

America Between the World Wars

Class 8L

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1

What We Will Cover Today

- Selected aspects of the New Deal
 - The Second Hundred Days
 - The Second New Deal
- The Slide towards World War II
 - Nye Committee
 - Neutrality Legislation
 - Divergent Views on the War in Europe
 - Preparing for the War to Come
- Aviation in the 1920s & 1930s

National Recovery Administration (NRA) - 1

- Reflected both a sense of desperation and a multitude of pressures:
 - A desire to end cutthroat competition
 - A desire for a shorter work week to spread the work
 - Memories of the WWI War Industries Board
- Each industry would develop a code of conduct that would be obligatory on all firms in the industry
 - Code would end cutthroat competition and ensure shorter hours, better wages, and fair labor standards

3

Origins - The National Industrial Recovery Act (NIRA) was the result of a sense of desperation and a multitude of pressures – many of them coming from the business community. Many thought that the threat to the survival of the capitalist system was the mindless dedication of business and industrial firms to the principles of feral competition. To Alexander Sachs of the Lehman Corporation, the crisis was the result of 'economic nihilism, which, from a national point of view, cannot be permitted to go on. Other contributions were a desire for a shorter work week to spread the work and memories of the World War I War Industries Board

Industry Code of Conduct - The basic concept of the National Recovery Administration (NRA) was that each industry would develop a code of conduct that would be obligatory on all within that industry as a means to end cutthroat competition and ensure shorter hours, better wages, and fair labor standards.!! In Section 7(a) of Title I, employees were given the right to organize and bargain collectively through representatives of their own choosing.

National Recovery Administration (NRA) -2

- Established an Industrial Advisory Board, a Labor Advisory Board, and a Consumer Advisory Board to review all proposed codes
- Established the Public Works Administration (PWA)
 - Gave the PWA an appropriation of \$3.3 billion for public works
- Code system declared unconstitutional in *Schechter v. United States* (1935) as an unconstitutional delegation of legislative power to the Executive branch.

4

Advisory Boards - Title I also established an Industrial Advisory Board, a Labor Advisory Board, and a Consumers Advisory Board – bodies by which all codes were to be passed for review before being put into final form by the NRA and sent on to the president for approval.

Public Works Administration

- Built dams, roads, schools, bridges, highways, and other infrastructure
- Used private contractors who hired workers in the local labor market to carry out its construction activities
- Headed by Harold Ickes
- Ended in 1939
- Served as a template for future Federal public works projects

5

Accomplishments - The PWA spent over \$6 billion, and helped to push industry back toward pre-Depression levels. It lowered unemployment and created an infrastructure that generated local pride in the 1930s and remains vital seven decades later

Types of projects - Streets and highways were the most common PWA projects, as 11,428 road projects, or 33% of all PWA projects, accounted for over 15% of its total budget. School buildings, 7,488 in all, came in second at 14% of spending. PWA functioned chiefly by making allotments to the various Federal agencies; making loans and grants to state and other public bodies; and making loans without grants (for a brief time) to the railroads.

Famous PWA projects - Some of the most famous PWA projects are the [Triborough Bridge](#) and the [Lincoln Tunnel](#) in New York City, the [Grand Coulee Dam](#) in Washington state, the longest continuous sidewalk in the world along 6½ miles of Bayshore Blvd. in [Tampa, Florida](#), and the [Overseas Highway](#) connecting [Key West, Florida](#), to the mainland. The PWA also electrified the [Pennsylvania Railroad](#) between New York and Washington, DC. At the local level it built courthouses, schools, hospitals and other public facilities that remain in use in the 21st century.

Second New Deal

- Consisted of a set of New Deal programs and agencies established in 1934-1935
 - Wagner Act
 - Works Progress Administration (WPA)
 - Social Security Act
 - Federal Housing Act of 1934
 - Rural Electrification Agency (REA)
 - National Youth Administration (NYA)

6

Works Progress Administration (WPA)

- 1

- Created in 1935 and terminated in 1943
- Largest New Deal agency and largest employer in the country
 - Averaged about 2,300,000 workers per year
- Headed by Harry Hopkins
- Created to provide jobs for unemployed workers
 - Unlike PWA projects, WPA projects were performed by either WPA or local government workers

7

WPA employment - The WPA employed a maximum of 3.3 million in November 1938. Worker pay was based on three factors: the region of the country, the degree of urbanization, and the individual's skill. It varied from \$19/month to \$94/month. The goal was to pay the local prevailing wage, but to limit a person to 30 hours or less a week of work. Before 1940, there was some training involved to teach new skills and the project's original legislation had a strong emphasis on training. In 1935, there were 3,500,000 African Americans (men, women and children) on relief, almost 35 percent of the African-American population; plus another 250,000 African-American adults were working on WPA projects. Altogether during 1938, about 45 percent of the nation's African-American families were either on relief or were employed by the WPA.^[5]

Works Progress Administration (WPA)

-2

- Built or repaired 1,200,000 miles of culverts, nearly 600,000 miles of roads, and laid 24,000 miles of sidewalks
- Constructed or repaired more than 110,000 schools, libraries, auditoriums, stadiums, and other public buildings
- Built 256 airports and repaired 385 more
- Built 880 sewage treatment plants, 770 municipal swimming pools, and laid 22,700 miles of sewer lines

8

WPA Federal One Project - 1

- By 1934, two-thirds of all musicians were out of work and most of the rest were earning less than subsistence
 - Reflected the rise of radio and talking movies as well as the Great Depression
- Between 1928-1934, the number of Broadway productions had fallen in half and the number of employees from 25,000 to 4,000
- Artists and writers also suffered from large-scale unemployment

9

Musician unemployment - Thousands of musicians, for example—particularly those who performed before audiences in dance bands, concerts, and orchestras, or taught others how to do so—had lost work, many of them even before the onset of the depression. The rise of the record industry and radio in the twenties had combined to reduce the demand for live performances, and the film industry's almost universal conversion to sound by the beginning of the thirties had eliminated most of the live musical accompaniment that had been a regular part of the movies in all but the poorest theaters; by 1930, it was estimated, as many as 22,000 professional theater musicians were out of work. During the early depression years, the situation only grew worse; philharmonic orchestras closed, dance bands folded, and music teachers found themselves without clients among a population that had more pressing needs to worry about than having their children learn the scales. The American Federation of Musicians claimed that more than two-thirds of the professional musicians in the United States had been rendered unemployed between 1929 and 1934 and that most of the rest were not earning even subsistence wages.

