor pondered his course of action and its reception by the people. The editor was certain that the majority of the people, on relief or not, would approve of the work relief program over the dole. It would present the opportunity for them to use their brains and hands to support themselves and their families. To furnish jobs for the program, Lawrence considered it as a foregone conclusion that public works would become a permanent feature of national policy and planning. This form of program would not create a drain on the Treasury because seventy percent of each dollar would be repaid. The entire program was a "magnificent concept" from which would come a more prosperous and better nation. 277

Besides dividing the relief force into employables and unemployables, it was the Roosevelt plan to return responsibility of support of the unemployables to the state and local communities. In part this reflected Washington's faith that the economy would continue to improve.


277 Star, September 3, 1934.
The editor did recommend that special consideration be given the Mid-Western states because of the recurring drouth and resultant loss of income. Nebraska did not mean to shirk its responsibilities, but there was a question as to whether the state and local governments could furnish the necessary aid. The assessment for Nebraska by the Federal relief agency for the year 1935, was four million dollars. The requirement had been six million dollars but was scaled down because of the drouth and its effect on the economy. There were several problems involved in raising even that much money, commented Lawrence, both at the state and the local level. In Roosevelt's new program there should be given careful thought as to financing.278

When Roosevelt gave his State of the Union message in January 1935, Lawrence noted a difference in tone over previous speeches. In this one, the note of emergency did not dominate. The President spoke of long-range planning for the security of the people, and the nation. He had turned his face from charity and the dole, and was looking ahead at the man's job in a progressing nation. The subject of a relief program would be of paramount concern during the Congressional session if the nation was to progress on to the prosperity which beckoned on the horizon. Lawrence was very pleased with the message and its promises.279

When the President's work relief program was presented to Congress, it had a slow passage. Congressmen were unenthusiastic about granting such a large lump sum, with so few strings on the way it would be used. Nobody

278Ibid., December 13, 22, 29, 1934; January 18, 1935.

279Ibid., January 5, 1935.
except Roosevelt knew how the money would be spent, so no one could talk in favor of the measure. The conservatives saw the passage of the bill as an indication of the disintegration of the American form of Government. The liberals thought that the appropriations requested were insufficient, and that it was regression to return poor relief to the local communities. The labor unions were afraid of the relief wage level as it might affect general wages. Roosevelt was able to save most of the measure inviolate, but he did have to accept some amendments. One amendment required confirmation for appointments to all jobs paying more than $5,000 a year. "This single amendment guaranteed that politics would play a much larger part in the new works administration than it had in FERA or CWA," commented Schlesinger. Other amendments forced a bad system of allocation of funds, and Senator Borah insisted that relief funds were not to be used to build warships or munitions.280

As the Congressional debates filled the news, Lawrence commented on the proposed McCarran amendment which would have substituted a two billion dollar dole program for the "security wage" portion of the measure. The editor considered that the nine Republicans and the Democrat who voted in the subcommittee for the amendment were "... playing hard and loose with their constituencies for the purpose of venting a personal grievance against the president." In spite of the overwhelmingly Democratic majority in Congress, the editor felt that it was a coalition Government; there were members of both parties in the Cabinet. However, any resort to

partisan politics at that point would wreck the President's program, the Democratic party, and possibly the nation. Roosevelt had always said that work relief was better than the dole, and Lawrence considered that any change from his program for one of Federal alms would be an insult to the men and women who were forced to be on relief. The American people should speak out about the crisis which was brewing in Washington and let their representatives know that they did not want a dole.281

On February 23, 1935, it appeared to Lawrence that the President's emergency relief measure had been done to death in Committee by a cabal of partisan Republicans and rebellious Democrats. The editor wondered if those Congressmen realized what they were doing when they acted as they did. Many persons who were on relief, through no fault of their own, were anxious to find any sort of work so that they could get off of the relief rolls. They did not want any part of a dole program because it would be too degrading. Those Congressmen were using innocent people to get back at the President, but he would come back to the struggle. And he would win, because he had the feelings of the people at heart and political sagacity. Five days after that editorial, Lawrence reported on this political sagacity. The President had not whimpered or gone into a temper at the revolt. He went his serene way, not wasting his strength on partisan politics, certain that those who attacked his program would have to answer to the people for that attack.282

281 Ibid., 269; Star, February 7, 1935.
During the month of March, as the battle on Capital Hill continued, Lawrence again commented on the dignified manner in which Roosevelt was conducting his campaign in support of the relief measure. Instead of taking to the air and complaining to the people, the President had accepted those changes which did not affect the basic spirit of his program. On the other proposals he stood fast. The people of America could be proud of the man in whom they placed their trust in 1932. He had not let them down, nor would he. Roosevelt had "the qualities to govern his people wisely," commented Lawrence.283

On March 29, Lawrence was happy to report that the protracted battle was almost over. A work committee of members from both Houses had reached agreement, and it was anticipated that both Houses would approve the resulting bill. This had been the most serious challenge which Roosevelt had had in his four years in office. The final measure was, in most particulars, the same as that which was submitted by the President. To Lawrence this indicated a distinct triumph for the President. The fact that this was the largest peacetime appropriation ever made by a Congress did not tell the whole story for the editor. "It represented," to him, "the greatest program of conservation and natural resources ever proposed by any nation." And the Midwest especially needed the program. The drouth had devastated the land, and this affected businessmen and workers as well as the farmers. When the farmer had no money to spend, the businessman had no customers and the worker had no work. The new program could not come too soon.284

283 Ibid., March 8, 1935.  
284 Ibid., March 29, 1935.
In July, Lawrence announced the "End of the Dole." The President had stated that all employables would be off the relief rolls by the end of the year. They had the option of working on public works projects or with private industry. The aged would be taken care of under the new Social Security program. All other relief cases would be returned to local governments and private charity organizations. Lawrence considered this a significant development. The Federal relief agencies had served a great purpose when local government had been unable to supply funds. The year ahead had the promise of recovery, and the relief picture would change. There was still the requirement for sane rational social work, but the editor was sure that the necessity for emergency relief was passed.285

On July 15, 1936, Lawrence quoted extracts from a letter which he had received. The farmers of southern Nebraska were begging for help, but they could not compete with work relief. The abundant rains of the summer meant a good harvest in prospect, and thousands of farm workers were needed. The work would be hard, but the pay would be two or three times the pay of relief. Still, many would not change. This was a situation which could be found in industry and business as well as agriculture. It was a problem which Roosevelt attempted to avert when he objected to the McCarran amendment. To require relief work to pay "the prevailing wage" would remove the incentive for returning to private industry. As one man was quoted as saying, why should he leave an eight-hour-day relief job to go do hard work for long hours on a farm. The judgment of the President

285 Ibid., July 12, 1935.
had been vindicated on this matter.286

One question raised by the letter-writer was if the relief program had broken down the morale of the American worker. Lawrence doubted if it had done this. True, there were shiftless, indolent individuals, but they were few, and for each of them there were hundreds who exhibited an eagerness to provide for themselves. Most of the individuals who were shiftless would have been so—even if there had been no depression or relief program. In Iowa, the editor revealed, relief was being refused to those who had refused private employment. Lawrence considered that this should be the policy in Nebraska and everywhere. The longer direct relief was carried on, the lower the morale of the recipient became.287 Relief was a thorny problem for the worker, for the President, and for private business.

For some months, Lawrence reported, business had been happy, handing Roosevelt the "hot potato" of the employment problem. At the dedication of Boulder Dam, the President handed the potato right back to business. In his speech he said that it was his hope and faith that within the year, "the impetus given business would take care of unemployment." "The implication was unmistakable" to the editor. The clamoring about unbalanced budgets, mounting taxes, and the increased national debt were proper matters of concern. But business had been unwilling to face their role in the problem of widespread unemployment. It was not clear, the editor wrote, how private enterprise could sit by and enjoy its privileges, while millions

of potential wage earners remained idle, a potentially explosive situation. Not all, of course, but many of those proponents of rugged individualism exhibited a great weakness in not recognizing the fact that people would not remain hungry and embittered for long. "That is human nature among the best and the worst," counseled the editor. Private enterprise was essential to the country and to the democratic way of Government. But it also had responsibilities to the country and to the Government. It could not continue the philosophy of every man for himself. If private enterprise was to survive, it had to "... have the intelligence to confess the mistakes it made and remedy them," advised Lawrence. Business needed to exhibit a great degree of unselfishness. It had to be humanitarian.²⁸⁸

The Republicans had been as vocal as business regarding what they considered the waste of the National Treasury. Even former President Hoover decried the efforts of the Roosevelt administration, calling on the people to turn "from muddling to sanity and reason." Roosevelt had been dealing with facts, not theories, wrote Lawrence. The rule books were worthless in a condition such as the country found itself in 1932. The Government had to step in and provide aid or suffer the consequences. The job had been done, and now the opposition called it waste. They claimed that everything which had been done was done wrong. But the Government had no choice in the matter, and the editor considered that Roosevelt had taken the right path. If the relief money had been wasted, what did the opposition consider the billions which had been spent on the war, or the billions

²⁸⁸Ibid., October 1, 1935.
which had been loaned to foreign governments, and not repaid? The nation had been involved in a fight for survival during the depression, and if the fight were won, those billions expended would represent not waste, but the finest investment of the nation. All segments of the economy and the Government needed to contribute their efforts and funds to win the final battle.

The editor of the Nebraska Daily News-Press, Nebraska City, wrote about county support of relief. He commented that Otoe county was "setting rather pretty" financially, but it would be jolted hard if the relief burden had to be carried for any length of time. If the burden had to be carried for any length of time, asked Lawrence, what would the county do? "Let 'em shift for themselves, to starve slowly and miserably?" One fact was evident to the editor of the Star. Before long, those officials who had been criticizing the administration's relief efforts would have the same problems. And there was likely to be "... more cases of a severe headache than follow the festive New Year's gaities."  

Lancaster County also had problems in planning the financing of relief. The County Board of Commissioners estimated that it would take a thirteen mill levy to finance the $1,792,100 burden of county expenses. The county was limited by law to a four mill levy, and a special session of the legislature would be required to approve an increase. Lawrence did not think that it would be approved. The estimate of relief expenses for the county in 1935 was one billion dollars, all but $165,000 of which came

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289 Ibid., October 7, 8, 1935.  
290 Ibid., January 2, 1936.
from the Federal Government. The Commissioners' estimate for 1936 was based upon absorbing this expense. Lawrence regretted to think that, unless conditions improved miraculously, some of the 13,000 on county relief would be forced to make out as best they could. Of those who had with him insisted that relief began at home, Lawrence expected help and support for the local authorities who would have the problem. The problem was now exclusively the county's, and it should be met.291

One county which had difficulty in meeting its relief commitments was Douglas County. Omaha had a large number of unemployed on the rolls and limited industry to absorb the employables. During 1936, Lawrence called attention to what he considered the inadequate methods which the county was using to take care of its relief problems. At the same time he often shot barbs at the Omaha World-Herald, which he looked upon as a traitor to the Democratic cause. In February 1936, the Omaha paper editorialized on the lack of local and state funds for relief support in the County. There had been three weeks of below zero cold weather which had caused extra expenditures. The newspaper called upon the Federal Government to meet the need. Only a few days before, Lawrence recalled, an editorial in the Omaha paper had applauded Al Smith for his speech assailing the Roosevelt spending program.

Even more amazing to the editor of the Star was the subject of the principal World-Herald editorial on the same day that they asked for Federal aid. This editorial had painted "... a dour, sour, drab picture of

291 Ibid., January 15, 1936.
impending Federal tax burdens arising from the combined spending of the President and of the Congress. . . ." Lawrence considered that it was time to tell Omaha that it could not have its cake and eat it too. He reminded his readers that unfortunately, Douglas County had been broke for a long time, partly because it had not lived up to the requirements of the Government. The assessed valuation of property in Douglas County was lower than in other sections of the State. The citizens would not approve bonds to pay the expenses of Government.292

"Counties Can't Be Deadbeats," was the opinion of the editor. Again he pointed at Douglas County. Some food and coal bills, incurred by the County relief agency, had not been paid for a year. Finally it required a court order before the County would pay. The only excuse given by the County for non-payment was that relief funds had run out. This was a weak excuse, to Lawrence, and was no reason for the merchants to be left holding the bag. The court order served notice that no county could adopt a "deadbeat" policy to evade its just legal obligations.293

The financial machinations of the Douglas County Commissioners were beyond Lawrence. Since 1934 the County had not been able to meet its relief commitments. It had been treated more generously than other sections of the State. Had it been assessed proportionately the same, it would have contributed two million dollars. And yet the Commissioners fixed the next tax levy at a lower figure than in 1935! If they could not operate the County on what they received in 1935, how could they expect to operate

292Ibid., February 5, 1936. 293Ibid., July 17, 1936.
on less in 1936? They had already pledged or spent three-fourths of that income. It was unfortunate that County officials had to accept payless days, and relief families go hungry and cold merely because the County would not face up to its responsibilities.294

When the Douglas County Engineer announced plans to build roads, financed mainly by WPA funds, Lawrence commented that one would think the officials and citizens would be loath to accept the money and be party to the "spending spree" which they professed to deplore. Instead, they seemed to be keen on accepting the funds and asked for more. It was a funny situation to Lawrence, one he could not explain.295 It could not be correlated with any portion of Roosevelt's relief program.

