

economic planning during World War I reinforced such ideas, and new recovery programs sprang from those beliefs.

AGRICULTURAL RECOVERY The sharp decline in commodity prices after 1929 meant that many farmers could not afford to plant or harvest their crops. Farm income had plummeted from \$6 billion in 1929 to \$2 billion in 1932. The Agricultural Adjustment Act of 1933 created a new federal agency, the Agricultural Adjustment Administration (AAA), which sought to control farm production by compensating farmers for voluntary cutbacks in production. Its goal was to raise farm prices by reducing supply. The money for benefit payments came from a processing tax levied on certain basic commodities—at the cotton gin, for example, or at the flour mill.

By the time Congress acted, however, the growing season was already under way. The prospect of another bumper cotton crop forced the AAA to sponsor a plow-under program. To destroy a growing crop was a “shocking commentary on our civilization,” Agriculture Secretary Henry A. Wallace lamented. “I could tolerate it only as a cleaning up of the wreckage from the old days of unbalanced production.” Moreover, given the oversupply of hogs, some 6 million pigs were slaughtered. It could be justified, Wallace said, only as a means of helping farmers do with pigs what steelmakers did with pig iron—cut production to fit the market and thereby raise prices.

For a while these farm measures worked. By the end of 1934, Secretary of Agriculture Wallace could report significant declines in wheat, cotton, and corn production and a simultaneous increase in commodity prices. Farm income increased by 58 percent between 1932 and 1935. The AAA was only partially responsible for the gains, however. A devastating drought that settled over the plains states between 1932 and 1935 played a major role in reducing production and creating the epic “dust-bowl” migrations so poignantly evoked in John Steinbeck’s *Grapes of Wrath*. Many migrant families had actually been driven off the land by AAA benefit programs that encouraged large farmers to take the lands worked by tenants and sharecroppers out of cultivation.

Although it created unexpected problems, the AAA achieved successes in boosting the overall farm economy. But conservatives opposed its sweeping powers. On January 6, 1936, in *United States v. Butler*, the Supreme Court, by a vote of six to three, declared the AAA’s tax on food processors unconstitutional. The administration hastily devised a new plan in the Soil Conservation and Domestic Allotment Act, which it pushed through Congress in six weeks. The new act omitted processing taxes and acreage quotas but provided benefit payments for soil-conservation practices that took land out of soil-depleting staple crops, thus indirectly achieving crop reduction.

The act was an almost unqualified success as an engineering and educational project because it helped heal the scars of erosion and the plague of dust storms. But soil conservation nevertheless failed as a device for limiting production. With their worst lands taken out of production, farmers cultivated their fertile acres more intensively. In response, Congress passed the Agricultural Adjustment Act of 1938, which reestablished the earlier programs but left out the processing taxes. Benefit payments would come from general federal funds. By the time the second AAA reached a test in the Supreme Court, changes in the Court's personnel had altered its outlook. This time the law was upheld as a legitimate exercise of the power to regulate interstate commerce. Agriculture, like manufacturing, was now held to be in the stream of commerce.

INDUSTRIAL RECOVERY The industrial counterpart to the AAA was the National Industrial Recovery Act (NIRA), the two major parts of which dealt with economic recovery and public-works projects. The latter part created the Public Works Administration (PWA), granting \$3.3 billion for public buildings, highway programs, flood control, and other improvements. Under the direction of Interior Secretary Harold L. Ickes, the PWA indirectly served the purpose of work relief. Ickes focused it on well-planned permanent improvements, and he used private contractors rather than workers on the government payroll. PWA workers built Virginia's Skyline Drive, New York's Triborough Bridge, the Overseas Highway from Miami to Key West, and Chicago's subway system.

The more controversial and ambitious part of the NIRA created the National Recovery Administration (NRA), headed by Hugh S. Johnson, a colorful retired army general. Its purpose was twofold: to stabilize business by reducing chaotic competition through the implementation of industry-wide codes that set wages and prices and to generate more purchasing power for consumers by providing jobs, defining labor standards, and raising wages. In each major industry, committees representing management, labor, and government drew up the codes of fair practice. The labor standards featured in every code set a forty-hour workweek and minimum weekly wages of \$13 (\$12 in the South, where living costs were lower), which more than doubled earnings in some cases. Announcement of a proviso prohibiting child labor under the age of sixteen did "in a few minutes what neither law nor constitutional amendment had been able to do in forty years," Johnson said.

Labor unions, already hard pressed by the economic downturn and a loss of members, were understandably concerned about the NRA's efforts to reduce competition by allowing competing businesses to cooperate in fixing

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