Actor unemployment - Theater folk had suffered similarly hard times, and the growth of the motion picture industry had played a role here, too, as thousands of theaters across the country had eliminated live vaudeville performances in favor of the cheaper and increasingly popular movies. In 1930, for instance, the Loew's theater chain had featured regular vaudeville shows in thirty-six of its theaters, offering anywhere from fifty to sixty weeks of full-time employment; in the 1933-34 season, only three of its theaters included any kind of stage show.⁸ In the legitimate theater generally, fewer and fewer people found themselves able to pay the one or two dollars most performances required even outside the ring of New York Broadway and Off-Broadway productions. On Broadway itself, the doldrums that James Thurber had witnessed during the first year of the depression had continued. The League of New York Theaters estimate that between 1928 and 1933, the number of productions on Broadway had dropped by half and the number of working employees had fallen from 25,000 to only 4,000. Nationwide, traveling stock companies and !! repertory groups folded by the dozens. By the summer of 1933, the International Alliance of Theatrical Stage Employees said, there only 6,010 stagehands at work in the entire country, and they were averaging only \$68 a year

Artists & writers - A measure of their plight is suggested by the fact that early in 1931 Manhattan art galleries already were putting on "unemployment fund" exhibitions to raise money for destitute artists.¹¹ The situation with regard to writers is even harder to pin down, but the book, magazine, and newspaper publishing industries had been quite as devastated by the depression as any others. The sales of trade books had fallen from an estimated \$42

WPA Federal One Project - 2

- Idea of the Federal One Program was that persons on relief who are qualified in the fields of Art, Music, Drama, and Writing would be given WPA work in the areas of their expertise
 - Led to the Federal Music, Federal Arts, Federal Writers, and Federal Theater programs
 - Reflected the belief that the American people were avid for high culture

10

Federal Arts Program

- Hired 3,600 artists to paint murals and other art work in post offices and other public buildings
 - Among the artists were Thomas Hart Benton and Grant Wood
- By the end of 1938, the artists had produced more than 27,000 watercolors and 15,000 oils
 - Depicted local city scenes, regional history, and official portraits designed to hang on the walls of schools, museums, hospitals, and government offices

11

Watercolors & oil paintings - FAP's art commissions leaned heavily on local "easel painters"—those who worked directly on canvas, either in supervised FAP workshops or in their own homes and studios—to produce in eight years probably more public art than had been committed in the entire previous history of the Republic. By the end of 1938, these artists, whose work varied wildly in quality (even bad artists, Harry Hopkins might have said, need to eat), had produced no fewer than 27,000 watercolors and 15,000 oils, depicting local city scenes and landscapes, regional history and folkways, official portraits, and other items designed to illuminate the past and present of American life. Most had been distributed to adorn the walls of schools, museums, hospitals, and city, state, and federal government offices and agencies, where many continued to hang for decades.

Federal Arts Program - 2

- Produced thousands of busts, frescoes, and commemorative statues
- Produced more than 95,000 prints and 1,600,000 posters
 - Posters promoted everything from dental hygiene to workplace safety to the dangers of drunk driving and venereal disease
- Established more than 600 community arts centers
 - Allowed local people, especially children, to develop their own artistic talents

12

Some five hundred sculptors turned out thousands of busts and frescoes and commemorative statues for parks and other public places, including a twenty-four-foot tribute to Chinese philosopher Sun Yat-sen in San Francisco, !! life-sized busts of Civil War generals for Grant's Tomb in New York, and "The Muse of Music" for the Hollywood Bowl in Los Angeles. Two hundred and fifty graphic artists produced more than 95,000 prints, which were donated to public institutions, and 1.6 million posters, most in striking Art Deco style. These were used to promote everything from dental health to mental health, workplace safety to child care, as well as to issue warnings against the dangers of venereal disease, drunk driving, shoplifting, juvenile delinquency, among other social problems. "By Pearl Harbor time," social historian J. C. Furnas remembered, "one could hardly buy a postage stamp or visit a federal office without encountering in the lobby or stairway a well-meaning example of Federal Art

Federal Music Program - 1

- Established 34 new symphony orchestras by the end of 1936
- Performed 36,000 concerts attended by an estimated 32 million persons
- Employed 6,000 music teachers
- Sponsored more than a million music classes with a total of 13.8 million pupils

13

Federal Music Program - 2

- Sponsored numerous music festivals
- Made hundreds of musical recordings of Black, Appalachian folk, Native American, and Mexican American music
- Between October 1935 and August 1939, sponsored 4,698 performances attended by nearly 150 million people

14

Federal Writers Project - 1

- Hired teams of editors, historians, art critics, and other professionals to:
 - Compile and write guides to each state's geology, geography, history, prehistory, folklore, literature, music, art, architecture, and scenic attractions
 - Create road-by-road highway guides and maps for each state
 - Publish guides to the history and folkways of every state in the union and most major cities

15

Guides - Most of these guides were adequate at best, but some achieved true excellence and many continue to be reprinted in original or revised form today—thanks to the skills of state editors like novelist Vardis Fisher of Idaho, historian Ray Allen Billington of Massachusetts, and physician Mabel S. Ulrich of Michigan, and a pantheon of down-on-their-luck writers, among them men and women who would go on to become some of the most accomplished authors in twentieth-century America, such as John Cheever, Ralph Ellison, Richard Wright, Conrad Aiken, Margaret Walker, Nelson Algren, Zora Neale Hurston, Mari Sandoz, Saul Bellow, and Kenneth Rexroth. While the total number of people who worked on the FWP averaged only between 4,500 and 5,200 a year (and less than 10 percent of these were professional writers), for the guide series alone the agency's contribution to the cultural inheritance of the nation outweighed its minuscule effect on the country's unemployment figures.

Federal Writers Project - 2

- Produced a number of special studies
- Working with the WPA's Joint Committee on Folk Arts, the FWP collected 14,000 manuscripts of folklore
- Collected the oral histories of thousands of ordinary Americans
 - Included interviews with 3,000 surviving former slaves to obtain a portrait of life in the pre-Civil War South
- Conducted a Historical Records Survey of the archival records of a whole host of Federal, state, and local government agencies

16

Oral histories - A nationwide "life-history" project began collecting the oral histories of thousands of ordinary Americans; many of these were included in *These Are Our Lives*, an anthology of interviews conducted in Tennessee, North Carolina, and Georgia, which was published in 1938 to good reviews and is still a standard source for the period. Under the direction of folklorists Alan Lomax and Benjamin Botkin, researchers interviewed about 3,000 surviving former slaves to obtain a portrait of life in the pre-Civil War South, compiling an oral history archive that would be used by historians for decades to come.

Federal Theater Project - 1

- Established 12 regional theater centers to employ as many as 12,000 actors, vaudeville performers, stagehands, playwrights, and other theater people
 - Included a Children's Theater Division
- Launched productions in regional headquarter cities
- Launched regional touring companies
- Helped private and public theater groups in each region to undertake productions of their own

17

Regional theater centers - The FTP established twelve regional theater centers from Boston to Los Angeles, Birmingham to Iowa City. Each center not only launched productions in its headquarters city, and put together touring companies to take these and other productions on the road, but helped private and public theater groups in the towns of its region to undertake productions of their own. Where such groups did not exist, the centers encouraged the formation of independent theater companies. There were dozens of German- and Italian-language productions and scores of Yiddish productions. Fifty-eight traveling troupes carried shows to the wilderness camps of the Civilian Conservation Corps.