Roosevelt's program did not always have an easy time in Congress because of his desire to keep politics out of relief. In March 1936, he asked for $1,500,000,000 for relief for the next year. Lawrence wrote that there were many Congressmen who were sincere about objecting to spending so much money for relief. But he was certain that others were influenced in their voting by purely political motives. They expected to use the relief program as a means of paying political debts. This would have ruined the relief program. It would also have ruined Roosevelt politically because of the use the Republicans could have made of the information. Instead of asking the recipient his political affiliation, Roosevelt was asking business to increase job opportunities so that the tax burden

294 *Tbid.*, August 12, September 16, 1936.
295 *Tbid.*, October 7, 1936.
could be slashed. Lawrence wrote concerning keeping politics out of relief:

People of wealth must agree to it, not only in the spirit of decent humanitarianism, but for the protection, safeguarding, and perpetuity of wealth. . . . . in this gigantic task of caring for millions of unemployed, politics should and must be eliminated. 296

But it was "extremely difficult to satisfy the politicians," commented the editor. It was strange but criticism of relief administration was coming from both parties during the summer of 1936. The Republicans claimed that the administration was "honeycombed with politics," while the Democrats covertly declared that the good jobs were being given to Republicans. Obviously, both charges could not be true. "As a matter of fact," Lawrence reported, "neither is correct." Relief administration had always been kept as free as possible from politics. The editor explained the reason for the two parties' accusations during the election year. The Republicans knew that their charges were not true, but they did not have any other issue on which to base the campaign, so they grasped at straws. The Democrats were disgruntled because they had lost an opportunity to dictate the appointments of their "henchmen" to jobs. Lawrence wrote that he was quite certain the rank and file of Democrats would approve of Roosevelt's stand, so that the greatest good would come from the program. 297

In May, Roosevelt again had trouble with Congress, reported the editor. The Republicans attempted to bring about the abandonment of the WPA, and the substitution of direct relief. The editor could not believe that they did this in good faith. Nothing could break the morale of those affected more quickly. It would rob them of self-respect. Taking a

296Ibid., March 19, 1936. 297Ibid., April 9, 1936.
materialistic view, the editor pointed out that the WPA was a system under which the public was receiving something worthwhile for the money which was invested. The public projects which were constructed were usually necessary additions to the community, impossible to obtain in any other manner. Lawrence did not deny that work relief cost more than the dole, but the benefits to the recipient and to the nation were worth the added expense. And the expense was necessary.298

Even though the stock market showed that recovery was progressing well, more than eleven million persons were awaiting reemployment. They had not shared in the economic revival. This great body of "forgotten men" and women had a stake in their country. Their lives needed to be made secure on the basis of their own labor, fairly recompensed. During the great debate of the election year (we would hear the same phrase 25 years later!) the people should remember the facts. Even though there were eleven million out of work, compared to 1932, conditions were much better. Progress had been made under Roosevelt, and it would continue.299

In fact, the economy was in such good shape that the United States Chamber of Commerce asked for the termination of Federal relief in November 1936. Lawrence agreed that business was booming, but in certain states, relief could not be curtailed at that time without incurring suffering and distress. In Nebraska this condition was a result of natural causes. Again in the summer of 1936 the State had experienced a terrible

drouth which destroyed the corn crop. In addition, a university agricul-
tural study showed that the state soil moisture condition was such that
prospects for the 1937 corn crop was slight, unless additional moisture
fell. This meant that Nebraska needed some means of subsistence through
work or relief during the winter so that people would stay on the farms.
This condition should receive special consideration in Washington.

Because America was such a large country, hard and fast rules could
not be established which would apply to all sections of the country at the
same time. The editor suggested that, as areas became able to support
themselves, they be taken from the relief program. But for areas which
were stricken by natural or other calamities, the relief program should be
continued. It was the humanitarian thing to do.\textsuperscript{300}

As had become apparent, welfare would continue and become a social
action concern for the Government at all levels. In Nebraska, an unemployment
compensation tax furnished funds for assistance after 1939.\textsuperscript{301} The efforts
of relief and welfare were majestic in their magnitude, but there was little
use in keeping a farm family supplied with food and clothing if its means
of livelihood was lost due to foreclosure or nature. Programs were needed
to save the land and save the farmer during the trying times of the depres-
sion.

\textsuperscript{300}Ibid., November 21, 1936.

\textsuperscript{301}Blue Book 1938, 513. Public assistance became an item in the
State Budget in 1936. By 1938, it ranked second in the amount of money
expended by the State. In the period 1937-1939, assistance amounted to
nearly one-fourth of the State's total appropriations. Olson, History of
Nebraska, 312-313.
CHAPTER VII
SAVE THE LAND

Franklin Roosevelt was reared in the rural atmosphere of Hyde Park, New York. Although he often visited Europe with his parents, and spent a great deal of his adult life in the city, he retained his interest in the soil. He paid personal attention to the forestry and farming operations conducted on the Hyde Park estate, which was a showplace of good farming practices. At Harvard he was exposed to the philosophy of Frederick Jackson Turner. As a New York State Senator, Roosevelt was Chairman of the Agriculture Committee in 1913. As Governor of the State, he pushed for conservation practices. All of his life he was active in conservation organizations.302

Thomas H. Greer compared Roosevelt to Jefferson in his preference for country life. The ideal community was based on a rural foundation. In a speech at Omaha, October 10, 1936, Roosevelt said that the guiding thought of all his plans was

... the fundamental belief that the American farmer, living on his own land, remains our ideal of self-reliance and of spiritual balance -- the source from which the reservoirs of the nation's strength are constantly renewed.

Greer considered that Roosevelt was pledged to the "Agrarian myth" described by Richard Hofstadter.303


303Greer, What Roosevelt Thought, 19.
In an editorial of January 4, 1934, entitled "The Commander-In-Chief Speaks," editor Lawrence noted that there was a feeling in the President's message that agriculture must be the root of a reclaimed America. Roosevelt had said that he was convinced industrial progress and prosperity could be attained only by raising the level of agriculture's purchasing power. This would put it in balance with the purchasing power of other forms of work. Although Lawrence was not involved directly in agriculture, he was deeply conscious of the Nebraska farmer. He continually referred to Nebraska as an agricultural state, and insisted that there was no other source of income available to the Nebraskan. He felt, as did Roosevelt, that the American economy as a whole rested on the broad base of agriculture. The editor was heartily and vocally in favor of those New Deal programs which attempted to aid the farmer in his struggle against nature and the economics of uncontrolled production.

A review of Nebraska farm statistics will show the vascillations in the income received during the first part of the century. The index of prices received by farmers for all commodities stayed near 100 from 1910 until it took a rapid jump to a high of 224 in 1919. By 1921 the index went just as rapidly back down to 112. The rest of the Twenties found the index between 115 and 153. The 1930 index was 128; in 1931 it slumped to 88. It hit a low of 62 in 1932 and 1933. The index went back above 100 in 1935 and remained there. The value of Nebraska's corn crop in 1930 was $121,941,000.

304 Star, January 4, 1934. 305 Ibid., January 13, 1936. 306 Nebraska Agricultural Record, 128.
It was $64,871,000 in 1931, and $37,701,000 in 1932. The value of the wheat crop of 1930 was $37,751,000 and in 1931 it was $22,786,000. In 1932 the value was an almost infinitesimal $7,508,000.\textsuperscript{307}

With such variations in annual income, and with no assurance of any income at all, it is understandable that a farmer had difficulty in planning his budget. To pay for his farm, maintain his equipment, and support his family required a cautious allocation of income. When income was down, as in 1932 and 1933, the farmer was hard-pressed to do any of these things. The possibility that he would lose his land through mortgage foreclosure was a specter which haunted many Nebraska farmers as the Presidential campaign of 1932 was waged.

I
MISTER PRESIDENT, SAVE MY FARM

In his book, On Our Way, Franklin Roosevelt wrote that the word "emergency" characterized the United States in 1932. "It was an emergency," he continued,

that went to the roots of our agriculture . . . that had existed for a whole generation in its underlying causes and for three and one-half years in its visible effects. It could be cured only by a complete reorganization and a measured control of the economic structure. He commented that the farm foreclosure problem dated back at least to 1920.\textsuperscript{308}

In his campaign speech at Topeka, Kansas, September 14, 1932, he proposed that the Reconstruction Finance Corporation program be broadened to include protection for farmers. He suggested that Federal credits be given to banks and other holding companies. When these credits were given, those receiving

\begin{footnotes}
\item[307]Blue Book 1940, 386.\item[308]Roosevelt, On Our Way, 35, 46.\end{footnotes}
the credits should be compelled to refund the mortgages. In addition he asked that the interest rates on farm loans be lowered to two and one-half percent until economic conditions were better. The nation could not endure "half boom and half broke."309

Lawrence hailed this as a "sane, practical proposal," which would be considered by the public as a proper plan. In principle, wrote the editor, the Roosevelt plan was the same as that which had been advocated by national farm leaders. This was an additional reason to consider that the plan was sound. The editor realized that the bankers and farm mortgage associations would not be happy but he felt that the general public would agree that permanent economic rehabilitation of the nation rested on improving the position of agriculture. Lawrence also wrote that the Republicans would be against the program. This was interesting to him in the light of the failure of the Hoover farm program.310

To the editor, Hoover did not deserve all of the criticism he had received. As an engineer he was an expert, but in the area of governmental science he lacked political leadership qualities. The Farm Board which had been set up was an example of his lack of understanding. As the first step in the Democratic party's pledge to reduce expenditures if they gained control, Lawrence suggested the elimination of the Farm Board. He further suggested that no "new organism" be created to replace it. The Department of Agriculture was duly constituted to administer farm control, and the editor felt that it was capable of doing so. "The farm board is nothing but a fifth

wheel, and a dragging wheel at that. The sooner it is abolished the better," he concluded. 311

In January 1933, Lawrence reported on a Roosevelt-approved bill which had been introduced into the lame-duck Congress. Senator Joseph Robinson of Arkansas, who was the Democratic Floor Leader, proposed the creation of a billion-dollar Federal corporation which would lend money to farmers on second mortgages. In addition, loans could be made to pay taxes and other obligations, and to provide working capital for farmers. It placed the Federal Treasury behind the Federal Land Banks by authorizing Treasury purchase of Land Bank stocks and bonds.

The editor wrote:

It is recognized now that scarcely less pressing than higher prices for farm commodities is the problem of readjusting farm debts. . . . Senator Robinson in drafting his bill has provided very wisely for a voluntary method of the readjustment of farm debts. . . . It gives the farmer time to dig himself out of a hole. . . . It puts the Government in the same position with respect to the farmer that it is in regard to bank and insurance companies. Lawrence was sure that farm prices would go up as a result of the measure, and that the farmer could repay the loans. He considered the measure as an "inflation policy which will do much to pump new life into the veins of the farm regions." 312 Unfortunately, no action was taken on the measure, and the farmer continued to lose his land.

It was paradoxical that people were starving and losing their land, while the grain elevators were full to overflowing. Nebraska could be cited as an example of want in abundance. The State produced 71,500,000 bushels of wheat in 1930 for which the farmer received $37,750,000. In 1931 the state produced

311 Ibid., September 28, December 9, 1932. 312 Ibid., January 27, 1933.
fifty seven million bushels, but the farmer received only $22,750,000. The de-
valuation of the corn crop was just as drastic. "In the plains states, breadlines
marched under grain elevators heaped high with wheat," wrote Leuchtenburg.

After his inauguration, President Roosevelt sent to Congress a farm re-
lief bill, the Agricultural Adjustment Act. It passed and he signed it into
law on May 12, 1933. Of interest at this point is the provision of the act
which proposed to relieve the farm credit situation by providing for the refinanc-
ing of farm mortgages through Federal Land Banks. When the President signed
the measure he appealed to those who had money claims against farmers to delay
foreclosure proceedings until the program could be implemented. Unfortunately,
many creditors did not wait, and the newspapers of the day were filled with
reports of the open revolt of farmers as they fought to save their farms. The
New York Times reported the warning of a Nebraska Farm Holiday movement leader:
"If we don't get beneficial service from the Legislature, 200,000 of us are
coming to Lincoln and we'll tear that new State Capitol Building to pieces." Apparently, neither side was willing to bargain.

