

Gifford Pinchot and the Politics of Hunger, 1932-1933

THE origins of the New Deal remain one of the most complex and confusing of historiographical problems. Perhaps its greatest impact for contemporary America lies in the bureaucratic apparatus it created to administer the national economy, and in its philosophical confirmation of the belief in the value of the public state. During the 1930's prominent political leaders in the country established a public state to match and balance the power exerted by the private, corporate sector of the economy, and to ameliorate the social inequalities which have inevitably accompanied the development of industrial capitalism. In 1932 and early 1933 a classic debate developed between Governor Gifford Pinchot of Pennsylvania and the directors of the Reconstruction Finance Corporation over federal responsibility for emergency relief. Out of that debate emerged the major thrust of the New Deal's relief efforts; at the same time, the classic pattern of unified federal-local responsibility for welfare and unemployment was firmly established.

Throughout 1931 and 1932 political and economic events in both Washington and Harrisburg were leading Pinchot and the R.F.C. into a direct confrontation. In Washington President Hoover had desperately hoped to avoid any direct federal intervention into the local relief situation. He had established the Reconstruction Finance Corporation to stabilize the banking and financial crisis, believing that once the financial community had overcome their fears of forced liquidation they would expand their credit lines and stimulate an economic recovery. Although the financial situation did stabilize temporarily in 1932, the hoped for credit expansion did not follow. By the spring of 1932, more than thirteen million people were walking the streets of the nation without jobs, food lines in major cities were longer than ever, and the capacity of private

charities and local public agencies to successfully handle the relief needs of the winter was almost completely depleted.

The inadequacy of Washington's relief preparations between 1930 and 1932 were all too apparent. Late in 1930 Hoover had established the Emergency Committee for Employment to coordinate the relief efforts of the nation's private charities, encourage localities to increase their level of public works, and to urge businessmen to maintain wages and production. Unfortunately, the Committee was ineffectual, languishing in its own rhetoric and providing no jobs.¹ Late in 1931 Hoover scrapped his Committee and replaced it with the President's Organization on Unemployment Relief. The results, unfortunately, were just as dismal. Unemployment remained high and hunger had become a nationwide dilemma.

In Harrisburg, the situation was similar. Ever since his victory over William S. Vare and the Philadelphia machine in 1930, Pinchot had vainly struggled to bring Pennsylvania's relief machinery into the modern era. He was seriously handicapped in this by the conservatives within his own party and by the provision in the Pennsylvania constitution which prohibited debt-financing of relief appropriations. By the spring of 1932, Pinchot, like Hoover, was confronting a social catastrophe: Pennsylvania had nearly 1,500,000 unemployed workers, and state, local, and private welfare resources appeared exhausted.²

Pinchot's only alternative was federal relief, and in 1931 he began making his views known. By 1932 his opinions had become demands. During that two-year period Pinchot became the nation's most effective advocate of federally financed relief. His membership in the Republican Party freed him from the criticisms that his campaign for relief was motivated by a partisan hostility for President Hoover. At the same time, Pinchot was a veteran politician and a statesman for reform. His reputation was nationwide, as was his influence. In November, 1931, he began his crusade by demanding

¹ W. E. Brown to Arthur Woods, Nov. 29, 1930, and Arthur Woods to Herbert Hoover, Nov. 21, 1930, Records of the President's Emergency Committee for Employment, National Archives; William Hall, "Our Doctor of Unemployment," *Review of Reviews*, LXXXII (December, 1930), 42-44; E. P. Hayes, *Activities of the President's Emergency Committee for Employment* (Concord, N. H., 1936), 48-89.