Children's Theater Division - A children's theater division developed dozens of traditional puppet and marionette shows and produced original plays and musicals, including an adaptation of *Pinocchio* that proved so popular that it inspired Walt Disney to do his own animated movie version. A radio division produced more than 3,000 productions a year for the Federal Theatre of the Air. Uncounted tableaux and skits produced for local schools and community centers promoted hygiene, literacy, and other socially important concerns.

Federal Theater Project - 2

- Staged nearly 64,000 performances of plays, musicals, operettas, ballet performances, vaudeville skits, and circus shows with an estimated attendance of 30.3 million
- Ran into political trouble

18

Notable productions - The overwhelming majority of the 396 standard dramatic productions the FTP supported were quite as middlebrow and predictable— and often as inept—as the bulk of the programs of Federal One. But some was innovative enough to raise eyebrows. The Lafayette Theater in Harlem under the direction of John Houseman and Orson Welles produced a version of *MacBeth* set in 19th century Haiti with an all-Black cast and voodoo drummers with very good reviews that ran for 7 months in New York and later toured the country. Another success from the FTP was *It Can't Happen Here*, an antifascist play adapted by Sinclair Lewis and Jack Moffit from Lewis's novel. The novel had already been turned down by Hollywood, whose moguls, most fresh from their crucial participation in the defeat of Upton Sinclair, had no interest in a book claiming that the United States was just as vulnerable to the evils of fascism as any other country.

National Youth Administration (NYA)

- Established in June 1935
- Funded part-time jobs for 1,500,000 high school students and 600,000 college students
- Provided jobs skills and citizenship education along with full-time employment for nearly 7,700,000 out-of-school young people

19

A final important work-relief program of the New Deal, the National Youth Administration (NYA), was aimed specifically at helping unemployed young people. Overall it involved nearly twice as many persons as the CCC. Established in June 1935, the NYA was not simply a "junior WPA." Instead it sought to combine education and work. The NYA funded part-time jobs, often on campuses, for 1.5 million high school students and more than 600,000 college students struggling to afford to stay in school. It also provided skills and citizenship education along with full-time employment for nearly 2.7 million out-of-school youth working in NYA projects. Altogether nearly 5 million NYA participants received the lasting benefits of further education as well as the immediate benefits of work and income during the depression.

Federal Housing Act of 1934

- Established the Federal Housing Administration
 - Insured long-term mortgage loans made by private lenders for home construction at 93% of the appraised property value
 - Extended the repayment period for guaranteed mortgages to 30 years
 - Established minimum standards for home construction
- Established the Federal Savings and Loan Insurance Corporation
 - Provided insurance to federally-chartered Savings & Loan Associations

20

Down payments - Before the FHA began operation, first mortgages were limited to one-half or two-thirds of the appraised value of the property. During the 1920s, for example, savings and loan associations held one-half of America's outstanding mortgage debt. Those mortgages averaged 58 per cent of estimated property value. Thus, prospective home buyers needed a down payment of at least 30 percent to close a deal. By contrast, the fraction of the collateral that the lender was able to lend for an FHA-secured loan was about 93 percent. Thus, down payments of more than 10 per-cent were unnecessary.

Social Security - 1

- The Social Security Act of 1935 established a program of social welfare for retirees, the unemployed, the blind or otherwise disabled, and dependent children of single mothers
 - Financed by a payroll tax on current workers' wages (half paid by the employee and half paid by the employer)
 - Set the retirement age at 65
 - Covered only workers involved with interstate commerce
 - Excluded farm laborers and domestic servants

21

The Social Security Act of 1935 established a system whereby the federal government oversaw a program of social welfare for retirees and, with state administration and matching funds, aid for the unemployed, aged indigents, the blind or otherwise disabled, and dependent children of single mothers.

Coverage - The system was far from !! comprehensive. In its unemployment insurance and retirement pension program, the federal government, understanding itself to be re-stricted by the Constitution, sought to deal only with workers involved in interstate commerce. Thus the system excluded, among others, farm laborers and domestic servants, two of the poorest and most needy categories of workers. Job categories that were not covered by the act included workers in agricultural labor, domestic service, government employees, and many teachers, nurses, hospital employees, librarians, and social workers. The act also denied coverage to individuals who worked intermittently.¹ These jobs were dominated by women and minorities. For example, women made up 90% of domestic labor in 1940 and two-thirds of all employed black women were in domestic service. Exclusions exempted nearly half the working population. Nearly two-thirds of all African Americans in the labor force, 70 to 80% in some areas in the South, and just over half of all women employed were not covered by Social Security. Those included were expected to pay for its benefits through a tax on every paycheck until they retired at age sixty-five. Amendments to the law in 1939 provided benefits to the surviving spouse of a participant in the system.

Financing - The Act was financed by a payroll tax on current workers' wages, half directly as a payroll tax and half paid by the employer. The act also gave money to states to provide assistance to aged individuals (Title I), for unemployment insurance (Title III), [Aid to Families with Dependent Children](#) (Title IV), Maternal and Child Welfare (Title V), public health services (Title VI), and the blind (Title X).¹

Social Security - 2

- Roosevelt structured Social Security the way he did in order to prevent the program from ever being dismantled
 - Social Security withholding began in 1937
 - Social Security pension payments did not begin until 1940
 - Average payment was only \$22.60 per month
 - Only those retiring in 1940 or after got Social Security pensions
 - Those retiring between 1937-1940 got only a lump sum payment

22

Structure of social security - Pension benefits would eventually be paid in proportion to the length and volume of contributions, much like private pension systems set up earlier by some employers. In this respect the system stood in marked contrast to European state welfare systems for which all citizens were eligible and that paid a standard unemployment or pension benefit out of general tax revenues. The comparatively conservative U.S. system was not only less sweeping in its coverage and less generous with its benefits, but also, by taxing every paycheck, it took money out of the pockets of people who otherwise would spend it to help revive the economy. Roosevelt justified the approach as necessary to win political approval and thereafter guarantee that Social Security could not be dismantled. The employee contributions, the numbered identity card that every participant was given to carry in his or her billfold or purse, and thus a large public's sense of entitlement would make it impossible, FDR thought, for any politician to argue successfully for a reduction or end to Social Security benefits.

Social Security payments - Social Security funds began to be used immediately to provide unemployment compensation together with a limited amount of disability relief and aid for dependent children. The latter categories were so small as to be largely invisible during the 1930s. Under the terms of its legislation, not until 1940 did Social Security begin paying pension benefits averaging \$22.60 per month to those retirees who had been paying into the system; anyone retiring between 1937 !! and 1940 received only a small lump sum settlement; those who re-tired before 1937 got nothing

Death benefits - Payroll taxes were first collected in 1937, also the year in which the first benefits were paid, namely the lump-sum death benefit paid to 53,236 beneficiaries.