Lawrence wrote that only one thing could stop the liquidation of farm

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313Blue Book 1940, 386. "One account reported that on a single day in
April, 1932, one-fourth of the entire area of the state of Mississippi went
under the hammer of auctioneers." Leuchtenburg, FDR and the New Deal, 23.

314Roosevelt, On Our Way, 265.

315New York Times, January 22, 1933. Other newspaper accounts are
cited in Schlesinger, The Coming of the New Deal, 42-44. Approximately 95 per-
cent of Nebraska land was farm acreage, with almost one-half of this under cul-
tivation. Sixty-two of the 93 counties reported no urban population at all in
1935. By 1935, the assessed valuation of farm land was almost one-half of the
1920 value. Meanwhile, indebtedness increased from $450 million in 1920, to
lands. This was conciliation and understanding between creditor and debtor. The editor's suggested method of reaching an understanding was simple. Get the two together, let them become better acquainted, and have them give some fair and honest consideration to their mutual problem. To Lawrence, the debt moratorium bills which were being introduced and passed in many state legislatures merely delayed liquidations and did not prevent them. He chided creditors as not being "enlightened and just," and debtors for not recognizing their obligations. He continued, "... it would be far better if people depended more upon humanity and less upon legislation in adjusting their troubles."\(^{316}\)

The editor was categorically against the moratorium measures. In an editorial on January 9, 1934, entitled "This New Day," he commented on the United States Supreme Court's decision validating a Minnesota Moratorium Act. Regarding moratoriums themselves, he said that "while the debtor has his respite against loss of home and farm . . . the moratorium meant . . . that he is losing ground steadily through the accumulation of delinquent interest." Lawrence then returned to his pleas for conciliation, adding, "the real heart of the new deal is an effort to revive just and fair and honorable practices in everyday business and living."

The Court's 5-4 decision on the Moratorium Act was a liberal triumph which had far-reaching significance to Lawrence. It would seem to indicate that the Court would uphold the Roosevelt recovery program as constitutional. The decision placed the judiciary on the side of the other two

\(^{316}\) _Star_, September 22, 1933.
branches of Government in the proposition that emergencies might arise in peacetime which necessitated the use of quasi-martial law by the state.

"What happens after the period of stress is another matter," wrote the editor. If the conservatives saw in this Court decision the creation of a dictatorially super-state, Lawrence did not. He contended that "every other milestone in growth of law and in the extension of constitutional progress may have created the same concern." To the editor, the beginning of America was such a step because it overturned previous systems. 317

In an editorial on January 10, 1934, Lawrence compared the Nebraska moratorium law with the Minnesota law and found them similar. In a January 31st editorial, he asked if any thought had been given to what would replace the moratorium law when it expired in 1935. The Supreme Court had approved the Minnesota law only because it met an emergency situation. It did not judge on whether the law would be valid during normal times. Lawrence asked several questions regarding the Nebraska law. How long would the present emergency last? Did the backers of the law want it renewed for another two or four-year period after 1935? If the nation's economic condition continued to improve at its current rate, would the Court then reevaluate its decision? To the editor, "... nothing [was] more important than to replace the uncertainty of debt obligations with definite, certain understanding." 318

As a final word on moratorium laws, the editor cited a report from the Federal Housing Administration, sent to its state directors in late 1934. The administration stated that its hands were tied as regards to assisting

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farmers through mortgage investors. These private companies would not help mortgage finance companies while mortgage moratorium laws were in effect. The laws, although serving an emergency purpose, jeopardized the lender's security by increasing expenses and nullifying the advantages of investing in mortgages. The Government wanted to get out of the loan business and let private capital take over, but "so long as the moratorium prevails, there is not going to be any private financing," wrote Lawrence.319

During the spring of 1934, Senator Lynn Frazier of South Dakota, and Representative William Lemke of North Dakota, presented the Federal Farm Bankruptcy Act to Congress. It was designed to prevent foreclosures and enable farmers to secure credit extensions. Provisions were also included for farmers to repurchase their farms with small annual payments, with a one percent interest rate. If the creditor opposed the settlement, the farmer could retain possession on fair and reasonable terms for five years, with bankruptcy proceedings suspended during that period of time.

The bill was passed, and the President reluctantly signed it into law on June 28, 1934. Lawrence wondered "... whether President Roosevelt, with his own hand, delivered a lethal dose to his recovery program ...." The editor was sure that the bill was constitutional, but the point he made was that it was too controversial and provided nothing. In March, the Federal Intermediate Credit Banks had reduced interest rates from three to two and one-half percent. This had placed agriculture on a better footing than it had been one year before. Thus, the Frazier-Lemke measure was not neces-

319 Ibid., February 1, 1935.
The President had defended his approval of the bill by saying that he did not believe the legislation would be abused by those seeking relief. To the editor, this showed the faith which Roosevelt had in people's inherent honesty but was a rather flimsy foundation for the construction of the measure. Lawrence did not feel that the law would have the desired effect on farm credit, and he asked, "Who would lend the money?" The editor considered that the measure placed doubt and uncertainty on farm mortgages as security. The Government would be forced to supply the credit for the farmer in the future. Lawrence commented that the bill was not a part of the Roosevelt program but was rammed through a Congress which had its eyes on the coming election. Later, after he had the opportunity to review the bill, Lawrence observed that the measure was "... more of a political gesture than first realized." It did very little for the debtor and might prove more harmful than helpful.\footnote{Ibid., March 20, July 2, 1934; Morris, Encyclopedia of American History, 349.} As far as Lawrence was concerned, the administration-approved measures were the best.

Regarding another credit aid, the Farm Credit Administration, the editor wrote that "nothing that has been done by the Federal Government in its efforts to ameliorate the condition of agriculture has been of greater benefit to that industry than this refinancing." The administration had loaned over $116 million to more than 2,500 Nebraska debtors. The editor \footnote{Star, July 2, 10, 25, 1934. The act was declared unconstitutional in 1935.}
pointed out that Nebraska farmers had $1,360,000 more to spend in 1936 because their loan interest was that much less through refinancing. This, coupled with the policies of the Department of Agriculture which resulted in raising farm commodity prices, enabled the business of the State to show a fifteen percent increase over the past year. It being election time, Lawrence ended the editorial by commenting, "All of the talk that can be done by Republican spellbinders cannot obscure these facts, and it is facts that count."\(^{322}\)

In addition to the Farm Credit Administration, Lawrence was pleased to report the success of the voluntary debt adjustment committees in the State. This program, set up by the Roosevelt administration, had relieved hundreds of farmers from their heavy debt load. The agency had demonstrated what could be accomplished when a spirit of conciliation and goodwill prevailed. Private creditors had scaled down their debts as much as one-third, so that their debtors could qualify for Federal loans. Lawrence quoted the figure $5,200,000 as the amount written off by mortgage holders. At the same time, other debts had been reduced by $1,614,587, allowing farmers to pay $98,868 in past due taxes. The heavy debt load of the farmer had been lessened, and the various governmental divisions of the State had benefitted by added revenue. All of these benefits were a far cry from the spirit of bitterness, hostility, and defeat which had prevailed in the nation in 1933.\(^{323}\)

The farmer retained his farm and the creditor recovered his investment. But what of the people living in the industrial areas who did not have a means of supporting themselves?

\(^{322}\)Ibid., May 5, 1936. \(^{323}\)Ibid., May 5, August 13, 1936.
As the AAA was taking submarginal land out of production, Roosevelt suggested that the Government buy the land. As Governor of New York, he had been instrumental in instituting a resettlement program for urban dwellers. In May 1935, the Federal Resettlement Administration was established with the objective of improving the conditions of poor, small farmers, and also to resettle destitute urban families onto submarginal lands near cities. There the families could live on farms and work in the city. The AAA insisted that they produce no farm products for sale.

The Government's intent, as editor Lawrence saw it, was to create a type of semi-rural, semi-industrial population. Homesteads of five to ten acres in sub-marginal lands, mainly in the East, would be offered to urban dwellers. This amount of land would support a family with foodstuffs while they had partial employment in industry. Small plants would be built in or near these rural communities. With the plants operating mostly in the winter, employment and income would be afforded farmers and their families during the non-farming season.

As an additional benefit from the program, cheaper power and better roads would result in increasing the advantages of farm life. This would encourage the farm youth to remain on the land instead of moving to the overcrowded cities. Unfortunately for the program, the first site selected was

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324Rosenman, Papers, I, 480-495 contains a speech, "Acres Fit and Unfit," which Roosevelt made while Governor.

325Wallace, New Frontiers, 240-246. Wallace suggested that the submarginal land might be transferred to the Indians because they were "already subsistence farmers."
Reedsville, West Virginia, a depressed coal mining town. The planners, in Washington and not on the scene, constructed an unworkable program through ignorance of local conditions. There was not even enough arable land for gardens. The program never was successful.326

A survey in Nebraska in September 1936, showed that the "aid to small farmers" feature of the Resettlement Administration had been helpful and successful. There were 947 farmers who were saved from foreclosure and 3,038 farmers who received loans, unobtainable from any other source. In Lancaster County, $5,500 had been repaid on loans, when only $4,500 was due. The results of the program showed Lawrence that it was not a waste and criminal extravagance as the opponents charged.327

As a result of these various administration programs associated with the AAA, a goodly share of the nation's farmers were able to retain their land. There was, however, other land in the nation which was in danger of being lost. This loss was through foreclosure by nature. Because of drouth, valuable top soil was blown away. Because of floods, valuable land was lost to production, to end up as a delta at the mouth of the Mississippi. To conserve the natural resources of the United States was of primary interest and concern to President Roosevelt and his administration.

326Star, May 15, 1933. Schlesinger, The Coming of the New Deal, 363-368, gives the story of the resettlement program. See also Ickes, Diary, 129, 152, 154, 227, for Ickes' comments on what he considered the poor investment at Reavsville. Ickes was Chairman of the Board of the Subsistence Homesteads Corporation.

327Star, September 28, 1936. See also an editorial in the Star, October 7, 1936, relating to the repayment of loans to the administration.
II

CONSERVE THE DOMAIN; SAVE THE YOUTH

As a youth, Roosevelt was aware of the problems and practices of con­
servation through the operation of his parents' Hyde Park estate. His seri­
ous interest in the subject began in 1911 when he was elected to the New
York State Senate. At the time, the conservation problems of the entire
State were gaining increased attention in the Legislature. As the New York
representative to the National Conservation Congress in 1913, Roosevelt be­
came informed on the conservation problems of the nation. 328

By 1933, while the attention of the people was focused on the sagging
economy of the nation, two less-publicized problems facing America had
grown to almost epidemic proportions -- non-conservation of the nation's
resources and non-employment of the nation's youth. Roosevelt planned to
attack both of these economic conditions with one stroke -- by creating the
Civilian Conservation Corps. During his 1932 nomination acceptance speech,
Roosevelt described a plan for action to convert "... millions of acres
of marginal and unused land into timberland through reforestation . . . .
In so doing, employment can be given to a million men." 329

Lawrence had noted in an editorial that unemployed youth would be a
special case for social concern during the depression. Decreasing family
finances would force many students to leave school early. Because these
young men would not have dependents, society would have less sympathy for
them than for an unemployed family man. "The social implications of depres­
sion may be far more serious than the immediate pressing economic evils,"

warned the editor. Roosevelt's proposed program might eliminate the problem of unemployed youth.

Arthur M. Hyde, Hoover's Secretary of Agriculture, attacked the Democratic candidate's plan as being expensive and unworkable. Editor Lawrence quickly came to Roosevelt's defense, in an editorial entitled "Weeds or Trees." He wrote that, if his memory served him correctly, it was a Republican Roosevelt who first suggested the reforestation plan which FDR now proposed. The editor pointed out that the nation's timber supply had been heavily used for fifty years. In spite of what Secretary Hyde said, there was no surplus of timber supplies, contended Lawrence. If marginal land was taken out of farm production and planted as forest, the program would pay for itself in fifty years by increased timber supplies. Between Hyde's advice that land be laid idle to grow weeds, and the Roosevelt plan of growing trees, there could be only one choice, and that was not the Secretary's, wrote Lawrence. He suggested that Hyde should spend his time trying to explain the Hoover administration failures in agriculture instead of commenting on Roosevelt's programs.