² Reconstruction Finance Corporation, Minutes, VII (Aug. 6, 1932), 292-293.

federal relief; he did not cease his efforts until his governorship ended. He was joined in the campaign by such prominent congressmen as Fiorello LaGuardia, Robert Wagner, and Edward Costigan, such city mayors as Anton Cermak of Chicago, state relief officials like Harry Hopkins of New York, and such famous social theorists and social workers as Isaac Rubinow, Florence Kelley, and Harry Laidler.³

Hoover could resist neither this pressure nor the dictates of his own conscience. To avoid appearing completely indifferent to the problems of unemployment and poverty, to fulfill his own deep sense of compassion, and to satisfy the increasingly vehement public demands for federal assistance, the President came up with an unprecedented piece of relief legislation.⁴ After consultation and planning sessions with the R.F.C.'s board of directors, the President, on May 31, 1932, addressed Congress and expressed his willingness to empower the federal government to provide relief assistance to localities where private and political agencies were unable to raise the needed funds.⁵ It was a crucial step in the abandonment of laissez-faire in America; for the first time in American history the federal government was about to assume responsibility for local relief inadequacies.

After considerable negotiations and compromises, the relief legislation was embodied in the Emergency Relief and Construction Act of 1932. It authorized the Reconstruction Finance Corporation to make up to \$300,000,000 in relief loans to the various states. At one point in the legislative process Hoover vetoed the bill, but his rejection of it was not based on the principle of federal relief. He vetoed it because Speaker of the House John Nance Garner had attempted to include in the bill a provision authorizing the R.F.C. to make unsecured and unrestricted loans to individuals and corporations. The President considered it an unacceptable violation of

³ Clarke A. Chambers, *Seedtime of Reform* (Ann Arbor, 1967), 195-200.

⁴ A sampling of thousands of demands by labor unions, social workers, the unemployed, and businessmen for some form of federal relief assistance can be found in the collections at the Herbert Hoover Presidential Library (HHPL). See, for example, Presidential File (PF), Subject File (SF), Reconstruction Finance Corporation (RFC), Box 275. Also see Lawrence F. Richey to Herbert Hoover, Jan. 23, 1932, Lawrence Richey Papers, HHPL.

⁵ See the unpublished memorandum on the Rapidan Conference, June 5, 1932, PF, SF, RFC, Box 229, HHPL; *Congressional Record*, LXXV (May 31, 1932), 11596-11598.

the prerogatives of the private banking community. He still supported, however, the relief appropriation.⁶ Hoover had sincerely hoped that such drastic action would prove unnecessary, that the economy would respond to voluntarism and patriotic appeals for unity and loyalty. But when his hopes failed to materialize and he saw the reality of the situation, he led the nation into the modern era of national responsibility for economic and welfare stability.

Late in July the R.F.C. initiated the organizational changes necessary to prepare for implementing the program. Gardner Cowles of the R.F.C. board conferred with Walter S. Gifford of the President's Organization on Unemployment Relief and obtained the permanent services of Fred C. Croxton, assistant director of the Organization, as Assistant to the Board of Directors of the R.F.C. Croxton was given charge of the new relief division of the Corporation, and he staffed it with other former employees of Hoover's relief organization.⁷ Croxton was well aware of the nation's welfare needs, particularly those of Pennsylvania.

From the outset the Corporation was flooded with applications from beleaguered state governors. Within less than a week after President Hoover had signed the bill, states began making large requests for R.F.C. funds. Pinchot led the way by requesting the maximum loan of \$45,000,000, and he was followed by the governors of Illinois, Ohio, Oregon, and New York. By August 1, one week after enactment of the legislation, well over \$200,000,000 had been requested.⁸ It was obvious that the existing cautiousness of the administration would be reinforced by the limitations of their funds. It had become quickly apparent that \$300,000,000 was simply not enough.

⁶ In the hearings before the Senate Committee on Banking and Currency, Ogden Mills, Hoover's Secretary of the Treasury, spelled out the administration position on the relief bill. The President opposed only Garner's provision for unlimited and unsecured loans; he still vigorously favored the provision for \$300,000,000 in federal funds for local relief. See U.S. Congress, Senate, Committee on Banking and Currency, *Hearings on S. 4632, S. 4727, and S. 4822, Bills Relating to Federal Loans to Aid Unemployment*, 72nd Congress, 1st Session, 1932, 3-11.

⁷ Reconstruction Finance Corporation, Minutes, VI (July 25, 1932), 978; *New York Times*, July 27, 1932.

