

## **Mitchell's Musings 10-17-11: The Legacy of Movements**

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The advent, first of the Tea Party and then of the Occupy Wall Street movements, has produced a rash of media comment on political movements – in particular those that are associated with Hard Times and high unemployment. There is discussion of whether the Occupy Wall Street (and now other locations around the country) is a kind of Herbal Tea Party, i.e., whether the two are aligned in some way although found on opposite ends of the political spectrum.

It is natural in the aftermath of the Great Recession to look back at the Great Depression of the 1930s when various political movements attracted public attention and in some cases had long-term consequences. At the most general level, what seems to happen in periods of economic distress - when an impression grows that those in charge have mishandled things or are not adequately addressing the problem - is a tendency to bring fringe ideas forward. Such ideas and proposals may have been around for a long time but, absent other solutions, people are more receptive to anyone or any movement that claims to have the answer.

The first thing to say is that the movement that had the most dramatic and long-lasting effect was the labor movement – something the contemporary media seem totally to have missed. Yes, nowadays private-sector unions are back on the periphery of the labor market – as they were before the Great Depression. And, yes, public-sector unions are on the defensive now (in part because they lack the base they once had in the private sector). But these current circumstances do not alter the fact that unions played a major role in the economy for decades after the Great Depression.

Unions were considered to be of macroeconomic significance – particularly in the 1960s and 1970s – with the most tangible public policy consequence being various wage and price guidelines and controls programs. And they succeeded – at least for many years - in their twin objectives of recognition by major employers and improvements in pay and benefits. Even today, they remain a political base of support for one of the two major political parties. All of that aspect of history seems to have gotten lost in the media commentary on the Tea Party and the Occupy Wall Street movement. And it has been lost in the search by pundits for Great Depression parallels.

Other movements of the Depression era had consequences, but those consequences were not necessarily what the movements had sought. The appendix to this musing has video links to some of the more prominent movements of the 1930s, including the labor movement. In some cases, the movements of the Great Depression were tied to a single personality. Senator Huey Long – former governor of Louisiana - led a “Share the Wealth” movement with vague redistributive demands. But his movement largely ended with Long’s assassination in 1935. However, his son, Russell Long, later became an influential U.S. senator later and, in an echo of his father’s interests, promoted Employee Stock Ownership Plans (ESOPs) – which can be seen (and were seen by Russell Long) as a kind of wealth redistribution.

Catholic priest Father Charles Coughlin developed a large radio following for his programs featuring a mix of monetary theories including suspicion of the Federal Reserve, various monetary theories, demands for social justice, and - increasingly - anti-Semitism. Although he initially supported the New Deal, he turned vociferously against it. Ultimately, Coughlin, the remnants of the Long group, and Francis Townsend (see below) mounted a third-party campaign for president in 1936 – featuring an obscure candidate - which in the end had little impact. Coughlin’s movement largely withered when he was taken off the radio by the Church. But his strain of monetarism and money conspiracy theories continued and remains on the periphery today. It might be argued, however, that one indirect influence he had on a former parishioner led to a kind of activism many years later of which Coughlin would surely not have approved.<sup>1</sup>

A movement of World War I (then known as the Great War) veterans developed in response to the treatment of veterans by Congress and an earlier history regarding (northern) vets of the Civil War. Congress created a disability pension plan for Civil War vets that gradually morphed into a general pension for veterans (whether disabled or not) and their surviving spouses. As it expanded, the plan grew more and more expensive and became politically contentious. The result was that when World War I veterans – who were heralded for having saved the world for democracy – came back, they receive no pension plan and were mainly promised a bonus to be paid in the 1940s.

In 1932, the “Bonus Army” marched on Washington to demand immediate payment of the bonus – given the Depression and the need for cash – and camped out on the mall. Ultimately, the bonus marchers were dispatched by the Army. The spectacle of veterans attacked by the Army – seen throughout the country in movie newsreels – was shocking to the electorate and widely seen as the end of President Hoover’s hope for re-election. Although the Bonus Army’s demand was not met, an indirect effect was enactment of the GI bill for returning World War II vets. Washington did not have any appetite for a repeat of the Bonus Army and provided for generous treatment of World War II veterans.

Francis Townsend, an elderly doctor from Long Beach, California, had both a following and a cause that was more focused than either Long’s or Coughlin’s. Starting in the Depression, but in the era before Social Security was enacted, he came up with a proposal that everyone over age 60 should receive \$200 a month – a large sum at the time (\$400 for an elderly couple!) – from the federal government. To receive the payment, the elderly recipient would have to promise not to work (leaving more jobs for the young) and to spend all of money within the month (stimulating the economy).