The forestation of marginal lands was attacked by the Republicans again in the fall of 1933. Lawrence commented that the forestation plan was not political in nature, but was built on sane, common-sense use of human experience. One of the forest projects which Lawrence described was in Missouri. The Government had acquired land, "worthless except for recreational purposes and to support forests." Lawrence saw the immediate benefit of the

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project as the employment of nearly 5,000 men. Moreover, an additional and indefinite benefit was the building up of additional timber reserves for the nation. The soundness of the program would be appreciated more in twenty-five years than it was at the time.

The forestation plan was not to be confused as an attempt to reduce surpluses in grains, wrote Lawrence. The land which had been used for planting trees was not land that had been producing grains. The prairie states, where the problem of grain surpluses existed, were not normally timber growing regions. With care and supervision, however, it would be possible to grow trees in these states. Lawrence wrote that, providing there was water available, millions of acres in Nebraska and other Midwestern states could be put into forests. The planting of this area into forests would furnish additional work for the CCC.

Roosevelt may not have originated the idea of the Civilian Conservation Corps, but he was intensely interested in its concept of action. "He saw it big," wrote Frances Perkins. "He thought any man or boy would rejoice to leave the city and work in the woods." In fact, Roosevelt had four objectives for the CCC program: to employ 300,000 men, thus keeping them off the streets; to send most of their pay to their families; to coordinate the

332 Ibid., August 14, 1933; January 2, March 29, 1934.

333 Nixon [FDR and Conservation, I, 99, 100.] quoted letters to Roosevelt from conservationists, dated in 1931, recommending such a plan. However, Schlesinger [The Coming of the New Deal, 337.] wrote: "The mechanics were vague in the President's mind, and ... he turned it over to Louis Howe to work out." In addition, Frances Perkins [The Roosevelt I Knew, 177.] wrote that the project was really all Roosevelt's.

334 Frances Perkins, The Roosevelt I Knew, 177.
program with the overall conservation program; and to build character into
the coming generation.

The bill was introduced into both Houses of Congress on March 21,
1933, accompanied by a message from the President. In it he outlined the
program. Workers would be enrolled for public employment, but there would
be no competition with normal employment. The work undertaken would be
limited to forestry, prevention of soil erosion, and similar conservation
projects which would be of practical value, both at the time and for the
future. The control and direction of the program would be by the Depart­
ments of Labor, Agriculture, War, and Interior. No additional funds would
be required at first because unobligated funds were available to sustain
the program for several months. Aside from the material gains which would
accrue from the program, the President said that the moral and spiritual
gains would be great and more important. 335 This was the second measure
requested by Roosevelt after he assumed office, indicating the importance
he placed on conservation.

Opposition to the measure was not long in coming. Organized labor
called it militaristic because the Army would be recruiting and supervising
the program. Labor spokesmen felt that it would degrade labor because of
the "no discharge" provision and the low, fixed pay. To placate labor, the
Senate amended the bill to eliminate the fixed wage and term of enlistment,
and the conditions of employment were left to the President. The Senators
themselves criticized the fact that no limitations were placed on the kind
of projects on which the President could use the workers. Representatives

335 Roosevelt, On Our Way, 40-43.
of states with little public land feared that their state would not benefit from the proposed work. And, several amendments were made to eliminate these criticisms. 336

Never one to condone tampering with Roosevelt's programs, in an editorial on March 25, 1933, Lawrence wrote that "it was too good to last." While politics had been adjourned during the initial stages of the emergency, when farm relief and unemployment measures came to the floor, the picture changed. Because the key word of Roosevelt's program was action, the editor asked Congress either to act quickly or give the President authorization to do so. The nation had confidence in Roosevelt but "delay and filibuster are the greatest threats for dissipation of that confidence," warned the editor.

To the objection that the CCC pay was too small, Lawrence countered that the President had not expected to "pull full-fledged jobs out of thin air." Partial relief was all he hoped for. "Besides," Lawrence added, "if the salary were handsome, it is doubtful whether the Corps would ever be detached from the public payroll . . ." Americans did not want a dole or Russian sovietism; they wanted action. And they wanted immediate action. 337 After a hard fight and several amendments, the measure was passed on March 30, 1933, and the President signed it the next day. 338

On February 20, 1934, Lawrence ranked the CCC as near the first of the administration projects because it built for the future by taking the discouraged, idle young men and putting them to work and "out of the field

of temptation." In addition, it taught them discipline and self-respect. They would take home a useful occupation which they had learned in the Corps. The editor was sure that many of the young men involved in crime would have led proper and useful lives had they had the CCC training. "The CCC has rescued thousands of these young men," he wrote. 339

A year later Lawrence possibly remembered that editorial when he commented on the report issued by Nebraska State Reformatory Superintendent, Gus Mill. Mill reported that the population of the reformatory was only 306, compared to 422 in 1933, an estimated savings of $30,000 in costs. It was the conclusion of the Superintendent that the CCC program was a contributing factor in the decrease in the number of inmates. Even including the financial savings, Lawrence wrote that the most important feature of the Corps was that it maintained the morale of the youth and kept them "in the path of rectitude." Future generations would look upon the CCC program as "... one of the most helpful and beneficial features of the recovery program." 340

In March 1934, Lawrence applauded the announcement of approval for five new CCC camps in Nebraska. These camps, he wrote, would give work in the summer sunshine to at least a thousand young men. The editor was sure that it was best for Nebraska men to be stationed in Nebraska. They could work better near home because they knew the soil and the climate. Also, their families could visit them, and mail between home and camp would flow more rapidly. The state and local communities would benefit by the money spent for materials, and by the improvement of natural beauties and recre-

ational facilities through the work of the CCC. As a by-product of the CCC program, the public was taking an increased interest in conservation and allied activities. Nebraska was appreciative of the Federal Government for fostering such a program, commented Lawrence.\textsuperscript{341}

To Nebraskans, nothing was more important than conservation of the soil. The CCC had done a highly useful job of conserving the natural resources of the State. Their work was demonstrated to be timely, important, and necessary by the dust storms which had plagued the Middle West. While recounting these deeds, Lawrence reminded the reader that the conserving of the youth was the most important end product of the program. Without the opportunity which was afforded by the CCC, the editor was certain that many of the lads would have ended up as "knights of the road," acquiring habits of idleness and crime.\textsuperscript{342}

In the CCC camp schools, the men were "... studying almost everything from forestry to higher mathematics, English and History," reported Lawrence. Also in the curriculum were such diverse subjects as fire prevention, surveying, geology, banking, and cooking. Forestry was an especially popular subject, and Lawrence was certain that many youth would enter the Forestry Department when they terminated their enlistment with the CCC.\textsuperscript{343}

It was not only the youth who gained good experience from the CCC. In a Cabinet meeting, Secretary of War George Dern reported that the Army had

\textsuperscript{341}\textit{Ibid.}, March 24, 1934. \textsuperscript{342}\textit{Ibid.}, April 9, 1935; March 19, 1936.

\textsuperscript{343}\textit{Ibid.}, February 20, 1934. "Of all the forest planting, public and private, in the history of the nation, more than half was done by the CCC." Leuchtenburg, \textit{FDR and the New Deal}, 174.
received valuable experience in handling the CCC program. "They had to learn to govern men by leadership, explanation, and diplomacy rather than discipline. That knowledge is priceless to the American Army," he informed the President.  

Quite possibly the American Army of World War II benefited considerably from the training and experience which was given and received in the CCC program.

Nonetheless, the CCC did not escape being part of the political football in the Presidential campaign of 1936. In the Republican convention keynote speech at Cleveland, Senator Frederick Steiwer said that young men were "... compelled by the false economics of the New Deal to exchange their American opportunity ... for enrollment in a federal camp." In countering these allegations, Lawrence cited an Institute of Public Opinion poll recently taken which found that, nationwide, eighty-two percent of the people favored the CCC program. Seventy-one percent of the farmers and ninety percent of the young voters said they approved of the CCC. Senator Steiwer had raised an unpopular battle cry and appealed to prejudice, wrote Lawrence. The men did not forsake private enterprise to join the Corps. They had come out of school only to find that the nation could not use their services. The editor commented that it was a partisan audience which applauded Steiwer's speech, but he felt that the public opinion poll more nearly reflected the sentiment of the nation.

Editor Lawrence would later write that the CCC should receive credit


345 Star, July 6, 1936.
for the fact that snow continued to cover areas where the Corps had worked, furnishing much needed moisture during the winter of 1936-1937. Continuation of the CCC was a feature of the Roosevelt recovery program with which even his most rabid critics could not find fault.\footnote{346} The drought having played such an important place in the lives of Midwest farmers, anything which was done to alleviate the effects of water shortage was of interest to Lawrence and his readers.

III
WATER, WATER, NOWHERE

In the middle of the Nineteenth Century, one obstacle to the settlement of Nebraska was the description of the area as part of the "Great American Desert." Dr. Samuel Aughey, Professor of Natural Sciences at the University of Nebraska wrote a book in 1880, rebutting this description. In the book he set forth the theory that "rainfall follows the plow." The validity of his premise seemed to be borne out as the farming areas of Nebraska and rainfall increased apace during the 1880s. Bitter experience was to prove that Nebraska could not be farmed in the same manner as land east of the Missouri.

"The acquisition of that experience was a major factor in Nebraska's economic and political history," wrote James Olson, Nebraska historian. After it had been determined that the State had little in the way of marketable mineral resources, Nebraskans realized that the State's best resource was its soil. The key to successful agriculture was water. After different and fruitless

\footnote{346} ibid., January 13, 1937; April 23, 1938.
attempts at rainmaking, conservation was accepted as the solution to the problem of a limited water supply. Conservation of the soil was practiced as an additional measure to support the State's principal economic activity, agriculture. By 1930, diversification of crops and crop rotation provided conservation and stability to offset the hazards of one-crop farming. The Roosevelt administration would attempt several measures to improve conservation of land and water.

During the campaign of 1932, Roosevelt described his plan for water developments, quoting the views of George W. Norris as being similar to his own. After he was installed in office, Roosevelt surrounded himself with men who were as interested in conservation as himself. The ambitious program which they developed included irrigation, resettlement, and rehabilitation, plus increasing the number and size of national forests and parks. Unfortunately, the efforts of the administration were not far enough advanced to erase the effects of the drought of 1934. In Nebraska, the rainfall was little more than half of the average during the April to August growing season.

If the conservation efforts of the administration were of no avail, at least Washington could do something to ease the situation. Once again as during the banking crisis, wrote Lawrence, the President speedily made up his mind on a course of action. This lack of hesitation was a quality which was responsible for Roosevelt's popularity with the people. To Lawrence,

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347 Olson, History of Nebraska, 173-175, 321-324.

the greater the emergency, the better and faster Roosevelt operated. When he had ascertained the facts of the drouth, the President determined that one billion dollars would be needed, and the program was initiated. To Lawrence, it was comforting to know that the nation had a leader who had the heart and the courage to meet emergencies with decision and action.349

Even as the drouth of 1934 was taking its toll in Nebraska, Lawrence wrote that it was time to plan on a course of action to be taken during the next fall and winter. Washington had granted $525,000,000 for drouth relief, allocated for seed supply, livestock maintenance, and other farm needs. The editor suggested that the Nebraska Congressional delegation meet with the State Relief Administrator and prepare Nebraska's case for presentation in Washington. Politics should not enter the picture; the question was what to do in this emergency situation. If action was not planned soon, Nebraska would suffer compared to other states which had begun vigorous steps toward relief requests. "Only those who ask, and ask rather insistently, receive," the editor warned.

Lawrence suggested several areas in which relief aid could be applied. Of special interest were the livestock herds in the State. The high level of stock development was a result of years of breeding. Work and money had been invested. The editor realized that it would be unreasonable to expect the Federal Government to feed all of the herds in the State, but some special consideration should be shown to Nebraska. Besides the livestock, money could be spent on the Nebraska road system and permanent projects such

349*Star*, June 9, 1934.
as flood control work on the rivers throughout the State would give immediate relief work and at the same time provide a long-range, positive benefit to the economy of the State. "Never in the state's history has a congressional delegation had a greater opportunity to serve its constituency than at present," he concluded.350

The most pressing of conservation projects in the State were those involving the rivers. In January 1934, Senator George W. Norris wrote to the President, recommending that funds be made available for a survey of the Missouri River basin, with the intent of improving those rivers in the basin. A Mississippi Valley Committee was formed, under the Public Works Administration, to make such a study on a broader scale.351 The state of Nebraska made application to the PWA for funds to accomplish work on the Sutherland Reservoir on the Platte River, and on the Middle Loup River near Columbus.