⁸ B. M. Miller to George Cooksey, July 29, 1932, Records of the Reconstruction Finance Corporation, Emergency Relief to the States, Box 1, National Archives; *New York Times*, July 31, 1932.

To protect and preserve their limited funds, the R.F.C. found it necessary to devise an elaborate list of rules, prerequisites, and preconditions with which the states had to comply before relief funds would be granted. Concern for the preservation of initiative, voluntarism, and philanthropy came to outweigh concern over the inadequacy of national relief. All loan applications were to be received at the local R.F.C. loan agencies. Each state was required to make out a separate application for each political subdivision which requested a loan or which needed relief money. In the application the governor had to enumerate the funds at his disposal from local government funds, state funds, private charity resources, and from national philanthropic agencies. He then had to list all of the relief and work relief expenditures for each calendar month of 1931 and for 1932, and in detail explain the reasons for any increases or proposed increases for 1932. Finally, he had to list further actions the state would commit itself to in order to increase the revenues available for relief.⁹ Governor Pinchot's request for \$45,000,000 had actually been submitted before Hoover signed the Emergency Relief and Construction Act, and he therefore had to withdraw it to conform to the cumbersome and involved process the R.F.C. had established.

Upon receiving an application the Corporation's directors insisted upon a most careful scrutiny of its eligibility. The state had to go through a complete evaluation of its tax base, population size and demographic distribution, need for relief funds, administrative efficiency, and the nature of its administrative capacity to distribute relief funds. Three decisions were made which came to govern the nature of the relief program. First, the Corporation had to be fully convinced that each state had extended its taxation base to the limit. No federal funds would be granted when further state funds were available or could be raised. Second, the Corporation insisted that all states receiving aid must establish state, county, and municipal relief boards to administer the funds. Third, the directors

⁹ See the application forms used by the Corporation, Records of the Reconstruction Finance Corporation, Emergency Relief Bulletins, Boxes 1-8; Atlee Pomerene, *An Interpretation of the Relief Provisions of the Relief and Construction Act of 1932* (Washington, D. C., 1932), 3; Reconstruction Finance Corporation, *Emergency Relief Bulletin No. 1* (Washington, D. C., 1932), 1.

felt that funds should be allotted to furnish relief for short periods of time. Chairman Atlee Pomerene of the R.F.C. believed that "if aid were to be extended for a long period of time, there would be a greater temptation to depend upon the Federal government rather than upon the state or local government or private charities."¹⁰

For Pinchot, the R.F.C.'s complex procedural outlines meant one thing: relief funds from the federal government would be difficult to obtain in sufficient amounts. Earlier in the year Pinchot had argued that only a vast federal redistribution of the national income through taxation of the wealthy to finance relief programs would raise purchasing power enough to bring recovery.¹¹ At the very moment the R.F.C. was devising the means to control and restrict the granting of funds, Pinchot was facing an impossible situation. In Philadelphia alone more than 300,000 people were out of work, and one out of every five families applying for relief was rejected because the city's funds were reaching a state of exhaustion. The conditions in the coal regions and in all of the counties surrounding Pittsburgh were similar. Governor Pinchot was desperate and angry over the seeming insensitivity of the federal government.¹²

President Hoover, therefore, found himself in a very difficult position; the \$300,000,000 allocated for relief was obviously inadequate, yet it had to be distributed with some degree of equity and made to last throughout the coming year. In short, the President was in serious political trouble, for on the eve of the presidential elections the controversy between the R.F.C. and Pinchot became headline news.

The R.F.C. had granted some initial loans to Illinois and Ohio, and Pinchot had every reason to expect that a loan to Pennsylvania would quickly follow. In Ohio, for example, Governor George White had written the R.F.C. board of directors explaining that the state government had established the Ohio Relief Commission to administer relief funds; had authorized counties and cities to divert to relief purposes all revenue from gasoline and motor vehicle taxes;

¹⁰ Pomerene, 3-5.

¹¹ Gifford Pinchot, "The Case for Federal Relief," *Survey*, LXVII (January, 1932), 347-350.