The Townsendites succeeded in electing friendly congressional representatives and even senators. They were strongly *opposed* to the Roosevelt administration’s Social Security plan because it seemed very

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<sup>1</sup> Activist Tom Hayden, former California legislator and Chicago 7 defendant, was a parishioner in Father Coughlin’s church growing up in Detroit. Whether his activism stemmed from that earlier version of social justice is an interesting question. Catholic social teaching can be quite opposed to free-market capitalism and has spawned activism on both the political right and left.

stingy compared to Townsend's and was not slated to make its first payments until the 1940s. But, nonetheless, they indirectly and unwittingly helped enact Roosevelt's Social Security by turning the President's plan - which was for the time a radical proposal - into the moderate alternative to Townsend. They also spawned state-level versions of the Townsend plan, notably California's "Ham and Eggs" proposal that appeared twice on the state ballot and came close to passing the first time in 1938. At the state level, the pensionites did not attain the particular plans they wanted but they did succeed in boosting state old age payments.<sup>2</sup>

Novelist muckraker Upton Sinclair in California attracted a large following in his 1934 EPIC campaign for governor. (EPIC = *End Poverty in California*). He changed his party registration from Socialist to Democratic and captured the gubernatorial nomination. The EPIC plan was an amalgam of various ideas floating around at that time: cooperatives, monetary schemes, and economic planning. In a sense, EPIC was a caricature of the New Deal. A massive campaign defeated Sinclair but an indirect consequence was a shift in registration advantage from Republican to Democratic. Various EPIC Democrats were elected to the legislature even in the wake of Sinclair's defeat. Over time, they gradually became more conventional liberals.

Of course, any movement that attracts large numbers of people has the potential to have some kind of effect on public policy. But it does appear that movements that are highly dependent on a particular leader and/or are more focused on being against current arrangements than on specific agendas to change it tend to fizzle. In that respect, movements that arise in response to Hard Times may not be all that different from those arising in other periods and with other objectives.

The Civil Rights movement of the 1950s and 1960s which had both charismatic leadership and a focused object – ending segregation – had a long-term impact. In contrast, Ross Perot's campaign for the presidency was heavily focused on a personality and was mainly about being against the insiders in the two major political parties. Perot got 19% of the vote in 1992, substantially less in 1996, and essentially disappeared. Perhaps the key lesson from the movements of the Great Depression and other periods is that leadership and a doable agenda are most important in producing a long-term impact.

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<sup>2</sup> I have written about pensionite and other social movements in Daniel J.B. Mitchell. (2000). *Pensions, Politics, and the Elderly: Historic Social Movements and Their Lessons for Our Aging Society*. M.E. Sharpe.

## **Appendix on Multimedia Sources:**

### **Veterans**

\*World War I patriotic song promises a great future awaits returning war veterans:

<http://www.youtube.com/watch?v=FOWRMEAc8q0>

\*Abuse of veterans in the Great Depression reflected in popular culture:

Movies:

<http://www.youtube.com/watch?v=Gocdp6Nis5g>

<http://www.youtube.com/watch?v=2zn9taX9DWO>

and especially:

<http://www.youtube.com/watch?v=37-ocetYDdU> (...you put a rifle in his hands...)

Music:

<http://www.youtube.com/watch?v=llhRGUYMcfU> (...or guns to bare...)

Bonus March on Washington in 1932 (newsreel footage):

<http://www.youtube.com/watch?v=xkmo4ygPTjc>

### **Personalities:**

\*Father Coughlin (newsreel):

<http://www.youtube.com/watch?v=llhRGUYMcfU>

\*Father Coughlin (audio of sample radio programs):

[http://ia700304.us.archive.org/11/items/Father\\_Coughlin/FatherCoughlin\\_1937-04-11\\_ReliefThatFailsToRelieve.mp3](http://ia700304.us.archive.org/11/items/Father_Coughlin/FatherCoughlin_1937-04-11_ReliefThatFailsToRelieve.mp3)

[http://ia700304.us.archive.org/11/items/Father\\_Coughlin/FatherCoughlin\\_1938-12-11\\_JewsSupportCommunism.mp3](http://ia700304.us.archive.org/11/items/Father_Coughlin/FatherCoughlin_1938-12-11_JewsSupportCommunism.mp3) (You might Google Harry Bennett who is cited.)

\*Francis Townsend (newsreel):

<http://www.youtube.com/watch?v=B1004qUR7tY>

\*Huey Long (newsreel):

<http://www.youtube.com/watch?v=mdzAbxsjPRA>

\*Upton Sinclair: (Parts 1 and 2)

<http://www.youtube.com/watch?v=AS77eZVIsXc>

<http://www.youtube.com/watch?v=16xdCQIae4w>

**\*The Ham and Eggs Movement in California:** (audio of lecture)

<http://www.archive.org/details/HamEggsInThe21stCenturyDkSmithLectureByDanielJ.b.mitchellAt>

**\*The Labor Movement**

Enactment of the Wagner Act: (newsreel)

<http://www.youtube.com/watch?v=WSCExIoib5g>

Unionization at Ford:

[http://www.youtube.com/watch?v=vrvw\\_WRhUfog](http://www.youtube.com/watch?v=vrvw_WRhUfog)