In March 1934, editor Lawrence discussed the objections which Secretary of the Interior Ickes had voiced to the water right permits which were granted by Governor Charles Bryan. It was imperative that the Governor make an immediate settlement of the problems which were causing the deadlock, warned Lawrence. If immediate action was not taken, the allotted PWA funds might be rescinded. "It is unthinkable that these projects should be sacrificed," wrote Lawrence. The funds represented the largest sum which the Federal Government had directed to be spent in Nebraska. This meant a great deal to the State and the people. Lawrence regretted that the discussions over differences were being conducted by letter and telegram when it would have

Lawrence was interested in reporting a protest by the United Mine Workers against approval of the Sutherland and Columbus projects. The UMW objected because the electric power generated by the projects would decrease the market for coal, and thus reduce employment for their union members. The editor reviewed what he called the "tarnished record" of the Union's efforts at preservation of employment for its members. The recent troubles fomented by the Union leaders had caused loss of work and wages for the membership in the name of recognizing the Union. Lawrence gave credit to the organized labor groups within Nebraska who had refused to endorse the mine Union's protest.

It was with pleasure that Lawrence announced the "Good News" that the differences between the State and the PWA had been settled, and that construction totaling fifteen million dollars would start shortly on the Sutherland and the Columbus River projects. The projects would improve the status of planned agriculture in Nebraska. The settlement also meant that other watershed projects within the State had a better chance of being approved.

"Looking Ahead" to future projects, Lawrence revealed the report of a special waterways committee which had been filed with the President. If and when the projects were realized, it would mean a new Nebraska. The major project was for the Platte valley. It would cost sixty million dollars. The waters would be impounded and conserved for the ultimate purpose of

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354 Ibid., March 21, 1934.
diversion to irrigation. Hydroelectric power would be a by-product. Lawrence did not consider sixty or seventy million dollars as too much money to spend for the happiness of the millions who lived in the valleys. They had settled the land and worked to improve their farms, until now the assessed valuation of the area was more than $200,000,000. Seventy million dollars was less than the price of four battleships which, in 30 minutes, could be sent to the bottom to rust. Lawrence also compared the money to be spent with the $183,000,000 which had been spent on Boulder Dam, and the $60 million spent on the upper Colorado River. "Nebraska (was) not asking for a gift horse," contended the editor. She would repay the money by the same toil with which she had always been adding to the country's wealth.355

Lawrence was amazed when the FWA Board of Reviews refused to approve the Middle Loup valley for an irrigation project in August 1934. The refusal was not based on objections to the plan, or that it was not necessary and desirable. The application was disapproved because of the security offered, namely, revenue bonds. The Board insisted on general obligation bonds. This was a contradictory position. The reasoning amazed Lawrence because two other developments within the State had been approved, using revenue bonds for collateral. In fact, all of the proposed watershed developments in Nebraska had been organized under the provisions of the same State law, passed in anticipation of these programs and declared constitutional by the State Supreme Court. It was the opinion of the editor that the good name

355Ibid., June 6, 1934.
and character of the people of Nebraska were the best collateral available for the projects. The farmers had proven themselves industrious, thrifty, and respectful of their obligations.356

A month later, Lawrence was at a loss to explain the deletion of Nebraska projects from consideration due to lack of funds, and the excuse that Nebraska had already been over-allocated on funds. The editor admitted that Federal funds should be spent on internal improvements only when the project was of a desirable and valuable nature. However, deletion because a State had been over-allocated did not make sense. Deserving projects should be undertaken regardless of geographical lines. The drouth should have proven an argument for the urgent need of water conservation in the Midwest. If the work was not accomplished and the reckless practices of the past were continued, the result would be disaster to the area and the country in a few short years.

The projects which were being considered were not intended to aid in increasing production. Instead, the use of irrigation would allow the abandonment of hill farming which had been marginal and precarious. These farmers would be relocated onto valley farms where they could operate small, balanced, and diversified farms, with more assurance of success.357 The people of the State were behind Senator Norris when he laid plans for a Missouri Valley development program. Anything that would prevent the loss of homes and population, and the destruction of the basic farming industry, was of interest to Nebraskans. And Senator Norris deserved their support.

356Ibid., August 30, 1934. 357Ibid., October 3, 1934.
and their gratitude for his efforts in their behalf.358

Another blow to the water projects in Nebraska was delivered in December 1934. The editor reported that applications from Nebraska were given a classification of "B". An "A" classification indicated those plans which should have immediate action. To Lawrence this lower classification for Nebraska projects was surprising and contradictory. By another survey of the PWA, only a small slice of Northwestern Nebraska was considered exhausted or non-fertile and recommended to be taken out of production. This meant that the remainder of the State should continue to produce. And yet the farms of the Loup and Tri-County areas needed water if they were to continue any production at all.

The editor considered that "there [was] a direct conflict between the board's findings upon land retirement, and its recommendations for conservation of natural resources." In addition, the summary and recommendations of the Board were misleading. They showed a lack of familiarity with conditions within the State and even a lack of knowledge regarding the basic facts of water control. Lawrence recommended that the members of Nebraska's Congressional delegation study the report and findings of the survey committee, so that they would be able to present arguments on behalf of their State. The editor wrote that if the population of America increased to 180 million or possibly 220 million, all of the available farm land would be needed to feed the people. And Nebraska could be a great factor in the program, if proper conservation programs were adopted in time.359 It would

358 Ibid., November 27, 1934. 359 Ibid., December 26, 1934.
be two years before funds were allocated for the Nebraska projects.

In August 1936, editor Lawrence reported the good news from Wash-
ington that the applications for the Loup River projects had been approved
and that funds had been allocated for construction. The farmers of that
area had just lost another crop because of the summer drouth. It was iron-
cical that the rivers flowed with plenty of water past the dry fields, with
no way available for irrigation. The projects would change all of that,
and 67,000 acres of the best land in Nebraska would be safe from drouth.
The projects also meant work for the farmers of the area who had lost
everything three years in a row, who could use the employment. The people
of the area, their homes, and their cities, were entering into a new era of
progress and development which would add to the economy of the State, and
be a reward for their pioneering efforts. Senator Norris deserved the con-
gratulations and the thanks of the State for his efforts in behalf of the
Loup River projects.360

Of course, not everyone was thrilled about the expenditure of Federal
funds for water conservation in Nebraska. Lawrence commented that the Chi-
cago Tribune had been after the President for such expenditures. The Tribune
contended that such actions were at cross-purposes with another administra-
tion policy of reducing farm production. "Nothing could be further from the
truth," countered Lawrence. As he described it, water storage for irrigation
was the only method by which land could be taken out of the production of
surplus crops and used to produce diverse crops which had no surplus. In

360 Ibid., August 15, 1936.
most of the areas which would be irrigated, corn was not grown in surplus. In fact, the livestock men were forced to import corn for feed, adding the freight charges to their cost of production.361

There were not only out-of-state objections to the irrigation projects. The Lancaster County Weekly of August 19, 1936, had an editorial entitled "Again We Lose." In it the editor reported that the FWA had allocated two million dollars for the Loup River projects. "Loup River waters will be impounded . . . and the natural flow of the Platte River will be reduced by a large volume," he contended. It was the opinion of many that use of the Platte water to the West had a bearing on the rainfall in the eastern part of the State. The subsurface water level had been lowered, causing wells and springs to go dry. With the construction of the Loup project, the available water would again be decreased. The water that the Loup farmers would use belonged to the farmers of the southeast section of the State.362 Apparently, editor Lawrence made no rebuttal to this editorial. However, he did write on the drouth and its effect on the 1936 election campaign, and how both the drouth and the campaign affected the Nebraska water conservation program.

After a better-than-average rainfall in 1935, 1936 was again a year of drouth. It being an election year, Lawrence wrote that nature had written her own farm plank upon the land. It was estimated that the loss due to the drouth might rise as high as three-quarters of a billion dollars, affecting half a million farm families. Again, wrote Lawrence, what was needed was

361Ibid., August 7, 1934. 362Lancaster County Weekly, August 19, 1936.
a permanent farm plan, but an emergency measure to take immediate care of an emergency situation. And again the people would turn to the man who had done so much to aid them during the past three years. 363

In the East, however, Roosevelt was unpopular because he spent tax money on the Midwest for conservation and relief. Before he took office, three-fourths of the tax money went to seaboard areas for harbors, public buildings, ship buildings, and other Federal programs. The middle states were considered only as a bread basket to furnish cheap food for the industrial areas. Any conservation program should be a local, not a Federal project, the Easterners thought. To Lawrence and the people of the Loup valleys, the granting of Federal funds was just using good common sense because it concerned the future of the nation as a whole. To them it was another example of the farsightedness of the Roosevelt program. 364

The President had done much during the hot, dry simmer to earn the confidence of the people, wrote Lawrence in September 1936. He had demonstrated a knowledge of the drouth situation and had presented a solution to the problem. It was unfortunate, continued the editor, that it was an election year and that politics had caused the raising of dust in the political skies which had clouded the issues. The people of the Midwest were aware that the region had faced a major crisis during the summer, and they were in favor of Roosevelt, who had demonstrated his ability to deal with the crisis. 365

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363 *Blue Book 1940*, 396; *Star*, July 20, 1936.
Henry A. Wallace, Roosevelt's Secretary of Agriculture, also received editorial praise from Lawrence during the winter of 1936. He had become a member of the cabinet at a time of great crisis. With the President, he preached a new faith, a new concept in agriculture. America had practiced depletion farming, taking all out of the soil. It was the responsibility of Wallace to direct the farmer along a different line: soil conservation, water conservation, and ordered agriculture. Some scoffed that it was a plan to control nature. Some were reluctant to accept the new ideas, preferring to retain the same methods they and their fathers had used. But the farmer soon saw the wisdom of the new program and accepted it. The implementation of the concept of controlled agriculture took several forms during the administration of President Roosevelt.

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366 Ibid., December 16, 1936.
In an editorial entitled "What the Farmer Got for $500,000,000," editor Lawrence described the activities of the Hoover Federal Farm Board. He attributed the origin of the Board directly with the President, and with him Lawrence placed the blame for its failure. To the editor, the plan was not feasible in its concept. Buying up products to bolster the market only encouraged over-production. The surplus in storage drove down the prices. When the Government attempted to sell its stores abroad, the prices again dipped. "Thus the farm board maintained a consistent record as a demoralizing influence on the prices of farm commodities," wrote Lawrence. Not only did it affect prices but it also was a drain on the Treasury. Abolition of the Board was one way to help balance the budget.367 Clearly, some method other than the Farm Board was needed to help the farmer out of his predicament. The Democratic Presidential Candidate spoke as if he had the solution.

In a speech before the Governors' Conference in 1931, Roosevelt had said that the victims of defects in the nation's social and economic life were beginning to ask why the Government did not act to protect them. He stated that he believed it was the Government's responsibility to act. His primary interest was land utilization. This involved programming the land for optimum usage, making farm life more attractive, and getting people to cooperate with the program.368

368Rosenman, Paper, I, 480-495.
AGRICULTURAL ADJUSTMENT, BEGINNING WITH WHEAT

The essentials of his farm plan were outlined by Roosevelt in his campaign speech at Topeka, Kansas, in September 1932. The plan must finance itself; it must use existing agencies; it must be on a cooperative basis, voluntary if possible; and it must be withdrawn when the emergency is over. "Farming has not had an even break in our economic system," he contended. Henry Wallace wrote that "agriculture cannot survive in a capitalistic society as a philanthropic enterprise." If elected, Roosevelt was committed by the Democratic platform to recommend legislation which would assure the farmer a profit. Editor Lawrence endorsed the Roosevelt plan, asking the public to maintain an open mind because it had phases which were new to the nation. His selection of Wallace, a Republican liberal, was an example of his desire to have a working team, regardless of party affiliations. When Wallace learned of the special session of Congress called to meet the banking crisis, he asked the President if it would be possible to include agricultural legislation in the agenda. With the approval of Roosevelt, telephone calls assembled farm leaders to Washington for planning conferences.

Approximately fifty leaders of farm organizations and farm paper representatives came on short notice. Wallace remembered that because of the banking emergency, some had difficulty getting cash to pay their train fare, but they made it. The atmosphere of imagination and bold action which pervaded Washington affected the conferees, and the meetings

369 Rosenman, Papers, I, 693-711; Wallace, New Frontiers, 139.
370 Star, November 26, 1932.
lasted only a day and a half. Without the usual speeches and rehashing, approval was obtained to grant broad powers to the President. The idea of parity was also accepted, not only as a goal but as a limit. After a Saturday afternoon conference with the President, work was started on a draft of the bill.  

When he gave the signal to go ahead with work on the measure, Roosevelt realized they were tackling a tough problem with no assurance of success. Though written under pressure, Wallace considered that the resulting bill was a logical crystallization of solutions to the farm problem. He reported that the majority of farmers who attended the conference considered the bill as the first ray of hope they had seen in a long time. Historian James Burns, however, wrote that the bill was drawn up by representatives of the large farm organizations, and that the viewpoints of the smaller Farmers' Union and the independent small farmer were ignored. Roosevelt himself, at a press conference in March, admitted that any farm plan would be in the nature of an experiment. He argued that the plan should be tried, "... and if the darn thing doesn't work, we can say so frankly ...".