First beneficiary - The first reported Social Security payment was to Ernest Ackerman, who retired only one day after Social Security began. Five cents were withheld from his pay during that period, and he received a lump-sum payout of seventeen cents from Social Security. ^[23]

First Social Security pension beneficiary - The first monthly payment was issued on January 31, 1940 to [Ida May Fuller](#) of [Ludlow, Vermont](#). In 1937, 1938 and 1939 while working as a legal secretary, she paid a total of \$24.75 into the Social Security System. Her first check, dated January 31, 1940, was for \$22.54. After her second check, Fuller already had received more than she contributed over the three-year period. She lived to be 100 and collected a total of \$22,888.92, before she died in January 1975.

Social Security - 3

- Social Security was set up a pay-as-you-go system with present retiree pensions being paid from the Social Security taxes currently being collected from current workers
- The Social Security retirement age of 65 was set at a time when the average life expectancy was 63

23

Savings & Loan Associations

- Federally-chartered Savings & Loan Associations:
 - Could receive customer deposits into savings accounts
 - Were not allowed to offer checking accounts
 - Loans were restricted to mortgages on homes within a 50-mile radius
 - Deposits federally-insured by the Federal Savings & Loan Insurance Corporation

24

Savings & Loan Associations - To encourage home ownership, a new class of federally chartered savings-and-loan associations was empowered to take customer deposits and make residential mortgage loans, but within strictly defined limits. They could not offer checking accounts, lending was restricted almost solely to mortgages on homes within a fifty-mile radius of the home office, and they had to abide by strict capital and accounting requirements. The trade-off for all the restrictions was that depositors would be federally insured against losses up to \$5000, a critical business advantage in a country still staggering from massive Depression-era bank failures. Regulatory authority was centered in a new agency, the Federal Home Loan Bank Board, and the deposit guarantee was provided by the Federal Savings and Loan Insurance Corporation (FSLIC), an agency of the Bank Board. States also had the power to charter thrifts, but state-chartered thrifts could qualify for federal insurance by complying with Bank Board and FSLIC regulations. !! By the 1970s, about 80 percent of all S&Ls and thrifts were federally insured

Home mortgages - The savings-and-loan legislation was the foundation stone of an elaborate, and very successful, national housing strategy. The banking theory of the day held that commercial banks, because of the volatility of their core checking account deposits, should concentrate on making short-term working-capital loans to businesses, while savings and loans, with their "stickier" passbook savings accounts, would concentrate on long-term mortgage lending. The geographic restrictions on S&L lending reflected the view that housing was an inherently local industry, and that only local financial institutions could make adequate judgments of housing values and the ability of a home owner to carry a mortgage. The complete package included special tax breaks for home owners, federally insured mortgages, a variety of interest subsidies, and a federally sponsored mortgage corporation that bought up mortgages from banks and S&Ls to help them stay liquid."

S&L Accomplishments - For some thirty years, the S&L industry performed pretty much as its creators had hoped. The geographic lending restrictions ensured that S&Ls were small, local enterprises. Residential mortgages turned out to be excellent credit risks, and as household savings rose strongly both during and after the war, the S&L deposit base rose right along

Savings & Loan Associations - 2

- In order to ensure that Savings & Loan Associations had money to loan to home buyers, Congress in 1938 established the Federal National Mortgage Association (FNMA or “Fannie Mae”) as a government-sponsored enterprise
 - Purchased mortgages from the S & Ls and securitized them for sale to investors
- Until the Savings & Loan debacle of the 1980s, the Savings & Loans provided most of the home mortgages in the U.S.

25

The **Federal National Mortgage Association (FNMA)** ([NYSE: FNM](#)), commonly known as **Fannie Mae**, was set up as a [stockholder-owned corporation](#) chartered by Congress in 1968 as a [government-sponsored enterprise](#) (GSE), but founded in 1938 during the [Great Depression](#). The corporation's purpose is to purchase and [securitize](#) mortgages in order to ensure that funds are consistently available to the institutions that lend money to home buyers

Wagner Act

- Enacted in 1935 in response to the Supreme Court decision holding the NIRA unconstitutional
- Reestablished the National Labor Relations Board with the power to:
 - Investigate charges of unfair labor practices and
 - Conduct elections in which workers would decide whether they wanted to be represented by a union.
- Listed which types of actions on the part of the employer constituted unfair labor practices

26

Workers' efforts to organize in the 1920's were significantly limited by antitrust laws. The Wagner Act marked a significant change in government policy towards labor organizations in a context of economic depression. This change in mentality can be seen in Senate address on May 8, 1937, in which Roosevelt stipulated: "The right to bargain collectively is at the bottom of social justice for the worker, as well as the sensible conduct of business affairs. The denial or observance of this right means the difference between despotism and democracy."

Unfair labor practices - The original employer unfair labor practices consisted of: Interfering with, restraining or coercing employees in their rights under Section 7. These rights include freedom of association, mutual aid or protection, self-organization, to form, join, or assist labor organizations, to bargain collectively for wages and working conditions through representatives of their own choosing, and to engage in other protected concerted activities with or without a union. Section 8(a)(1)

Assisting or dominating a labor organization. Section 8(a)(2)

Discriminating against employees to encourage or discourage acts support of a labor organization. 8(a)(3)

Discriminating against employees who file charges or testify. 8(a)(4)

Refusing to bargain collectively with the representative of the employer's employees. 8(a)(5)

Effects of the Wagner Act

- Played a major role in the creation of the CIO and industrial unionism
- Led to the unionization of the auto, steel, rubber, and other large manufacturing industries
- Made “Big Labor” a major political and socio-economic force

27

Between the Wagner Act's adoption in 1935 and its approval by the Supreme Court in 1937, the NLRB was asked to conduct 76 elections in which workers could choose whether or not to be represented by a union; from that point until the end of 1940, the NLRB supervised 3,310 such elections. The American Federation of Labor (AFL) or Congress of Industrial Organizations (CIO) won over three-quarters of all such elections. Labor unions became a workplace reality for over a third of American workers, and even nonunionized workers began to share in improved wages and working conditions

Rural Electrification Administration (REA)

- Created in May 1935
- Made government loans to power companies and non-profit cooperatives to erect electrical transmission lines in rural areas
- Prior to REA, rural electrification had not been economically feasible since rural America had too few customers spread too far apart
- By 1940, a third of America's farms had acquired electricity

28

Creation in May 1935 of the Rural Electrification Administration (REA) made government loans available to assist power companies and nonprofit cooperatives in erecting electric transmission lines in rural areas. Previously that had not been commercially feasible because rural America had too few electric customers spread too far apart. Thus many rural dwellers continued to make do with wood, coal, kerosene, and candles for heat and light. Some farmers used a gasoline-powered generator or an extra automobile battery to obtain a little electricity, while others did without. The isolation and sense of backwardness resulting from lack of access to the electricity that powered urban America evaporated as soon as the REA brought electric lines into the countryside. By 1940 a third of American farms had acquired electricity, and ten years later 90 percent had done so. The ability to switch on electric lights, motors, and appliances transformed rural life both technologically and psychologically.

