

New Deal & the States

New Deal & the States

- Virginia
- Wisconsin
- California
- New York, Pennsylvania, Michigan

Virginia in 1929

- 2.4 million people
- 27% black
- 2/3 on farms or towns of less than 2,500
- Per capita income 62% of national average

Virginia's Economy

- Diverse economy
 - Trade, Manufacturing, & Agriculture
 - Each less than 20% of total
- Tobacco & textiles
- 26% subsistence farmers
- Farm income: 75% of 1919 level
- Few tenant farmers
- Little farm debt
- Low taxes; low state debt

Byrd Machine

- Harry Byrd Sr: control of Democratic Party in 1922
- Power resided in county courthouses
 - Key officials:
 - Commonwealth's Attorney, Treasurer, Commissioner of Revenue, Clerk of Circuit Court, Sheriff
- Judges appointed electoral boards
- General Assembly appointed judges
- State Compensation Board determined pay of local officials

Byrd Machine Policies

- Avoid controversial policies
- Honest/frugal government
- Low taxes
- Oppose labor unions
- Maintain segregation
- Favor rural areas

Byrd Machine Support

- “First families”
- Wealthy farmers, professionals & businessmen
- State employees
- Limit voting
 - 1922-1945: average of 11.5% of eligible voters voted in gubernatorial primary
 - Poll Tax
 - Perception of invulnerability
- Absorb mavericks (Gov. Price in 1937)

Harry Byrd Sr.

- Old Virginia family in Winchester
- Inherited newspaper & apple orchards
- State senator & governor
- Road construction
- Pay as you go policies
- Appointed US Senator in 1933

Harry Byrd Sr.



Harry Byrd & New Deal

- Presidential hopeful in 1932
- Reputation as Southern reformer
- Supported early farm measures
 - Got peanuts included in Federal programs
- Opposed nearly all other New Deal measures
- “Orgy of spending”

Carter Glass

- Lynchburg newspaper
- Congressman; Sec of Treasury
 - Key role in Federal Reserve
- US Senator 1920-1946
- Independent; made peace with machine
- States rights
- 19th century liberal: economic competition
- Minimal Federal role
- Classical economics: gold standard

Carter Glass



Carter Glass & New Deal

- Supported FDR on defense and cost-cutting measures
- Voted against 81% of FDR bills (Byrd: 65%)
- Only Virginian in Congress not to support FDR in 1936
- 1938 -- Byrd and Glass blocked FDR judicial appointment

Virginians in House

- Seven representatives opposed at least 1/3 of FDR measures
 - A. Willis Robertson & Howard Smith more than 1/2
- Two representatives (Clifton Woodrum and John Flanagan) supported FDR
- Andrew J. Montague split his votes
- 1936: Colgate Darden lost in primary
- 1938: Darden regained seat; bid to oust Smith failed

Depression in Virginia

- Sharp declines in farm income, mining and manufacturing output, but less than national figures
- 1930 drought damaged tobacco crop
- September 1931 - 6% unemployment, but still below national average
- Private charities in Richmond, Norfolk & Lynchburg overwhelmed

Virginia's Response 1929-1932

- Maintain balanced budget
 - Cut state spending; state salaries
- Reject State relief efforts
- Accept Federal loans for farmers and public works
- Use National Guard to break strike at Dan River Mills (1931)
- Continue road building program

State Road Program 1929-1932

- Continue spending on roads
- Borrow against future revenues to build roads
 - Put farmers to work
- Resist using road money for other purposes
- Took responsibility for county roads
 - Save counties money

New Deal Public Works in Virginia

- Reluctance to pay for local share of PWA projects
- 1933 GA authorized localities to float bonds to pay local share
- 1932-38: 350 non-Federal projects (\$60M); more than 1/2 Federal Funds
- \$85M in Federal projects



CCC in Virginia

- 80 camps
- 107,000 total employed
- \$109M (5th largest)
- 15.2 million trees, 986 bridges....
- First State parks (\$5M)
 - State share: \$100K

Federal Relief in Virginia

- Emergency Relief Act of 1933
 - Virginia refused to match; discretionary funds only
- Civil Works Administration
 - 200,000 Virginia participants
 - \$13 M total (State: \$735K)
- FERA \$26M total
 - State \$35K; localities \$2.2M
 - 375,000 - 500,000 served
- WPA (\$107M Total) (State: \$29M)
 - 95,000 participants