Five days after they started work, the completed bill was presented in the House. Roosevelt's accompanying message spoke of the

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371 Wallace, New Frontiers, 162-164.

372 Wallace, New Frontiers, 165; Burns, The Lion and the Fox, 193-194; Greer, What Roosevelt Thought, 69.
plan as an experiment on an untrod path. Lawrence had written earlier that Roosevelt had given the farmers hope by stating that he would keep track if his first efforts were not successful. The Presidential goal was eighty cent wheat by mid-1933. Not everyone was as enthusiastic as Lawrence about Roosevelt's experimentation. A cynical ex-New Dealer, John Flynn, later wrote that Roosevelt had promised the voters:

"... they would see no cruel jokes like plowing up cotton or not planting wheat or buying up crops to raise prices... He had a plan, he said which would not cost the government a dollar. [sic] Whatever became of that plan we shall never know."

Whether it conformed to the original Roosevelt plan or not, the new measure -- the Agricultural Adjustment Act -- designed to restore the farmer's purchasing power, was signed on May 12, 1933, after a long debate in Congress. Many Congressmen, on both sides of the aisle, did not understand the measure and were therefore apprehensive. In the House, where debate could be limited, there was little delay in passage of the bill. In the Senate, debates and proposals of amendments kept the bill from a vote for some time. The main forces of opposition were the inflationists like Burton K. Wheeler, Huey Long, and Tom Connally. They wanted additional monetary remedies written into the bill. Seeing defeat of the basic measure, or passage of unwanted amendments, the President finally approved an omnibus amendment submitted by Elmer Thomas of Oklahoma. It gave permissive instead of mandatory infla-

tionary controls to the President. The threat of a farmer's strike on May 13 by the Farmers' Holiday Association was the push needed for Congress to pass the bill on May 12.375

Even as the proposed AAA was being debated, Lawrence was giving Roosevelt the credit for improving the farm situation. Corn was selling for twenty-one cents a bushel, double what it had been in the recent past. Pork was up $1.00 a hundred weight. The editor chided the Nebraska Legislature for floundering, and suggested that it follow the President's dynamic lead. Regarding this leadership, Lawrence wrote that Roosevelt's stewardship needed no explanation. It spoke for itself. The nation had never seen such a transformation in a people's state of mind. The firmness and positive action of the President was what the nation had been looking for after the period of indecision and delay. The country was not out of the woods yet, he wrote, but a start had been made. Roosevelt had made a greater advance in two months than most Presidents made in two years.376

To implement the program of agricultural adjustment, Wallace did not feel bound by precise planning, except for use of natural resources. He considered that the national objective should be man-

375"Probably never had so much social and legal inventiveness gone into a single legislative measure." Schlesinger, The Coming of the New Deal, 39-42; Leuchtenburg, FDR and the New Deal, 51.

376Ibid., April 3, May 6, 1933.
agement of the economy, so that a balance would be maintained between the income of agriculture, labor, and industry. The first step in the problem of overproduction of wheat was to ease the surplus. This was undertaken by an International Wheat Agreement reached in London. It provided for acreage reduction and export limitations in the United States, Canada, Australia, and Argentina. The reduction quota for the United States was fifteen percent. Besides the agreement, an export company was formed which subsidized exports of white wheat to the orient. Wallace realized that the first step probably would not work and that subsidized exports were not the answer, but they were actions as a start. After the surplus had been eliminated, the AAA could work on adjusting production to needs, not buying power.

The editor of the Lancaster County Weekly, G. A. Spidel, wrote an editorial in June 1933, in which he pointed out that the chief beneficiaries of benefits from an acreage reduction plan were those who had been the most shortsighted and had maintained their wheat acreage or increased it in the face of overproduction. Those who had reduced their acreage were not in a position to reduce further. Wallace admitted that the prospect of benefit payments was what attracted the interest of the average farmer to the AAA program. When the county

377Wallace, New Frontiers, 22, 184.
378Lancaster County Weekly, June 27, 1933.
production control associations were formed, the main question was, "When will the Government checks start coming in?" When it came to determining production figures and making allotments, the first figures were not too accurate because they came from memory, and it was human nature to inflate so as to look better and receive more benefits. Publication of the figures tended to increase their reliability.

Wallace realized that under ordinary circumstances, it would be difficult to get farmer, miller, baker, and consumer together and have them agree on a plan of price support. But under the pressure of crisis, the conferees did agree to the plan. The final plan agreed on was domestic allotment and acreage reduction. Fortunately for the Department, unfavorable weather reduced wheat prospects before it was found necessary to plow under crops in 1933. This saved the press the necessity of writing about the logic of plowing under wheat while millions lacked bread. Fortunately also for the administration, the farmers accepted the program.379

An editorial in the Lancaster County Weekly gave three reasons for the "unexpected friendliness" exhibited by farmers for the wheat adjustment plan. First, the plan was voluntary, and no stigma was attached for nonparticipation. Second, the administration of the plan at the local level was in the hands of farmers. Third, the financial remuneration for compliance was generous. "Wheat growers are not

379Wallace, New Frontiers, 170-172. Approximately 470,000 head of Nebraska cattle were bought by the Government in the fall of 1933, under an emergency livestock reduction plan. Olson, History of Nebraska, 309.
hard to find who have a place to put the benefit payment," the editor commented. 380

Editor Lawrence was encouraged to report that Kansas was the first state to report 100 percent approval of the two-year program in 1933. He considered Kansas as the key to whether the plan would be accepted nationally. In 1930, Kansas produced one-fourth of the nation's wheat requirements. The editor realized that the attitude of Kansas farmers was different in 1933 than it had been in 1930. This was due, oddly enough, to that enormous 1930 crop. "It caused heavier losses than if the farmers had not undertaken to plant so much land," he said. It had been a rude awakening to the Kansas farmer. 381

In his fireside chat of October 22, 1933, the President voiced amazement at the cooperation given to the Government by the farmers. He was happy to report that the farm commodity prices were up, but attributed this to speculation. He said that he was not satisfied with either the amount or the extent of the price rise, and made it clear that it was the administration's policy to increase the rise and extend it to those products which had not received benefits. "If we cannot do this one way, we will do it another. Do it, we will," he promised. 382

380 *Lancaster County Weekly*, August 1, 1933.

In spite of the promises of the President, farm prices sagged again after the midsummer advance. The cost of living had gone up due to the NRA. Farm Holiday movement leaders convinced five Northwestern Governors that they should go to Washington to get a code for agriculture similar to the one for manufacturing. The Holiday leaders preached that the Government should fix farm produce prices. The Governors' group met with Secretary Wallace and presented their request. He later wrote that they were under the spell of farm interests, and were not as concerned about the broad national view as was the administration.

The Secretary agreed with the Governors that a code should be established for agriculture to insure cost of production to the farmer. However, he pointed out that the Huey Long amendment to the NRA prohibited interference with the free marketing rights of the individual farmer or laborer. The Governors suggested a substitute action to license processors and dealers so that they could not purchase products except at a high price. When it was pointed out that this might be illegal or unconstitutional, one of the Governors commented, "Hell, what's the Constitution between friends?" Wallace then showed the Governors that such a program would require compulsory control of quotas to each farmer, thus regimenting the entire range of agricultural activity. The Governors realized that this was unacceptable and impossible. Some other plan was needed.

Among the farmers, the decline in farm prices came close to touching off a farm strike. Among other actions taken by disgruntled Midwesterners,

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Governor William Langer of North Dakota imposed an embargo on the wheat shipments to market from that State. Editor Lawrence commented that it helped the Governor politically, but it flopped as an aid to the farmers. Such freak remedies, he wrote, could not lift agricultural prices back to their 1926 levels. Recovery could be accomplished only by a broad national policy to include all facets of the economy. President Roosevelt had such a plan for the nation to go forward together. As Henry Wallace wrote, "The hard but necessary first lesson we all must learn is that we cannot prosper separately."384

In May 1934, Lawrence sadly described the reason why wheat futures on the Chicago exchange passed the dollar mark. Dollar wheat was the magic word because that price usually meant prosperity for the farmer. In this case, dollar wheat meant that drought had ravaged the countryside. In a drive over the State, the editor saw a few pieces of wheat which might make a partial yield. Some farmers were feeding the wheat as a substitute for burned-up pastures. As a result of the drought, the Nebraska wheat yield was only half of the 1933 yield but the farmers' income was $13,300,000, compared with $18,600,000 for the 1933 crop. It was a bitter way to get a per-bushel increase in price.385

As a substitute utilization for the wheat and corn land taken out of production, Lawrence suggested the growing of sugar beets in the western part of the State, and possibly fruit for the eastern part. There was a

384Star, January 16, 1934; Wallace, New Frontiers, 29.
385Star, May 31, 1934; Blue Book 1940, 386.
small amount of sugar beets grown in Nebraska already. The harvest of 1930
was 1,136,000 bushels. Because of the anticipated added interest in growing
beets, the editor found it hard to be sympathetic towards the Cuban and
Philippine sugar growers, even though Roosevelt had dedicated the nation to
the "good neighbor" policy. Lawrence carried on an editorial barrage in
1933-34 as he attempted to aid the domestic sugar beet growers in their fight
to avoid Governmental "interference." This was one part of the AAA program
with which he was not in full agreement. One reason that he was fighting on
the side of the beet growers was that, although small, he considered the
industry important in the diversified farming plan of the State. Beet pro-
duction had retired a large acreage from other over-produced grain crops.386

Lawrence objected when the administration announced its plan to place
a processing tax on sugar and to pay beet growers to reduce their acreage.
To the editor, the processing tax on grains and hogs made sense because of
overproduction. But, he pointed out, there was no surplus of sugar — the
United States produced only a quarter of its needs. In such circumstances
it would be better to expand domestic production rather than limit it. As
well as becoming self-sustaining, the wages which were paid field and factory
workers would aid the economy and keep them off the unemployed rolls. He con-
cluded, "The plan is void of merit of any character."387

In lieu of the administration plan, the beet growers asked that they
be allowed to work out their own program without "price fixing or a raid on

386 Star, August 3, 1933; March 10, 1934; Blue Book 1940, 387.
387 Star, January 13, 1934.
the treasury." This was the substance of a letter from the National Beet Growers' Association to the Secretary of Agriculture, quoted by Lawrence. Commenting on the letter, Lawrence was certain that Wallace could not act contrary to the wishes of the producers. The editor himself had a simple plan by which the Government could aid the beet grower and it would cost nothing. By applying import quotas on cheap foreign sugar, the domestic suppliers would be assured a good market. A reduction in imports was not implied, only the prevention of a threatened increase.  

Lawrence reported that when discussing the proposed sugar processing tax plan, Secretary Wallace commented to the Senate Finance Committee that he thought the growing and processing of sugar beets was an inefficient industry. The editor wrote that he would be interested in learning what Wallace considered an efficient industry, his ideas appearing very fantastic. For months, Lawrence observed, Wallace had been paying out millions of dollars to help grain, fruit, cotton, and other farmers whom he considered efficient, when the "inefficient" beet industry had not asked Uncle Sam for a single dime. This suggested to the editor that Wallace might be shooting off target.  

After the sugar beet industry came under the AAA, Lawrence warned the state Congressional delegation to insure that Nebraska got a fair share of the production quota. He had heard threats that Nebraska, Wyoming, and Colorado, which together produced a large portion of the sugar crop, might

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388 Ibid., January 11, 1934.  
389 Ibid., February 26, 1934.  
390 The Jones–Costigan Sugar Act was signed May 9, 1934.
have their acreage cut by fourteen percent while the small-production states of Michigan, Ohio, Indiana, and Wisconsin would be able to keep their total acreage.  

As part of his editorial aid to the beet growers, Lawrence asked the reader if he remembered twenty-five cent-a-pound sugar. It was in 1919, and European sugar growers had not recovered from the war. His comment was:

Cuban sugar growers then had "the world by the tail" and were able to squeeze people . . . for a price eight or ten times as much as their normal cost of production. And they made us pay the limit. The editor suggested that these facts be kept in mind in connection with the Government control of beet growers. The 1919 situation might be repeated, he predicted, if domestic sugar production was diminished and the nation had to depend on Cuban plantations and mills owned by those favorite Lawrence "bogeymen," Eastern capitalists. They wanted business, even at the expense of other Americans.  

The sectional strife which Lawrence acknowledged above was both East against West, and industry against agriculture. It was always the editor's contention that the industrial East, worn out agriculturally, sought to dominate the agrarian West. This was especially true when Lawrence wrote about the Eastern objections to spending Federal funds in the Midwest, either for farm subsidies or for relief.