Fair Labor Standards Act of 1938

- Applied to employees and firms engaged either engaged in interstate commerce or in the production of goods shipped in interstate commerce
- Established a national minimum wage
- Established a standard work week of 40 hours with time and a half for overtime work
- Prohibited many forms of child labor
 - Employment of children under 16 in mining, manufacturing, and hazardous occupations

29

Minimum wage - The Fair Labor Standards Act of 1938 set the minimum wage at \$0.25 per hour.

Fair Labor Standards Act of 1938 - 2

- Effects of the Fair Labor Standards Act
 - Created the standard 5-day work week, with Saturday and Sunday off
 - Created the weekend as we know it
 - Led employers to either replace employees with machines or dispense with them entirely
 - Raised the living standards of low wage workers who could not be dispensed with by their employers

30

Weekend - The Fair Labor Standards Act, in effect, created the modern American weekend. The standard six-day workweek of nine, ten, twelve, or even more hours per day in nineteenth-century industry had gradually given way in some sectors of the economy during the early twentieth century to a five-and-a-half-day week, with a half-holiday on Saturday and a full day of rest on Sunday. The reduction in hours for so many workers during the 1930s moved the nation toward acceptance of a shorter workweek. The Fair Labor Standards Acts made a workweek with two full days free from obligatory labor the standard pattern, even when the economy revived.

Replacing employees – Where it was possible, employers simply let employees go rather than pay them the minimum wage or replaced employees with machines. One reason that elevator operators, milkmen, movie theater ushers, hotel doormen, and similar type employees no longer exist is that minimum wage and overtime laws made it unprofitable for employers to retain such employees.

Raised living standards – In situations where employees could not be dispensed with – such as waiters & waitresses, janitors, hotel maids, store clerks, and groundskeepers – wages and living standards went up.

The End of the New Deal

- Factors that brought about the end of the New Deal
 - Roosevelt’s “court packing” proposal
 - Decision to balance the budget
 - The 1937-38 Recession and the subsequent election of a Congress dominated by a coalition of Republicans & conservative Southern Democrats
 - Roosevelt’s growing focus on international affairs
 - The economic recovery brought about by increasing military expenditures

31

Legacies of the Great Depression - 1

- It made possible the triumph of Nazism in Germany and Fascist Nationalism in Japan, thus paving the way for World War II
- It led to the New Deal and the creation of the modern welfare state
- It led to government power being perceived as associated with the economic left instead of the economic right
 - Prior to the Great Depression, government power had been allied with economic power and social privilege. With the New Deal, economic out-groups began to look to the Federal Government for protection

32

Legacies of the Great Depression - 2

- It popularized the idea that the government should as a major policy goal ensure full employment
- It destroyed the appeal of classical economic liberalism to American economists and intellectuals for half a century
- It led to the conversion of many intellectuals and educated sons of the elite to Communism since the Soviet Union seemed unaffected by the Great Depression

33

Unemployment as the greatest of all evils - After the Great Depression and World War II, a consensus formed and hardened across North America. It was, in the words of Jane Jacobs *Dark Age Ahead*, 'We can endure meaningful trials and overcome them. But never again -- never, never -- will we suffer the meaningless disaster of mass unemployment.' To foreigners, it seems inconsistent that America promotes globalization of trade, yet also gives subsidies to American agriculture that sorely hurt poor African economies, claps tariffs on Canadian lumber and Brazilian steel, and sets quotas on imports of Chinese textiles. To American trade negotiators and lobbyists, however, there is no inconsistency in contradictory policies that, each in its own way, are calculated to promote jobs for Americans. Any institution, including a government agency, that is bent upon ecological destruction or an outrage on the built environment argues its case or bullies its opponents by righteously citing the jobs that supposedly will materialize or, even more effectively, the jobs that may be forfeited or jeopardized if the ugly deed is not done. To this day, no alternative disaster, including possible global warming, is deemed as dire a threat as job loss.

Towards World War II

34

Nye Committee

- Officially known as the Special Committee on Investigation of the Munitions Industry
- Headed by Senator Gerald Nye of ND
- Set up in 1934 to investigate the causes of U.S. involvement in World War I
- Revealed that between 1915-January 1917, U.S. banks had lent the Allies \$2.3 billion
- Documented the huge profits that arms factories had made during World War I

35

The **Nye Committee**, officially known as the **Special Committee on Investigation of the Munitions Industry**, was a committee in the United States Senate which studied the causes of [United States](#)' involvement in [World War I](#). There were seven members of the committee, which met between 1934 and 1936. Led by Senator [Gerald Nye](#), the committee also included Senators [Homer T. Bone](#), [James P. Pope](#), [Bennett Champ Clark](#), Walter F. George (D-GA), W. Warren Barbour (R-NJ), and [Arthur H. Vandenberg](#). [Alger Hiss](#) served as a temporary legal assistant to the staff of the committee. In total, the Nye Committee conducted 93 hearings and questioned more than 200 witnesses.

The committee reported that between 1915 and January 1917, the United States loaned Germany 27 million dollars. In the same period, the US loaned the United Kingdom and its allies 2.3 billion dollars, or about 85 times as much. From this data, some have concluded that the US entered the war because it was in American commercial interest for the United Kingdom not to lose.

During the 1920s and 1930s, dozens of books and articles appeared which argued that arms manufacturers had tricked the United States into entering World War I. In 1934, Senator Gerald P. Nye of North Dakota held hearings to investigate the country's involvement in World War I. The Nye Committee documented the huge profits that arms factories had made during the war. The investigation created the impression that these businesses influenced the United States' decision to go to war.

Nye Committee - 2

- Committee's report concluded that wartime loans and sales to the Allies was a factor in getting the U.S. into World War I
- Committee's report implied the notion that "merchants of death" (i.e. arms & munitions makers) not only profited from WWI but also conspired to get us into it
- Led to the passage of the various Neutrality Acts

36

It was precisely this postwar view that influenced Senator Gerald Nye's report on US neutrality in World War I and the role of war debt as a factor in declaring war. Speaking in the Senate in July 1939, Nye reiterated that: "No member of the Munitions Committee...has ever contended that it was munitions makers that took us to war. But that committee and its members have said again and again, that it was war trade and the war boom...that played the primary part in moving the United States into war.

Despite American neutrality, loans and trade with Britain and France during the war accelerated the need to see the Central Powers defeated. Even the *Lusitania* carried contraband munitions, a fact downplayed by Wilson but mentioned in Senator Robert LaFollette's anti-war speech of April 1917. American investment between 1915 and 1917 was one factor in entering the war. The 1936 Nye Report's investigation and analysis sought to avoid a similar financial entrapment as another continental war loomed in the 1930s.