Impact in Virginia

- Relief did not reach all in need
- Average payment about 1/2 national average
- But:
 - Unemployment less than national average
 - Relief rolls about 1/2 national average
 - Rules stricter in Virginia

Virginia's Response

- Byrd attacked relief programs
 - Destroyed individualism
 - Undermined state authority
 - Threatened balanced budget
- Byrd & Glass preferred relief to WPA
- FDR: Byrd doesn't want to pay apple pickers more than 10 cents/hour

NRA in Virginia

- Glass & others opposed
- Issues
 - Recognition of labor unions
 - National wage scales
- After NRA unconstitutional
 - Bigger firms (Dan River & American Tobacco) maintained wages & hours
 - Smaller firms reverted to old practices

AAA in Virginia

- Popular with cotton and tobacco farmers
- Farm income improved
- Production dropped; prices increased
- Favored larger farms
 - Virginia: 44% below 50 acres
- Did not help subsistence farmers
- Dairy and vegetable farms not covered

Programs for Rural Poor

- Resettlement Administration/Farm Security Administration
- Tobacco areas & western mountains
- Move poor farmers to better land
- Create new communities
- Shenandoah Park
- Controversial
- Byrd: Simple mountain folks don't need electricity...

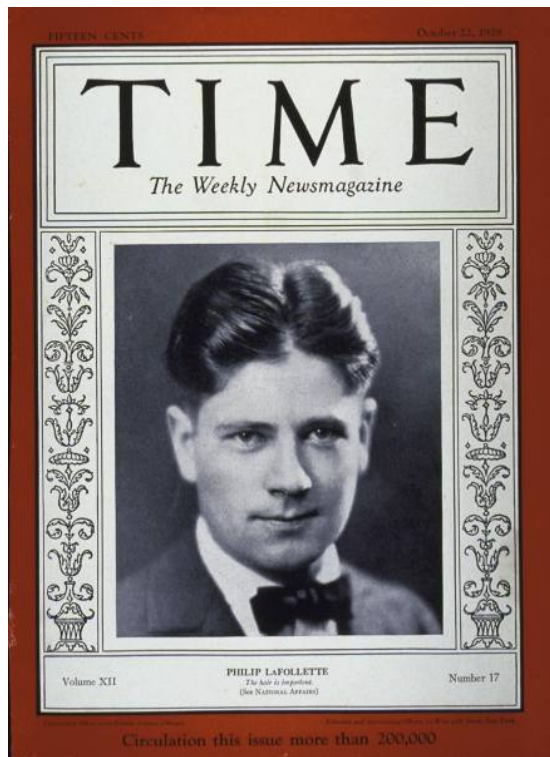
Depression in Wisconsin

- Industrial jobs declined by 140k (38%)
- Farm prices fell 57%
- Impact greatest urban manufacturing areas
 - Milwaukee
 - Racine
 - Kenosha

Wisconsin Progressives

- Robert (Fighting Bob) La Follette Sr.(1855-1925)
- Robert La Follette Jr
 - US Senator -- 1925-1946
- Philip La Follette
 - Governor 1931-33, 1935-39
- Supported FDR 1932-1938
- Republicans until 1934
- Wisconsin Progressives 1934-1946

Phil & Bob LaFollette Jr



Wisconsin's Initial Response

- Unemployment insurance
- State labor code
 - Encourage collective bargaining
- State responsibility for relief
- Road building

Phil LaFollette's Proposals

- Bank regulation
- Public power
- Utility regulation
- Business/labor/govt cooperation

Phil La Follette & New Deal

- Rival relief & public works programs
- Public power
- Government reorganization
- Labor legislation (WLRA)
- Implement Federal programs
- National Third Party
 - National Progressive Party

California in 1930s

- GOP controlled
 - Last Dem governor - 1890s
- Sinclair and EPIC defeated - 1934
- Dem governor elected - 1938
 - Culbert Olson (Dem - LA County)

Culbert Olson



Olson's Program

- Tax increases
- Public power
- Control of oil & gas production
- State relief efforts
- Labor legislation

Olson's Fate

- Strong business & rural opposition
- Conflicts with jobless groups & CIO unions
- Perceived as controversial, disorganized
- Many proposals defeated
- Defeated by Earl Warren in 1942

“Little New Deals”

- New York
 - Herbert Lehman Dem governor - 1932-42
- Michigan
 - Frank Murphy Dem governor - 1936-38
- Pennsylvania
 - George Earle Dem governor - 1934-38
 - “Little Wagner Act”