The editor acknowledged that paying allotments to farmers, from funds received by processing taxes, placed a burden upon the large cities and

391 Star, May 19, 1934.  392 Ibid., August 9, 1933.
industrial areas by raising the price of foodstuffs. His defense was to reflect on what he called "the abuses of the past." The protective tariffs which aided the manufacturers had exploited the farming regions. The farming states had been bled white and produced enormously to furnish low-priced foodstuffs for the industrial areas of the country.

It was "Turn About" when the "Stuck Pig Squealed." The Magazine of Wall Street accused the Government of doing nothing to prevent an abnormally fast rise in food prices. The magazine commented that the urban consumer would blame the AAA and the farmer would blame the NRA, no matter what was done. Lawrence called this partisanship at its worst. He contended that low food prices hurt the wage earner. It meant idleness and low living standards because of the loss of the farmers' buying power. 393

The editor saw a new "Mason-Dixon" line forming. It ran North and South and divided the country into a section which clamored for cheap food, and a section of farmers who only asked a fair price for their products. Because it was vain to decry sectionalism, Lawrence applauded the Senators and Representatives from the agricultural areas who united in their common interest. One could not expect the industrial Eastern bloc to relinquish any of their power without a struggle. The editor felt that if the agricultural bloc could combine, it would have the strength to be an effective good for the states in the corn belt. 394

393 Ibid., August 21, September 6, 1934.

394 Ibid., December 12, 1934; October 30, 1935. Other examples of the editor's comments on sectionalism may be found in editorials on August 10 and October 25, 1935; January 13 and June 17, 1936.
The Midwest and the administration always needed friends in Congress to pass and then defend the various programs of the AAA. This was especially true of the AAA program to limit hog production by destroying shoats, and the taking of corn acreage out of production — at a time when many people in the country were going hungry.

II

THE END OF PIGLETS AND SURPLUSES

THE END OF THE AAA

The first crop which came under the control of the AAA was cotton. A quarter of the 1933 crop was plowed up. Unfavorable weather relieved the necessity of plowing under any of the wheat crop in 1933. This left corn as the major Midwest grain crop which needed control. Because most corn was marketed as pork, hog controls were a necessary corollary measure. With the corn-hog industry suffering under low prices, excess supplies, and reduced markets, the farmer wondered why Washington was doing nothing about their problem. This lack of action was especially strange because many of the Agricultural Department planners came from the corn belt.

Secretary Wallace wrote that it was not lack of interest but lack of any workable plan which delayed corn-hog relief. Domestic allotments for hogs was too complicated, and any reduction in corn production only pointed up the intimate relationship between corn and hogs; one could not be adjusted without the other. All that came from the farmers was pressure for action, without any helpful suggestions of a solution.

395 Probably because Nebraska had no cotton crop, Lawrence did not write editorials on that phase of the AAA.
The final choice as the best plan was a long-time program of corn acreage reduction and a reduction in the hog population by reduced breeding. The drawback to this plan was that it had no immediate effect on prices. How could the farmer-producer exist on $2.50 hogs and 35¢ corn? A request for solutions to the immediate problem returned the possibility that the Government buy up and slaughter five or six million shoats and sows so as to reduce marketing supplies for the winter. This would tend to raise prices. The edible portions of the hog carcasses would be distributed to those on relief. The Department, resigned to the public outcry which would result, agreed to the plan.

Wallace saw three grave dangers in the program. First, was the reaction of the public. Second, was possible unsatisfactory arrangements with the meat packers. Third, that the corn growers would not agree with any long-term program of acreage control. The farmer had to understand that this program was only temporary in nature, that a permanent plan was being prepared to follow.

The Secretary made the plan public at the Chicago World's Fair, August 18, 1933. The expected public outcry ensued. Even the farmers involved were vocal in their objections. "Not one farmer in a hundred, it seemed, realized what a terrible mess the Corn Belt would be in, unless it promptly dug deep both in thinking and action," wrote Wallace. In answer to the urban population's objections to the action, the Secretary contended that no one suggested that clothing factories go on producing when there was no market for their merchandise. Nor was anyone morally indignant when industry, in effect, plowed under much of its potential
between 1929 and 1933. "We must play with the cards that are dealt," Wal-
lace said. "Agriculture cannot survive in a capitalistic society as a
philanthropic enterprise."396

An editorial in the Lancaster County Weekly, August 29, 1933, reported
that farmers swamped the markets with pigs in response to a Government
call for five million hogs and brood saws. These animals were to be taken
from the stock on hand. "50,000 hogs at Sioux City or Omaha in a single
day is too many," was the editor's comment.397

In January 1934, editor Lawrence expressed surprise that there were
only nineteen million bushels of corn sealed in the corn-hog program when
the 1933 crop had been in excess of 230 million bushels in Nebraska. He
considered that this was"... evidence of the difficulties involved in
getting the farm population to agree on a reduction program." Such a pro-
gram ran contrary to the natural instinct of pride in production. The low
number of corn loans, however, could be explained. Only twenty-six percent
of the normal corn crop was sold directly as a cash crop. The remainder
was used in livestock operations. In addition, the market price of corn
was three times what it was in 1932, and it was normal for farmers to sell
instead of storing their crops. Lawrence gave the farm program the credit
for the increase in prices.398

396 Schlesinger, The Coming of the New Deal, 61-63; Wallace, New
Frontiers, 139, 178-182.

397 Lancaster County Weekly, August 29, 1933.

398 Star, January 17, 1934.
The paying of cash benefits to farmers for acreage reduction also contributed to the general business revival, wrote Lawrence. The farmers heartily approved of the program. The editor voiced approval that Secretary Wallace had not taken what Lawrence called, "the reckless step" of compulsion in the acreage reduction program. It would have proven the charges of dictatorship and have been an interference with the principle of the private ownership of land. The editor accused the "pompous Rexford Tugwell," Assistant Secretary of Agriculture, of being an advocate of the use of force. Lawrence quoted Tugwell as having been "... unwise enough and unfortunate enough to say 'the private ownership of land has never been successful.'" 399

In his editorials, Lawrence attempted to show that acreage allotment was a better plan than the processing tax plan. The tax on pork had resulted in lower market prices for live hogs, thus penalizing the producer. Meanwhile, the packers claimed that they contributed the tax payment, because the public would not purchase pork if the price went up. Whether this was a valid argument or not, the producer was still the goat of the plan. The editor contended that even if the consumer did pay the tax, it only increased the difference between what he paid and what the farmer received, when economically speaking, the figures should be getting closer together. 400

One result of the swine price squeeze was that the packing companies began buying directly from the producer, bypassing the commission men. This tended to depress the market even more. To Lawrence, it would be a

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399 Ibid., January 18, February 8, 1934. 400 Ibid., January 18, 1934.
simple matter to terminate the practice if the packers agreed to cease the operation which they claimed they opposed. The editor forecast that either the packers or the producers should cease that type of activity or else Congress would take action to eliminate it.\textsuperscript{401} The corn-hog program was having enough difficulty without having further complications.

The Government was holding notes on a quarter of a billion bushels of corn in May 1934. Lawrence pondered the question, what would it do with the corn when the notes came due on August 1st? With the low price of corn, it was improbable that the farmers would be able to, or want to, pay off the loans. Whether the Government held or sold the corn, it could have a depressing effect on prices, the same as when wheat was bought up and held in 1933. To the editor, however, there was reason to believe that there would be an advance in the price of corn. He based this belief on two factors: a reduction of production under the corn-hog program, and a reduction of production due to adverse weather.

Even with reduced production, Lawrence expected that the corn supply, including that held by the Government, would not exceed the demand. He predicted that the prospect of fifty cent corn would continue at least until the 1935 crop was harvested, if not afterwards. In any event, he felt that the Government would retain its holdings because it had invested millions in the experiment and it could not afford a failure.\textsuperscript{402}

The editor turned out to be correct when he gave adverse weather as a factor in a corn price advance. The drouth throughout the corn belt,

\textsuperscript{401} Ibid., January 19, 1934. \textsuperscript{402} Ibid., May 4, 1934.
coupled with excessive heat, made it almost certain that there would be no surplus corn harvested in 1934. "Nature had gone far beyond the program of crop reduction originally laid out by the Department of Agriculture," he commented. The existing supplies of grain would be needed to make up for the shortage. Lawrence voiced uncertainty as to whether there would be supply enough to see the country through the 1935 growing season.

Because of this possible shortage, Lawrence suggested that the administration should have no hesitation in relieving the farmers of their crop reduction contracts. He proposed that the farmers be allowed to plant corn and other late crops to replace the wheat, oats, and pastures which had burned up in the dry summer. There was no time to delay the decision because it was vital, continued the editor,

... to plant any and all lands to late crops which will have a chance of maturing and helping to provide sustenance next winter for human beings and livestock. The economic salvation of the nation is largely dependent on stimulating production of food and feed, rather than limiting it.

If the Government did not follow this suggestion it would "... create the impression that [it was] incapable of exercising intelligent supervision of control over agricultural industry."403

Whether it created that impression or not, the Government did not release the farmers from their contracts. In 1934 the Nebraska wheat crop was approximately one-half of the 1933 yield, and the corn crop was less than one-tenth the 1933 yield. In contrast, the index of prices received by the

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403 Ibid., June 1, 1934. Nebraska rainfall for 1934 was 14.31 inches, with only half of that falling during the crop season. The average annual rainfall was better than 20 inches. Blue Book 1940, 396.
farmers in 1934 was eighty-four, compared to the low of sixty-two in 1933.  

Because of this increase in income, Lawrence reported in August that farmers were paying off their corn loans at the rate of $200,000 per day. He admitted that other parts of the farm program might have errors, but that this was not true of the corn loan program. In fact, he wrote, the farmer had probably benefitted more from this program than any other recovery or relief program. Without the corn loan plan, the editor did not doubt that many farmers would have been forced to market their corn at half the going price. He concluded the editorial by commenting that the corn loan program "... had worked out in accordance with the highest expectations of its projectors and in a manner highly satisfactory to the borrowers."  

In September 1934, the editor reported that Nebraska farmers would receive an additional $3,500,000 during the coming crop year because the Government was preparing to loan fifty-five cents per bushel on corn, instead of forty-five cents. Even though much corn had gone to market as a result of the rise in the market price, there remained millions of bushels in storage. With the extra money made available through the loan program, the farmer could pay off his other loans and have money for the winter expenses. "This [was] meeting the farm situation in an entirely practical manner ..." Lawrence commented.  

In spite of the promise of additional support, the corn-hog referendum of October 1934 was approved by less than 1,000 votes in
Nebraska. This was a strange phenomenon to Lawrence. More than forty million dollars had been received by Nebraska farmers through the Government program. This had been a lifesaver to the State. Without that support, the effects of the drouth, wiping out crops, feed, and income, could only be imagined. In defense of the farmers, whose vote indicated a doubt concerning the program, Lawrence did not construe that vote as ingratitude. Instead, he wrote that there was widespread feeling that the success of the plan could be annulled by those farmers who refused to sign contracts. By the close vote in Nebraska, Lawrence noted that the State joined with Kansas as the only agricultural states which looked upon the Roosevelt farm program with skepticism. Kansas had voted overwhelmingly against continuation of the program in 1935. The editor hoped that the results of the voting would create an atmosphere in which objections to the program might be brought into the open and discussed and answered. 407

One charge by the critics was the cost of the program. Lawrence cited a report from Buffalo County to show that the charge was false. The report showed that the cost of the program amounted to $7.14 per contract, or $12,931.77 total. In return, $14,670 would be collected in processing taxes. The editor estimated that the total AAA benefit payments paid to farmers in Buffalo County would amount to $563,487. In the year of drouth and disaster, the receipt of this sum would keep the County from becoming a poverty area. The editor asked, during the political campaign in progress, that the facts of the Roosevelt program be kept in mind. 408

407 Ibid., October 9, 11, 1934. 408 Ibid., October 15, 1934.
A year later, the editor reported that the corn-hog referendum went overwhelmingly for continuance. Not a single state rejected the program. Although he did not think that Roosevelt and Wallace anticipated the 6-1 margin of victory, Lawrence himself was not surprised at the results. The Midwest, he thought, was finally "... claiming for itself as a part of national policy the deliberate program which industrial domination made a permanent settled plan of American Government (i.e., controls and subsidies)." It had been a fair, representative referendum, Lawrence commented. The farmer was an independent voter who had never been welded into a political machine. No one could coerce the farmer, nor would he vote to please either Roosevelt or industry. As a result of the performance of the program to date, the farmer had been converted to the reduction plan of the AAA.