Neutrality Act of 1935

- Imposed an embargo on arms and war materials to all parties in a war
- Declared that American citizens traveling on ships of warring nations do so at their own risk
- Set to expire after 6 months
- Invoked in the Italy-Ethiopia War

37

1935 Act - The 1935 act, signed on August 31, 1935, imposed a general embargo on trading in arms and war materials with all parties in a war. It also declared that American citizens traveling on warring ships traveled at their own risk. The act was set to expire after six months.

Neutrality Act of 1936

- Renewed the provisions of the Neutrality Act of 1935
- Forbade all loans or credits to belligerents
- Did not cover civil wars, such as the one in Spain from 1936 to 1939
- Did not cover oil or dual-use civilian-military items like trucks
- Loophole enabled U.S. companies to sell more than \$100 million to Franco

38

The Neutrality Act of 1936, passed in February of that year, renewed the provisions of the 1935 act for another 14 months. It also forbade all loans or credits to belligerents. However, this act did not cover "civil wars," such as that in Spain (1936-1939), nor did it cover materials such as trucks and oil. U.S. companies such as [Texaco](#), [Standard Oil](#), [Ford](#), [General Motors](#), and [Studebaker](#) used this loophole to sell such items to [Franco](#) on credit. By 1939, Franco owed these and other companies more than \$100,000,000.

Neutrality Act of 1937

- Reiterated the provisions of the earlier acts
- Extended them to include civil wars as well
- Had no expiration date
- Forbade U.S. ships from transporting any passengers or goods to belligerent nations
- Forbade U.S. citizens from traveling on the ships of belligerent nations
- Allowed the President to permit on a 'cash and carry' basis the sale of materials and supplies to belligerents in Europe as long as the recipients paid in cash and transported the goods themselves

39

The Neutrality Act of 1937, passed in May, included the provisions of the earlier acts, this time without expiration date, and extended them to cover civil wars as well. Further, U.S. ships were prohibited from transporting *any passengers or articles* to belligerents, and U.S. citizens were forbidden from traveling on ships of belligerent nations.

In a concession to Roosevelt, a "[cash and carry](#)" provision that had been devised by his advisor [Bernard Baruch](#) was added: the President could permit the sale of materials and supplies to belligerents in Europe as long as the recipients arranged for the transport and paid immediately in cash, with the argument that this would not draw the U.S. into the conflict. Roosevelt believed that cash and carry would aid France and Great Britain in the event of a war with Germany, since they were the only countries that controlled the seas and were able to take advantage of the provision.

Japan invaded [China](#) in July 1937, starting the [Sino-Japanese War \(1937-1945\)](#). President Roosevelt, who supported the Chinese side, chose not to invoke the Neutrality Acts since the parties had not formally declared war. In so doing, he ensured that China's efforts to defend itself would not be hindered by the legislation: China was dependent on arms imports and only Japan would have been able to take advantage of cash and carry. This outraged the isolationists in Congress who claimed that the spirit of the law was being undermined. Roosevelt stated that he would prohibit American ships from transporting arms to the belligerents, but he allowed British ships to transport American arms to China

Neutrality Act of 1939

- Allowed the sales of arms to belligerents on a 'cash and carry' basis
- Repealed the Neutrality Acts of 1935 and 1937
- Barred American citizens and ships from entering war zones designated by the President as such
- Charged the National Munitions Control Board with issuing licenses for all arms imports and exports

40

Early in 1939, after [Nazi Germany had invaded Czechoslovakia](#), Roosevelt lobbied Congress to have the cash and carry provision renewed. He was rebuffed, the provision lapsed, and the mandatory arms embargo remained in place. In September, after [Germany had invaded Poland](#) and Great Britain and France had subsequently declared war on Germany, Roosevelt invoked the provisions of the Neutrality Act but came before Congress and lamented that the Neutrality Acts may give passive aid to an aggressor.^[6] He prevailed over the isolationists and on November 4th the Neutrality Act of 1939 was passed, allowing for arms trade with belligerent nations on a cash and carry basis, thus in effect ending the arms embargo. Furthermore, the Neutrality Acts of 1935 and 1937 were repealed, American citizens and ships were barred from entering war zones designated by the President, and the National Munitions Control Board (which had been created by the 1935 Neutrality Act) was charged with issuing licenses for all arms imports and exports. Arms trade without a license carries a penalty of up to two years in prison.

Reactions – The International Scene

- Americans looked upon the international scene of the late-1930s with ambivalence
 - Generally appalled by what the Germans were doing in Europe and the Japanese were doing in China
 - Wanted to stay out of any war
 - Feared that at some point the U.S. would have to confront either Nazi Germany or Japan or both
- Led to two distinct lobbies which advocated opposite policies

41

Reactions to World War II

- Americans greeted the outbreak of war in Europe with the following emotions”
 - A strong desire for the U.S. to stay out of the war
 - 90% opposed U.S. entry into the war
 - A desire that the Allies would win the war
 - 80% expressed a wish that the Allies win the war
 - Only 1% expressed a desire for a German victory
 - A fear that that neither desire would be fulfilled

42

Fall of France

- The Fall of France in June 1940 came as a great shock to the American people
 - Provoked a fear that the U.S. was now vulnerable to attack
 - Led to U.S. rearmament
 - The Two-Ocean Navy
 - 50,000 planes
 - Large-scale expansion of the Army via the draft

43

Effect of the Fall of France – After the fall of France, there was a strong belief that Britain would lose the war, either by being invaded by Germany or suing for peace. The prospect of British defeat led to the not unrealistic fear that if the Germans defeated Britain, and captured intact the British and French fleets, then the combined German-Italian-British-French fleets, now under German command and control, would dominate the Atlantic, opening the U.S. East Coast to German invasion.

Naval rearmament – Among the items authorized in the 1940 Naval appropriations were the Iowa class battleships and the Essex class aircraft carriers – both of which started coming into service in 1943.

American Reactions -1

- Generated three divergent views on what U.S. policy should be
 - Interventionists – wanted U.S. to declare war on Germany
 - War Avoiders – wanted U.S. to stay out of the war but differed on what policy should be followed to achieve this end
 - Supporters of Aid to the Allies – Felt that the only way to keep the U.S. out of the war was to keep Britain and its allies in it and prevent a Hitler victory
 - Committee to Defend America by Aiding the Allies
 - Isolationists – U.S. should devote all of its resources to self-defense; rejected both Intervention and Aid to the Allies
 - America First Committee

44

American Reactions - 2

- Precipitated several major policy actions
 - Permanent Joint Board of Defense
 - Destroyers for Bases
 - Peacetime Draft
 - Congress, in the 1940 Defense Authorization Bill, provided for a “two-ocean navy”
 - Roosevelt proposed Lend-Lease
 - Congress approved Lend-Lease in March 1941

45

Joint Board of Defense -In the summer of 1940, the United States undertook several major measures. On August 18, Roosevelt and the prime minister of Canada, William Lyon MacKenzie King, met in Ogdensburg, New York to establish the Permanent Joint Board on Defense.