¹² U.S. Congress, Senate, Subcommittee of the Committee on Manufactures, *Hearings on S. 4592, Federal Cooperation in Unemployment Relief*, 72nd Congress, 1st Session, 1932, 20-26; U.S. Congress, Senate, *Hearings on S. 5125, Federal Aid for Unemployment Relief*, 72nd Congress, 2nd Session, 1933, 5-21.

had levied a special relief tax on eleven public utilities; and had permitted the counties to issue bonds in anticipation of the tax. Early in August the state received a loan of \$850,000 for relief aid.¹³

On July 18, Pinchot had appealed to the R.F.C. for a loan of \$45,000,000, calling it a "conservative estimate of Pennsylvania's urgent relief needs."¹⁴ Later in the month he followed Ohio's example and created the State Emergency Relief Board to handle relief allocations. At that point he felt he had done all that was necessary.¹⁵

In Washington, however, the R.F.C. took exception to Pinchot's conclusion. On August 3 the R.F.C. board unanimously agreed that Pennsylvania had not done enough to meet its relief needs. Furthermore, the Corporation was upset over Pennsylvania's constitutional limitations on relief appropriations. Two days later, Pinchot and a delegation of state officials and social workers met with R.F.C. leaders to appeal the initial decision and to impress them with the catastrophe the state was undergoing. The R.F.C. board remained adamant, however, and Chairman Pomerene announced that the loan request would have to be refused. He informed Pinchot that while Illinois had recently provided an extra \$20,000,000 for relief, and Ohio had provided over \$25,000,000, Pennsylvania had come up with only \$10,000,000. And \$10,000,000, they felt, was simply not enough to justify any type of R.F.C. assistance. Not until the state legislature had raised more money would federal assistance be forthcoming.¹⁶

Still willing to cooperate, though becoming rapidly less patient, Pinchot decided to work through channels for the time being; he did not make the extent of his disenchantment with the R.F.C. public. He simply objected to the Corporation's postponement of the loan, claiming that the people of Pennsylvania were already

¹³ Louis Emerson to R.F.C. Board of Directors, July 19, 1932; George White to R.F.C. Board of Directors, July 27, 1932, Records of the Reconstruction Finance Corporation, Emergency Relief, Illinois: Boxes 25-27 and Ohio: Box 76; also see the Illinois relief grants in the Archives' Emergency Relief records, Boxes 26-29.

¹⁴ Gifford Pinchot to R.F.C. Board of Directors, July 18, 1932, Records of the Reconstruction Finance Corporation, Emergency Relief, Pennsylvania, Box 88.

¹⁵ Reconstruction Finance Corporation, Minutes, VII (Aug. 2, 1932), 58.

¹⁶ *Ibid.*, 56-59.

overtaxed and that relief services were all but nonexistent.¹⁷ At the same time, however, Pinchot's arguments were undermined by Illinois. The state legislature, in preparation for another loan request from the Corporation, had doubled the property tax, hoping to bring in another \$25,000,000 for relief. The R.F.C. quickly responded with a loan amounting to \$6,000,000.¹⁸

On August 19 Pinchot relented and informed Chairman Pomerene that a \$12,000,000 bill for unemployment relief had been passed by the Pennsylvania General Assembly. It would be partly financed through the one-per-cent sales tax which the Assembly had recently approved. He informed the R.F.C. that the Assembly had also passed a bill authorizing political subdivisions within the state, both counties and cities, to borrow against unallocated, delinquent taxes for relief purposes, and he had initiated a constitutional amendment providing for repayment to the subdivision by the state of the money they spent, up to \$25,000,000. He then reiterated his request for a loan of \$45,000,000.¹⁹

Once again the Corporation refused Pinchot's request, and urged him to raise another \$20,000,000 revenue through imposition of a two-per-cent gasoline tax, a diversion of highway funds, and an occupational tax.²⁰ It was too much for the Governor; he had reached the end of his rope. In September he made public the deep bitterness he felt toward the R.F.C., and he began to gather national political support for his position. Pinchot appealed to Senator Robert Wagner about the intention of the Emergency Relief and Construction Act, and Wagner told him that

our first and undeviating objective in the making of the relief and construction act was the extension of aid to the hungry and destitute. In the practical administration of the act that purpose must be the final arbiter

¹⁷ *Ibid.*, VII (Aug. 6, 1932), 292-293.