The convert could enter the winter of 1935-36 feeling more secure after a better-than-average rainfall, 22.64 inches in 1935; a bumper wheat crop, 39,500,000 bushels; and a corn crop which was five times greater than in 1934. This sense of security must have suffered a setback in January 1936, when the Supreme Court invalidated the AAA. By a 6-3 decision in U.S. v. Butler, the majority argued that the processing tax was not really a tax but part of a regulatory system, and thus, it was not covered by the "general welfare" clause of Section 8, Article I, of the Constitution.

The first AAA had never been accepted 100 percent by the farmers,

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409 Ibid., September 28, October 28, 30, November 2, 1935. All told, 41,000 Nebraska farmers, or one-third of the State's farmers took advantage of Government loans. Olson, History of Nebraska, 310.

410 Blue Book 1940, 386, 396.

nor was it considered 100 percent the answer by those who framed it. It was, like so much of the first New Deal, an emergency measure to take care of an emergency. More permanent plans could be designed as the emergency abated. As Professor Schlesinger has written, "It looked to some as if they [NRA and AAA] had gone about as far as they could go" in late 1935.

The Seventy-Fourth Congress met in January 1935, the carrier of a national feeling of discontent. By spring, Roosevelt appeared to have lost all control of a body which was overwhelmingly Democratic. In addition, all was not well within the official administration family. Harold Ickes recorded in his diary in early February that the liberals in the Department of Agriculture had been eliminated, with the approval of Secretary Wallace. Division of interest and intentions made concentrated action impossible. No administration voice could present arguments for desired farm legislation in Congress.

In July 1935, editor Lawrence wrote that the AAA was in trouble in Congress. Amendments were being offered to the Act which would ratify past processing taxes and fix taxes up to the end of 1937. If Congress did not enact these amendments, the processing tax program could be brought to court. The editor asked who would refund the processing tax money if the matter was found unconstitutional. The manufacturer was the logical one to pay, although it would ultimately be the consumer who paid. Nebraska had a great stake in the preservation of the AAA, which had saved the farmers and the State during the hard years of 1933, 1934, and 1935. Although the

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412 Schlesinger, The Politics of Upheaval, 3-10. 413 Ickes, Diary, 292.
AAA was amended that summer, the threatened court suits were initiated. Lawrence reported in a November 1935 editorial, that Attorney General Homer Cummings and his staff had filed a 280-page brief defending a AAA in a suit brought to the Supreme Court. The Government's defense rested on its contention that the processing taxes were valid exercising of Congressional powers. Congress had established standards to guide the Secretary of Agriculture, and the 1935 ratification of processing taxes had resolved any defect regarding this delegation of authority. Finally, the milling company bringing the suit had no right to question what Congress did with the revenues received. And even if they did have the right, use of the money to aid farm income and bring about recovery was in the general welfare.

To Lawrence, the first argument covered the area of Governmental paternalism. Regarding the processing tax, the industrial, urban East could complain that through higher food prices, they were paying the processing tax. The tax money was then going to states which did not contribute as much as they received. To the editor, this was no different than requiring the farmer to pay more for products because of a tariff which protected and prospered the industrialist. The argument over the AAA would possibly rank with the contest over slavery, suggested Lawrence.

The only Star editorial on January 7, 1936, had the title, "A DEATH SENTENCE FOR AGRICULTURE" in extra large letters, bordered in black. Continuing the analogy to slavery, editor Lawrence paraphrased the Taney decision in the Dred Scott case. He quoted Taney's decision, substituting "American

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agriculture," for "the African race":

"The change in public opinion and feeling in relation to American agri-
culture which has taken place since the adoption of the constitution
can not change its construction and meaning, and it must be construed
and administered now according to its true meaning and intention when
it was formed and adopted."

Just as these words by Taney foreshadowed the Civil War, Lawrence
thought that the words of Justice Owen Roberts, who spoke for the majority
in invalidating the AAA, might foreshadow another great historic struggle.
Only time could tell of the ultimate significance of the ruling. The editor
pointed out that, since the beginning, the AAA had paid Nebraska farmers sixty-
one million dollars in adjustment checks, while the processing tax amounted to
sixteen million dollars. He pointed out these figures so that the reader could
become aware of how the AAA was attempting to adjust the economic disparity
between farmers and the industrial population.

If the majority ruling was accepted in its exact language, it would
seem beyond the power of Government to attempt establishment of a parity
between the agricultural and industrial populations. "Rugged individualism"
was enthroned again, wrote Lawrence. The way was opened to uncontrolled
production. What "ghastly limits" would be reached if the Republican sug-
gestion of direct payment of subsidies to farmers for their surplus were
approved?

But things were not quite as bad as they could have been, noted the
editor. Thanks to Roosevelt and the AAA, the corn belt states had been car-
rried through the great drought. There were no surpluses, farm prices had been
restored; and the farmer had renewed faith in the ultimate victory of the
American conception of justice. The end of the AAA was not the end of the
world for the farmer or for America. Another farm program would be developed, wrote Lawrence.  

For several weeks after the Supreme Court decision was announced, Lawrence wrote editorials on the subject. Using the logic of the majority decision, the editor showed that all of the land grant colleges of the nation were illegal. So were vocational schools and other schools which had received Federal money. The 1917 congressional act which appropriated $400 million a year for matching funds to build highways in the states was also illegal within the concept of the majority ruling. The editor admitted that bringing up these examples was straining at a gnat, but he wanted to prove a point. He contended that "entrenched industrialism" destroyed the AAA. They had not spoken out earlier against it because they were terrified during the early part of the emergency. When things settled back toward normal, they became their old blustering selves again.  

As Lawrence reported that the last AAA checks were being mailed, he questioned what would happen next. A generous blanket of snow throughout the state indicated adequate moisture for the summer, and more acres had been planted to wheat and corn than ever before. Because of the low price of pork, there was a small pig crop in prospect to consume the large corn crop. With this impending bountiful harvest, he asked if the Supreme Court ruling had sentenced the farmer to the indeterminate servitude of recurring glutted markets and low prices. Another question was, what would the

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administration do in this situation?

The Department of Agriculture was not unprepared for the adverse decision by the Supreme Court. Because of their preparation, they were able to quickly come up with a substitute measure, the Soil Conservation Act of 1936. The purpose of the measure was to pay farmers to take their acres out of the production of "soil-depleting" crops and into production of "soil-conserving" crops. It was not an accident that the soil-depleting crops included wheat, corn, cotton, and tobacco crops which were also on the surplus list. Thus, indirectly, the effects of the AAA could be achieved, without offending the Supreme Court. With the blessing of the Farm Bureau, Congress passed the bill in early March 1936.

Dexter Perkins wrote that there was possibly a sounder idea as a basis for this new act, but whether there was or not, the farm belt was satisfied with the new program. Rexford Tugwell wrote that the new measure was better in every way than the AAA. It was subjected to less criticism and passed into the category of accepted change. It was no longer revolutionary to espouse the cause of parity between agriculture and industry. 419

Thus the farmer started the transition from the first Agricultural Adjustment Act, which had been declared unconstitutional, through the Soil Conservation Act, which gave the Government no controls over production; to the Agricultural Adjustment Act of 1938, which provided both parity and control. Another phase in the never-ending struggle of the farmer became history. And another phase of the Roosevelt recovery program became history.

CHAPTER IX

CONCLUSION

In a campaign speech to the Commonwealth Club of San Francisco on September 23, 1932, candidate Roosevelt recalled the frontier days of America's history. They were days when individualism was the mark of the strong man who braved the dangers which lurked for the unwary. But there was no more frontier area left for expansion in 1932. There was practically no free land for an individual to homestead. This placed a limit on further expansion by the agriculturalist. As for business, the trend was toward an "economic oligarchy" which was pressuring the small businessman to the wall. In industry, the plant had been built; what remained was the task of coordinated administration. 420

The idea of a completed American industrial plant seems strange when it is discussed in this decade, a time of continued expansion of industry as we literally head for the stars. However, as Thomas Greer has written, the belief that there would be no further industrial expansion was shared by many economists and industrialists of the depression period. "Indeed," he wrote, "the 'observable facts' gave powerful support to an 'overproduction' theory." There was too much of everything: wheat, pigs, idle mills, farmers, teachers, and unemployed workers. 421

Lawrence expressed the same views on the limitations of Nebraska as Roosevelt seemed to have for America. All through the Star editorials runs the philosophy that Nebraska was, and would always be, an agricultural State, with little or no other source of income. This idea also

seems strange when considered in hindsight. In 1960 there were over twice as many non-agricultural workers in Nebraska as there were farm workers.\(^422\)

During the period covered by this thesis, apparently the only Roosevelt domestic program which did not receive the full support of the editor was the shelterbelt plan to relieve drouth. In August 1934, he wrote:

Not often does this newspaper find occasion to differ with the Roosevelt administration . . . It recognizes in the president a matchless leader . . . [with] high purpose to be of service to suffering people. It appreciates to the fullest extent the almost unbearable burden which falls upon his shoulders, and it reaffirms again its steadfast faith in him and his purposes.

Lawrence considered that Roosevelt was the victim of bad advice regarding the shelterbelt plan. There was not the "slightest possibility" that the planting of trees would have any influence for years to come because trees were not native to the arid soil of Nebraska. The program which Lawrence offered as a substitute was the building of small dams on farms to conserve the water which was present or would fall during the winter.\(^423\)

Lawrence did not merely echo or parrot the comments and speeches of Roosevelt. He discussed each phase of the New Deal program, usually as it affected Nebraska and Nebraskans. Using all of his capabilities as a brilliant editorial writer, he championed the New Deal and was vigilant in gaining for Nebraska its fair share of benefits from the programs. At the same time he assailed those who would attack Roosevelt's programs,


\(^{423}\)Star, August 1, 1934. Lawrence did object to the stand which the administration took on foreign sugar imports because it affected the Nebraska sugar beet grower. See *supra*, Chapter VIII, Part I.
using his pen effectively to point out the error of their ways, as he saw it. Ranging from satire to cold logic, his editorials presented his views on many subjects, for he was a well-read and knowledgeable individual with many interests.

The common concepts expressed by the President and by the editor could have stemmed from their common educational background. Although matriculating half a nation apart, they pursued similar goals: a liberal arts and a law degree. Both were influenced by the prevailing Turner "Frontier Hypothesis." Moreover, demographers at the time predicted a stationary population after 1960. These factors led many to the same conclusions at that time.\footnote{424}

If his views of the economy were "limited," Roosevelt did have the insight and the courage to provide the leadership and direction for a country which seemed to have lost leadership and direction during a time of economic crisis. Lawrence noted his sense of awareness, his "courage and fighting heart." As Burns has written, Hoover and Roosevelt differed little in their policies of relief and recovery. The difference was the image which each presented to the people. "Roosevelt, that of a man in motion, Hoover, a man stuck fast."\footnote{425}

When Roosevelt was rebuffed in Congress and the Courts, he continued to feel that his objectives were sound and that they might be realized, if only in a limited way. The vindication of his faith in the programs is indicated by their continuation, under different names: the Fair Deal, \footnote{424 Greer, What Roosevelt Thought, 48.  \footnote{425 Burns, The Lion and the Fox, 125}
the New Frontier, and the Great Society. Each echoed the economic and social programs which, sounding rather radical when Roosevelt presented them, are generally accepted functions of Government today. The merits of the Roosevelt administration, seldom doubted by Lawrence in the Star, will be debated pro and con for many years to come.
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A study of the economic philosophy of Roosevelt, based on material in the Franklin D. Roosevelt Library, Hyde Park, N.Y.

A study of the ten political campaigns of Roosevelt.

An analysis of Roosevelt's ideas on a wide range of subjects. Brief, but adequate for an overview.

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Excerpts from his diaries, in diary form. Reveals his caustic comments on his contemporaries.

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A good general history of the Roosevelt years, showing the effect which Roosevelt had on the nation.

An admittedly biased account of Roosevelt, stressing his fight for social welfare. Based on the author's working with Roosevelt since his State Senatorial days.

A history of the public land policies of the United States.

Selected letters, edited by his son.

A compilation of, and rephrasing of articles and speeches by Roosevelt, tied together by his short explanations of the situations which dictated each utterance.

A further compilation of speeches, radio addresses, etc., made by Roosevelt in 1933.

A compilation of Roosevelt's papers, edited with Roosevelt's approval by his Counselor and ghost writer.


A comprehensive history of Roosevelt, his life and his administration to 1936. Informative in its background details of persons and events connected with the New Deal.

A study of the Roosevelt administration based on the Hopkins papers. It deals mainly with the war years.

The life of Roosevelt, based in great part on the personal relationship of the author as a member of the Brain Trust.

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