Destroyers for Bases - On September 2, Secretary of State Cordell Hull and British ambassador Lord Lothian signed papers to transfer fifty World War I destroyers to Britain. In order to avoid a bitter congressional debate, the president arranged for the transfer by executive order. In return, the United States acquired the right to make ninety-nine-year leases for American bases at such diverse British locales as Newfoundland, Bermuda, the Bahamas, Jamaica, and British Guiana.

Peacetime Draft - On September 16, the president signed a bill instituting the first peacetime draft in American history.

Lend-Lease. On December 17, 1940, Roosevelt in an address to the American peoples stated, “best defense of Great Britain is the best defense of the United States, and therefore that these materials would be more useful to the defense of the United States if they were used in Great Britain than if they were kept in storage here. Now, what I am trying to do is to eliminate the dollar sign. That is something brand new in the thoughts of practically everybody in this room, I think - get rid of the silly, foolish old dollar sign. Well, let me give you an illustration: Suppose my neighbor's home catches fire, and I have a length of garden hose 400 or 500 feet away. If he can take my garden hose and connect it up with his hydrant, I may help him to put out his fire. Now, what do I do? I don't say to him before that operation, "Neighbor, my garden hose cost me \$15; you have to pay me \$15 for it." What is the transaction that goes on? I don't want \$15 - I want my garden hose back after the fire is over. All right. If it goes through the fire all right, intact, without any damage to it, he gives it back to me and thanks me very much for the use of it. But suppose it gets smashed up - holes in it - during the fire; we don't have to have too much formality about it, but I say to him, "I was glad to lend you that hose; I see I can't use it any more, it's all smashed up." He says, "How many feet of it were there?" I tell him, "There were 150 feet of it." He says, "All right, I

Committee to Defend America by Aiding the Allies - 1

- Formed in May 1940
- Advocated U.S. military materiel support for Britain as the best way to keep the U.S. out of the war
- Opposed the Neutrality Acts
- Supported the destroyer deal & the draft
- Supported Lend-Lease

46

Committee to Defend America by Aiding the Allies - 2

- Headed by William Allen White
- Included 125 local chapters with regional offices in Chicago, Chapel Hill, San Francisco, and Boston
- Held numerous rallies and distributed 2 million copies of printed matter
- Included a whole host of eminent Americans

47

Members included Thomas K. Finletter (prominent Wall Street lawyer and later Secretary of the Air Force), Lewis Douglas (President of the Mutual Life Insurance Company), Adlai E. Stevenson, 5 state governors, Henry L. Stimson, Frank Knox, Retired RADM Harry Yarnell (former commander of the Asiatic Fleet), Philip Dunne (Hollywood screenwriter), Lewis Mumford, Henry Luce (publisher of *Time* and *Life*), Dean Acheson, and Reinhold Niebuhr.

America First Committee

- Established in September 1940 by Yale Law student R. Douglas Stuart
- Had 800,000 at its peak in 650 chapters
 - Was a collection of pacifists, anti-Semites, German-Americans, Communists, and Roosevelt-haters
- Headquartered in Chicago
- Headed by Sears executive Robert E. Wood
- Had many celebrity members, including several U.S. senators

48

Prominent members included Jane Adams (Hull House), Bruce Barton (BBD&O), Sen Theodore Bilbo, Fr Charles Coughlin, Charles Lindbergh, Henry Ford, William Randolph Hearst, Joseph P. Kennedy, Sen Robert M. LaFollette, Sen Robert Taft, Sen Arthur Vandenburg, actress Lillian Gish, Walt Disney, and socialist Norman Thomas.

America First Committee - 2

- Supported the Neutrality Acts
- Opposed Lend Lease on grounds that it weakened U.S. defenses at home and threatened to involve the U.S. in war abroad
- Believed the U.S. Navy and two oceans could protect the U.S. from invasion
- Believed that a large scale military buildup and intervention in World War II would create a garrison state that would be destructive of American liberty and lead to future subsequent wars

49

It might be noted that many ideas espoused by the isolationist Right in the late-1930s were to be espoused again in the 1960s by the New Left and other opponents of the Vietnam War. Congressman Howard Buffett, who was midwestern campaign manager for Robert A. Taft, Mr. Conservative, said: "Our Christian ideals cannot be exported to foreign lands by dollars and guns. We cannot practice might and force abroad and retain our freedom at home." This statement was quoted very approvingly by Carls Oglesby, an early president of the Students for a Democratic Society (SDS) in his *Containment and Change*. E.J. Dionne in his *Why Americans Hate Politics* states, "As opposition to the Vietnam War became ever more central to New Left politics, the warnings of the isolationists that a globally interventionist United States would become less democratic seemed nothing short of prophetic. "

The End of Neutrality

- The Lend-Lease Act of March 11, 1941
 - Allowed the U.S. to sell, lend, or give war materials to allied nations fighting the Axis
 - Was considered by Hitler an act of war
 - Led to German submarine attacks on U.S. merchant ships
 - Led to an undeclared naval war between U.S. destroyers and German submarines

50

Lend Lease - Approval of Lend-Lease - The bill was passed by the Senate on March 8, by a vote of 60-31, and by the House on March 11, by a tally of 317-71. The polls indicated public support for the legislation. The Act allowed the United States to sell, lend, or give military supplies to any nation whose defense the president deemed vital to U.S. security. In the words of *Newsweek* magazine, Roosevelt was being given permission to lend "anything from a trench shovel to a battle ship."

[Hitler](#) saw this as an act of war and consequently had submarines attack US ships such as the [SS Robin Moor](#), an unarmed merchant steamship destroyed by a German [U-boat](#) on 21 May, 1941.

Undeclared Naval War - In the fall of 1941, German U-boats sank several American destroyers: the *Greer* on September 4, the *Kearny* on October 17, and the *Reuben James* on October 30. U.S. destroyers, in turn, began attacking German U-boats.

The End of Neutrality - 2

- April 1941 – U.S. forces occupy Greenland
- April 1941 – U.S. Navy begins patrolling the Western Atlantic
- July 1941 – U.S. forces occupy Iceland
- July 24, 1941 – In response to the Japanese occupation of Indochina, Roosevelt:
 - Freezes all Japanese assets and credits
 - Embargoes the sale of scrap iron and petroleum to Japan

51

Throughout the spring and summer of 1941, further presidential moves swiftly followed. On April 9, Roosevelt announced an agreement with the Danish government-in-exile that gave the United States permission to occupy Greenland; on April 18, he proclaimed the establishment of a "Western Hemisphere Neutrality Patrol" in the western Atlantic, an area Germany had pronounced as a combat zone; on June 24, he ruled that the Soviet Union, which had been invaded by Germany four days earlier, qualified for lend-lease aid; on July 7, U.S. forces occupied Iceland. On July 24, Japan began its occupation of Indochina. The president immediately retaliated by freezing all Japanese credits, thereby bringing all trade to a halt and cutting Japan off from much-needed petroleum.