¹⁸ *Ibid.*, VII (Aug. 18, 1932), 896-898.

¹⁹ Gifford Pinchot to Atlee Pomerene, Aug. 19, 1932, Records of the Reconstruction Finance Corporation, Emergency Relief, Pennsylvania, Box 88; *New York Times*, Aug. 17, 1932.

²⁰ Fred C. Croxton to Gifford Pinchot, Aug. 30, 1932, Records of the Reconstruction Finance Corporation, Emergency Relief, Pennsylvania, Box 88; U.S. Congress, Senate, Subcommittee of the Committee on Manufactures, *Hearings on S. 5125, Federal Aid for Unemployment Relief*, 72nd Congress, 2nd Session, 1933, 336; *New York Times*, Sept. 21, 1932; *Philadelphia Record*, Sept. 23, 1932; *Philadelphia Public Ledger*, Sept. 23, 1932.

of every question. No administrative policy, the result of which is that the hungry and needy are denied adequate assistance, conforms to the intent of Congress in writing this humanitarian legislation.²¹

The debate was on.

Throughout September Pinchot continued his attack. Earlier in the year he had termed the R.F.C. a dole to the wealthy,²² and he was ready to make the same charges again unless the R.F.C. surrendered. The Corporation, however, had no intention of capitulating, and in an address to the Welfare and Relief Mobilization Conference in Washington, D. C., Atlee Pomerene made the administration's objections to Pinchot crystal clear. He informed the conference participants that the unemployment relief division of the Corporation would be no grab-bag for states which were unwilling to sustain themselves. Federal funds, he said, should be used "only when the resources of the state or territory are inadequate for relief." Pomerene went on to explain that

this means that Federal funds may be used only when all monies then available or those which can be made available, are not sufficient. This means that private contributions must be resorted to. If and when all of these sources of revenue are found to be insufficient, then the government of the United States places three hundred millions of dollars at the disposal of the R.F.C. to be distributed in accordance with its good judgment.²³

Only when the state's entire capacity for relief funding, both public and private, had been exhausted, would the federal government intervene. "To take any other position would be to destroy the fine sentiment of brotherly love which is prevalent in every section of the country."²⁴

For Pinchot, it was the last straw. His people were starving, and the administration was preaching voluntarism and the necessity to preserve charity and brotherly love in the nation. On September 21

²¹ Robert F. Wagner to Gifford Pinchot, Sept. 20, 1932, Gifford Pinchot Papers, Box 2597, Library of Congress; also see *New York Times*, Aug. 8, 1932; *Philadelphia Record*, Sept. 25, 1932; also see the press releases of Governor Pinchot during August and September, 1932, Gifford Pinchot Papers, Box 2598.

²² *New York Times*, Mar. 17, 1932; *Philadelphia Public Ledger*, Mar. 17, 1932.

²³ Pomerene, 2-5.

²⁴ *Ibid.*, 4.

he made a personal appeal to the President to cut through the red tape and grant the loan. Pinchot was frustrated not only with the multitude of forms and reports the R.F.C. required, but also with their apparent detachment from the agony and suffering which was engulfing the nation. Finally, on the twenty-fourth Pinchot leveled the ultimate weapon at Hoover, charging him with possessing a sympathy only for the rich. In a well-publicized and bitter letter to Pomerene, he charged that "in giving help to the great banks, great railroads, and great corporations you have shown no such niggardly spirit . . . our people have little patience with giving everything possible to the big fellow and as little as possible to the little fellow."²⁵ Coming from a member of the Republican Party, the attack was politically devastating for Hoover. Three days later the Corporation granted Pennsylvania a loan of \$2,500,000.²⁶