The End of Neutrality - 3

- Following the sinking of the *Greer* on September 4, 1941, Roosevelt:
 - Sought major modification of the Neutrality Act of 1939
 - Declared that U.S. naval forces would “shoot-on-sight” any German submarines
- Following the sinking *Reuben James* on October 31, 1941, most of the provisions of the Neutrality Acts were repealed in November 1941
 - U.S. merchant ships were armed and allowed to enter belligerent ports

52

Repeal of the Neutrality Acts - After the sinking of the U.S. destroyer *Greer* on September 4, 1941, Roosevelt, on September 11th, announced that U.S. naval forces would "shoot-on-sight" hostile craft and would escort British convoys three quarters of the way across the Atlantic. Within the month, the president sought modification of the Neutrality Act of 1939 in order to arm American merchantmen crossing the Atlantic and permit them to enter belligerent ports. On November 7, the Senate approved the revised act by a vote of 50-27, as did the House six days later by a vote of 212-94. Fifty-nine percent of poll respondents approved Congress's action

Aviation in the 1920s & 1930s

53

World War I and Aviation - 1

- The airplane fostered stalemate on the Western front
- World War I force-fed the development of aviation
 - It turned the airplane from an experimental toy into both a military weapon and a means of commercial and cargo transport
- World War I made the development of the aircraft industry both a defensive and offensive necessity

54

Stalemate – Prior to the airplane, it was very difficult to tell what was going on beyond enemy lines. Was the enemy massing for an attack or not? With the airplane and aerial reconnaissance, it became possible to detect enemy movements and preparations for offensive operations. In fact, it was French aerial reconnaissance of the German First Army's turn to the east of Paris to close a gap between it and the Second Army that enabled the French to use the Paris taxis to deploy its Parisian garrison to the Marne and halt the German offensive in the "miracle of the Marne."

Aircraft development – By the end of World War I, the airplane had revealed its potential as a future weapon of war – as a protector of friendly air-space against enemy intrusion, as a strategic bomber, as a provider of tactical air support of land and sea operations, including close air support (CAS). There was a widespread feeling that whichever country dominated the air in the next war would win the next war.

World War I and Aviation - 2

- World War I forged a strong link between the American government and the American aircraft industry
 - Air mail service via government contracts
 - National Advisory Committee for Aeronautics (NACA)
 - Funded a research facility at Langley Airfield VA
 - Air Commerce Act of 1926

55

By the time peace came in 1918, a strong link had been forged between the American military and the American aircraft industry. Many in the military had come to believe that the aircraft industry had to be kept healthy in order to provide for the national defense. One way was the institution of air mail service via Government contracts -- this was used to support not only the aircraft manufacturers but also the newly-created commercial airlines. !! Another way was via the creation of the National Advisory Committee for Aeronautics (NACA) which funded a research facility at Langley Airfield VA to support aeronautical research. !! A third way was via the Air Commerce Act of 1926 which authorized the Federal Government to authorize air routes, regulate air fares, and provide for passenger safety. By 1938, the Federal Government had the responsibility for air traffic control and aircraft accident investigation.

Air Mail Service

- Airline passenger service grew out of the Post Office mail service
 - Air mail service began in 1918 with daily flights between New York and Washington
 - In 1924, regular day and night air mail service was established between New York and San Francisco via Chicago and Cheyenne WY
 - A 1-ounce letter cost 24 cents, which was reduced to 5 cents in 1928

56

Aviation Legislation

- The 1926 Air Commerce Act
 - Vested regulatory powers over commercial aviation in the Commerce Department
 - Subsidized the building of airports and the establishing of a network of radio beacons, lights, emergency landing fields, and weather reporting stations

57

Lindbergh

- Lindbergh's flight to Paris had several consequences
 - First of the famous New York City tickertape parades, watched by 4 million people
 - Revived a flagging public interest in commercial aviation
 - Helped Lindbergh organize the Transcontinental Air Transport Company (later TWA)
 - Led to the establishment of other new airlines

58

Lindbergh - No event of the Twenties was more widely hailed than Lindbergh's flight across the Atlantic, and he became the unchallenged hero of the decade. For days all other news disappeared from the front pages of the nation's newspapers and people talked of little else. When Lindbergh returned to New York on the cruiser *Memphis*, 4 million people watched the first of the famous ticker tape parades. He was made a colonel in the Air Service Reserve and awarded the Congressional Medal of Honor. People kept his checks as souvenirs rather than cashing them. Lindbergh's flight revived flagging public interest in commercial aviation, and once the initial hullabaloo died down, he became technical adviser to several airlines and personally surveyed routes in the United States and Latin America. He was one of the organizers of Transcontinental Air Transport—later TWA—and it was called "the Lindbergh Line."

Other new airlines - Other new airlines included United Aircraft and Transportation, which became United Air Lines; the Aircraft Corporation, which developed into American Airlines; and North Atlantic Air, which was the predecessor of Eastern Airlines. By 1930, these lines and others were operating aircraft that carried between twelve and fifteen passengers on each flight, and were flying about 73 million passenger miles a year. The need for refueling stops and service hubs contributed to the development of Atlanta, St. Louis, and Fort Worth. Small fields blossomed on the fringes of towns all over the country, reminding some observers of the stage depots of the previous century

The DC-3

- The DC-3, which first flew on July 4, 1936, was the first modern airliner
 - It could carry 24 passengers and had a top speed of 230 mph
 - By 1939, it was carrying 90% of all airline passengers in the U.S.
 - Had all-metal construction, retractable landing gear, and stressed skin fuselages
 - Had such passenger amenities as stewardesses, reading lamps, call buttons, and upholstered seats

59

In 1932, 475,000 passengers flew by air; by 1941, thanks to the DC-3 and the creation of an airport infrastructure, 4 million did so.

Impact of the DC-3 and other aircraft

- Made transcontinental air travel possible
- Began the process of replacing the train and bus as the favored means of long-distance travel across the United States
- Began trans-Atlantic and trans-Pacific passenger flight service
- Gave rise to sun glasses

60

Rapid transcontinental air travel - With only three refueling stops, eastbound transcontinental flights across the U.S. taking approximately 15 hours became possible. Westbound trips took 17 hours 30 minutes because of typical prevailing headwinds—still a significant improvement over both earlier aircraft and train travel. Early U.S. airlines like [United](#), [American](#), [TWA](#) and [Eastern](#) ordered over 400 DC-3s. These fleets paved the way for the modern American air travel industry, quickly replacing [trains](#) as the favored means of long-distance travel across the United States.

Sun glasses - In the 1920s, Bausch & Lomb produced green goggle lenses for U.S. Army aviators troubled by glare from clouds. In the 1930s, they put the new glass into plastic frames and began selling them to the public under the trademark Ray-Ban.