The Pennsylvania governor, however, was not about to be satisfied with such a paltry appeasement, and throughout the winter he engaged in a running battle with R.F.C. officials over the amounts of money they offered his state. In the middle of October the Governor demanded that the R.F.C. make relief funds available to Pennsylvania through April 1, 1933. For the governor it was too difficult to plan the state's relief program adequately if federal funds were to be granted for only thirty-day periods. On October 22 Fred Croxton informed him that R.F.C. policy would not permit such a long-term relief grant and that the state of Pennsylvania would just have to be satisfied.²⁷ Pinchot was incensed, and one week later he led a protest delegation of state officials to Washington to confront the Corporation. At the meeting the governor bitterly complained that Illinois, with a smaller unemployed population than Pennsylvania, had so far received \$20,000,000 in loans, while loans to Pennsylvania, including a second tentative grant made to cover relief needs in November, amounted to only \$5,000,000. He pleaded with the Corporation to recognize the fact that Pennsylvania now had a sophisticated relief commission capable of operation in every county and city, and that the state's industrial areas were in desperate

²⁵ *New York Times*, Sept. 21, 1932; Gifford Pinchot to Atlee Pomerene, Sept. 24, 1932, Gifford Pinchot Papers, Box 2597.

²⁶ Reconstruction Finance Corporation, Minutes, VIII (Sept. 27, 1932).

²⁷ Fred C. Croxton to Gifford Pinchot, Oct. 22, 1932, Gifford Pinchot Papers, Box 2597.

straits. When Jesse Jones urged patience and Pomerene asked Pinchot what more the state legislature would do for relief, the governor refused to answer and abruptly terminated the meeting.²⁸

Once again the governor's tactics paid off, for on the third of November the R.F.C. extended another loan to his state, this time for \$5,462,265. As usual, Pomerene accompanied the grant with a stern warning. The entire R.F.C. board of directors had been seriously agitated with Pinchot's last application. In his outline of the state's resources and projected relief needs for the month, Pinchot had indicated that \$9,500,000 was needed, of which \$1,500,000 was to come from state funds and \$1,000,000 from private sources. He therefore requested a \$7,000,000 loan from the Corporation; the Corporation expressed its unwillingness to carry over 70 per cent of the relief burden for the state of Pennsylvania. As Pomerene argued, "The figures above clearly indicate that the State and some of its local political subdivisions are not doing their duty to the people of the state in meeting distress."²⁹

Following the election in November, Pinchot brought his campaign to its symbolic climax by making a public appeal to Senator Edward P. Costigan. Pinchot charged that red tape, one-month grants, and restricted funds seriously handicapped his state's relief program. He also accused the R.F.C. and the Hoover administration of granting assistance to Pennsylvania only because of the national election. Without that, he argued, Pennsylvania would have received little or no relief. The governor then asked Costigan to initiate an investigation of the R.F.C. and make plans for an expanded federal relief program.³⁰

With that request, the controversy, at least between Pinchot and the R.F.C., subsided somewhat. The debate, though often bitter and frustrating, was a necessary stage in the development of the welfare state in America. The hostilities and accusations seriously colored the issue in the early 1930's: Pinchot considered Hoover and the R.F.C. officials to be cold, detached, and apathetic, while they looked upon him as one who favored federalizing the entire society.

²⁸ Records of the Reconstruction Finance Corporation, "Transcripts of Board Notes," Oct. 28, 1932; *Philadelphia Public Ledger*, Oct. 29, 1932.

²⁹ Atlee Pomerene to Gifford Pinchot, Nov. 8, 1932, Gifford Pinchot Papers, Box 2597.

³⁰ Gifford Pinchot to Edward Costigan, Nov. 16, 1932, *ibid.*

Both pictures were quite distorted and both groups failed to recognize the essential contribution each had made.

Pinchot had been responsible for forcing the entire issue of welfare politics into the national arena and then of forcing a decision. In terms of Pennsylvania he had literally squeezed blood out of a turnip in getting more than \$27,000,000 in relief assistance from the R.F.C. by the end of the Hoover administration.³¹ Out of the controversy which he fostered came the investigations of Costigan, LaFollette, and Wagner in early 1933 and the early relief legislation of the New Deal. The Federal Emergency Relief Act, enacted during the famous "One Hundred Days," was the product of those investigations and hearings. That New Deal program fulfilled completely Pinchot's conception of what federal relief should be. Funds were distributed quickly, liberally, and with a minimum of red tape. It was all he had wanted during the Hoover administration.

What Pinchot did not realize was that the efficiency of the Federal Emergency Relief Administration was a product of the R.F.C.'s demands and restrictions. The Federal Emergency Relief Act appropriated \$500,000,000 to enable the new Federal Emergency Relief Administration to carry on the work of the emergency relief division of the Reconstruction Finance Corporation. By mid-May, 1933, the R.F.C. had disbursed all of its original \$300,000,000 and the Corporation's officials were constantly urging President Roosevelt to hurry and nominate an administrator for the new program so that more funds could be distributed during late May and June. The F.E.R.A. picked up right where the R.F.C. left off.³²

In Pennsylvania, the success of the Federal Emergency Relief Administration was largely the result of the preparatory work the R.F.C. had done. In the first place, Harry Hopkins, the man Roosevelt had selected to head the new agency, drew heavily on R.F.C. relief personnel to staff his agency. Hopkins found the Pennsylvania State Emergency Relief Board completely acceptable, and he funneled all F.E.R.A. funds through the Board. He also followed many of the R.F.C.'s guidelines. He left the main burden of administration

³¹ See an unpublished memorandum of R.F.C. relief disbursements in PF, SF, Reconstruction Finance Corporation, Feb. 6, 1933, HHPL.

³² Fred C. Croxton to Louis Howe, May 15, 1933, Official File 643, Reconstruction Finance Corporation, Box 1, Franklin D. Roosevelt Presidential Library.

up to the state government; he required that all work projects sponsored by the F.E.R.A. in Pennsylvania had to be public rather than private in nature; all recipients of relief in Pennsylvania had to be destitute; and no project worker could replace an already employed worker. Finally, and most important, Hopkins drew heavily for information and background on the area studies of Pennsylvania which R.F.C. relief workers had completed in 1932-1933. So in terms of personnel, procedure, local administrative machinery, and information, Hopkins was quite dependent upon the work the R.F.C. had already completed. It is doubtful whether Hopkins ever would have been able to get the F.E.R.A. off to such a quick start without the preliminary work the Corporation had done.³³

The politics of relief in 1932-1933, as debated by Gifford Pinchot and the Reconstruction Finance Corporation, though painful and controversial, was actually a powerful element in defining America's welfare state. Pinchot imbued the issue with a moral fervor and forced an expansion of the federal government's activities; the Reconstruction Finance Corporation, in addition to being the first federal institution to take responsibility for local relief, also laid the groundwork for the New Deal's relief program and for contemporary America's system of cooperatively financed federal and local welfare programs.

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³³ R.F.C. Board of Directors to A. H. Vandenberg, Mar. 13, 1933, in Reconstruction Finance Corporation, Minutes, XIV (Mar. 13, 1933), 846-848; U.S. Congress, Senate, Subcommittee of the Committee on Banking and Currency, *Hearings on S. 5336, Further Unemployment Relief Through the R.F.C.*, 72nd Congress, 2nd Session, 1933, 8; William F. McDonald, *Federal Relief Administration and the Arts* (Columbus, Ohio, 1969), 15-16, 25-26; Robert Sherwood, *Roosevelt and Hopkins* (New York, 1948), 46; Searle F. Charles, *Minister of Relief: Harry Hopkins and the Depression* (Syracuse, 1963), 29; Russell H. Kurtz, "American Relief Caravan," *Survey*, LXIX (January, 1933), 11-12. For the area studies of Pennsylvania and other areas which Hopkins used in initiating the work of the F.E.R.A. see the Harry Hopkins Papers, Box 41, Franklin D. Roosevelt Presidential Library.